



**BAKER TILLY
A&C**

**CÔNG TY TNHH KIỂM TOÁN VÀ TƯ VẤN A&C
A&C AUDITING AND CONSULTING CO., LTD.**



FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED 31 DECEMBER 2015

**POWER ENGINEERING
CONSULTING JOINT STOCK
COMPANY 4**

CONTENTS

	Page
1. Contents	1
2. Statement of the Board of Directors	2 - 5
3. Independent Auditor's Report	6
4. Balance sheet as of 31 December 2015	7 - 10
5. Income statement for the fiscal year ended 31 December 2015	11
6. Cash flows statement for the fiscal year ended 31 December 2015	12 - 13
7. Notes to the financial statements for the fiscal year ended 31 December 2015	14 - 45
8. Appendix 1: Statement of fluctuation in owner's equity for the fiscal year ended 31 December 2015	46

STATEMENT OF THE BOARD OF DIRECTORS

The Board of Directors of Power Engineering Consulting Joint Stock Company 4 (hereinafter referred to as “the Company”) presents this statement together with the audited Financial Statements for the fiscal year ended 31 December 2015.

Business highlights

Power Engineering Consulting Joint Stock Company 4 was established on the basis of transforming state - owned company namely Power Engineering Consulting Company 4 to joint stock company.

Power Engineering Consulting Joint Stock Company 4 has officially operated from 1 August 2007 in line with the Business Registration Certificate No. 3703000280 dated 1 August 2007 granted by Khanh Hoa Investment and Planning Department. During its operation course, the company has modified the Business Registration Certificates as follows:

<u>Amendment time</u>	<u>Date</u>
1 st	19 May 2008
2 nd	12 June 2009
3 rd	5 December 2009
4 th	19 August 2010
5 th	30 July 2011
6 th	25 October 2011
7 th	20 July 2012
8 th	2 March 2013
9 th	4 July 2013
10 th	7 January 2014
11 th	17 July 2014

Power Engineering Consulting Joint Stock Company 4 has inherited all the interests of Power Engineering Consulting Company 4 starting from the date of Business Registration Certificate for joint stock company.

Charter capital of the company in line with the Business Registration Certificate for the 11th time is as follows:

<u>Shareholders</u>	<u>Share capital (VND)</u>	<u>Ratio (%)</u>
Electricity of Vietnam (EVN)	104.478.440.000	71,56
Others	41.517.700.000	28,44
Total	145.996.140.000	100,00

The company’s shares have been listed on Ha Noi Stock Exchange under the code of TV4.

Principal business activities of the company as in Business Registration Certificate:

- Testing, surveying and certifying eligibility of bearing safety, certifying suitability of construction quality.
- Providing consulting service for power project, network, lightning and new and renewable energy.
- Designing hydraulic projects.
- Establishing power development plan for the region, provinces, cities, districts and precincts and development plan for new and renewable energy.
- Topographical investigation and survey investigation of works, hydrogeology, geotechnics.

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

REPORT OF THE BOARD OF DIRECTORS (cont.)

- Investing, measuring, observing meteorology, work hydrogeology.
- Treating foundation consolidation, comprising of measuring and plotting geological map for works, hydrogeology, boring, investigation excavation, geophysics, construction materials investigation and grouting.
- Providing service for measuring and plotting topographical map and land survey map, works deformation control.
- Project supervision and investigation.
- Providing consulting service for establishment of pre-feasibility study report, feasibility study report; establishment of bidding documents, tender documents evaluation.
- Project construction supervision. Supervision of power project, networks, civil industry and hydraulics works.
- Providing consulting service for design of tertiary highway construction, designing on structure for tertiary civil works to 6 floors, quadruple industrial works, designing on architecture for tertiary civil and industrial works.
- Testing on water analysis, testing on physical-mechanical properties of soils and rocks, works' foundation and construction materials, testing and verifying project quality, testing and analyzing environment criteria.
- Providing consulting service for examination, evaluation of pre-feasibility study report, feasibility study report, technical design, working drawings, total invested capital, total cost estimate, estimated cost; bidding documents for construction projects.
- Consulting environment, investing and preparing report on compensation, sedentary farming and settlement of construction products. Consulting construction project management.
- Testing, analyzing and evaluating environmental criteria.
- Environmental supervision.
- Producing and trading electricity.
- Trading activities involved to equipment materials import and export.
- Trading software and IT equipments.
- Processing and manufacturing power components, materials.
- Power installation.
- Trading hotel.
- Transporting goods by cars.
- Trading real estates and leasing offices.
- Trading hotels.
- Testing, analyzing and evaluating environmental criteria. Consulting on environment. Environmental impacts investigation and evaluation. Environmental supervision.

Head office

Address : No. 11 Hoang Hoa Tham, Nha Trang City, Khanh Hoa Province
Tel : (058) 3563 999
Fax : (058) 3 563 888
Website : www.pecc4.vn

Affiliates:

Branches	Address
Branch in Northern	Lot 3 - TT4 Lane 183 - Hoang Van Thai Street - Khuong Trung Ward - Thanh Xuan District - Ha Noi City
Branch in Southern	No. 46/8 Tran Quy Khoach St - Tan Dinh Ward - District 1 - Ho Chi Minh City

The Board of Management and the Board of Directors

The Board of management and the Board of Directors of the company during the year and to the date of this statement include:

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

REPORT OF THE BOARD OF DIRECTORS (cont.)

Board of Management

Full name	Position	Appointing date/ resigning date
Mr. Pham Minh Som	Chairman	Appointing on 21 April 2012
Mr. Tran Hoai Nam	Member	Appointing on 21 April 2012
Mr. Nguyen Duy Binh	Member	Appointing on 20 April 2015
Mr. Tran Van Tho	Member	Appointing on 21 April 2012
Mr. Vu Thanh Danh	Member	Appointing on 21 April 2012
Mr. Nguyen Gia Phu	Member	Resigning on 20 April 2015

The Control Board

Full name	Position	Appointing date/ resigning date
Mr. Vu Ngoc Thu	Header	Appointing on 21 April 2012
Mr. Tran Vinh Thai	Member	Appointing on 25 April 2013
Ms. Vuong Xuan Thi Lien	Member	Appointing on 21 April 2012

The Board of Directors

Full name	Position	Appointing date/ resigning date
Mr. Pham Minh Son	General Director	Appointing on 16 August 2012
Mr. Pham Ngoc Son A	Deputy General Director	Appointing on 01 June 2013
Mr. Tran Hoai Nam	Deputy General Director	Appointing on 16 August 2012
Mr. Nguyen Xuan Phuong	Deputy General Director	Appointing on 20 March 2015
Mr. Vu Thanh Danh	Chief Accountant	Appointing on 16 August 2012

Auditors

A&C Auditing and Consulting Co., Ltd. has performed the review on the financial statements for the the fiscal year ended 31 December 2015.

Responsibilities of the Board of Directors

The Board of Directors of the Company is responsible for the preparation of the Financial Statements to give a true and fair view of the financial position, the financial performance and the cash flows of the Company during the year. In order to prepare these Financial Statements, the Board of Directors must:

- select appropriate accounting policies and apply them consistently;
- make judgments and estimates prudently;
- state clearly whether the accounting standards applied to the Company are followed or not, and all the material differences from these standards are disclosed and explained in the Financial Statements;
- prepare the Financial Statements of the Company on the going-concern basis, except for the cases that the going-concern assumption is considered inappropriate;
- design and implement effectively the internal control system in order to ensure that the preparation and presentation of the Financial Statements are free from material misstatements due to frauds or errors.

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**CÔNG TY TNHH KIỂM TOÁN VÀ TƯ VẤN A&C
A&C AUDITING AND CONSULTING CO., LTD.**

No. 020/2016/BCTC-KTTV



Headquarters : 2 Truong Son St., W. 2, Tan Binh Dist., Ho Chi Minh City
Tel: (84.8) 3 5472972 - Fax: (84.8) 3 5472970
Branch in Ha Noi : 40 Giang Vo St., Dong Da Dist., Ha Noi City
Branch in Nha Trang: 18 Tran Khanh Du St., Nha Trang City
Branch in Can Tho : 162C/4 Tran Ngoc Que St., Can Tho City
www.a-c.com.vn

INDEPENDENT AUDITOR'S REPORT

THE OWNER, THE SHAREHOLDERS, THE BOARD OF MANAGERMENT AND THE BOARD OF DIRECTORS

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

We have audited the accompanying financial statements of Power Engineering Consulting Joint Stock Company 4 (hereinafter referred to as "the company"), which were prepared on 26 February 2016 (from page 7 to page 46) including the balance sheet as of 31 December 2015, the income statement, the cash flow statement for the fiscal year then ended 31 December 2015 and the notes to the financial statements.

Responsibility of the Board of Directors

The company's Board of Directors is responsible for the preparation, true and fair presentation of the financial statements in accordance with the Vietnamese accounting standards and system as well as the legal regulations related to the preparation and presentation of the financial statements; and responsible for the internal control as the company's Directors determine necessary to enable the preparation and presentation of the financial statements to be free from material misstatement due to fraud or error.

Responsibility of Auditors

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical standards and requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion of Auditors

In our opinion, the financial statements referred to above, give a true and fair view, in all material respects, the financial position as of 31 December 2015 of Power Engineering Consulting Joint Stock Company 4, as well as its financial performance and its cash flows for the fiscal year then ended 31 December 2015 in conformity with the prevailing Vietnamese accounting standards and system as well as the other legal regulations relevant to preparation and presentation of financial statements.

This report is made in two languages (Vietnamese and English), both of equal validity. The Vietnamese version will be the original for reference when needed.

For and on behalf of
A&C Auditing and Consulting Co., Ltd.
Nha Trang Branch



Nguyen Van Kien - Director

Audit Practice Registration Certificate No. 0192-2013-008-1

Hang Quynh Hanh - Auditor

Audit Practice Registration Certificate No. 0963-2013-008-1

Nha Trang, 2 March 2016

POWER ENGINEERING CONSULTING CO., LTD.

Address: No.11 Hoang Hoa Tham - Nha Trang City - Khanh Hoa Province

FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2015

BALANCE SHEET

As of 31 December 2015

Unit: VND

ITEMS	Code	Note	Ending balance	Beginning balance
A - CURRENT ASSETS	100		106.716.218.995	134.137.748.064
I. Cash and cash equivalents	110	V.1	22.446.436.893	30.619.889.296
1. Cash	111		8.446.436.893	7.819.889.296
2. Cash equivalents	112		14.000.000.000	22.800.000.000
II. Short-term financial investments	120		-	-
1. Trading securities	121		-	-
2. Provisions for devaluation of trading securities	122		-	-
3. Held-to-maturity investments	123		-	-
III. Short-term receivables	130		70.887.111.072	88.919.489.824
1. Short-term trade receivables	131	V.3a	71.152.693.943	98.352.616.678
2. Short-term prepayments to suppliers	132	V.4	2.596.806.461	3.319.577.112
3. Short-term inter-company receivables	133		-	-
4. Receivable according to the progress of construction contract	134		-	-
5. Receivables for short-term loans	135		-	-
6. Other short-term receivables	136	V.5a	8.877.920.737	2.067.587.718
7. Allowance for short-term doubtful debts	137	V.6	(11.740.310.069)	(14.820.291.684)
8. Deficit assets for treatment	139		-	-
IV. Inventories	140		13.377.472.269	14.593.241.017
1. Inventories	141	V.7	13.377.472.269	14.593.241.017
2. Allowance for inventories	149		-	-
V. Other current assets	150		5.198.761	5.127.927
1. Short-term prepaid expenses	151	V.8a	5.198.761	5.127.927
2. Deductible VAT	152		-	-
3. Taxes and other receivables from the State	153		-	-
4. Trading Government bonds	154		-	-
5. Other current assets	155		-	-

POWER ENGINEERING CONSULTING CO., LTD.

Address: No.11 Hoang Hoa Tham - Nha Trang City - Khanh Hoa Province

FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2015

Balance sheet (cont.)

ITEMS	Code	Note	Ending balance	Beginning balance
B - NON-CURRENT ASSETS	200		134.237.097.398	132.478.658.339
I. Long-term receivables	210		2.082.336.984	2.092.336.984
1. Long-term trade receivables	211	V.3b	2.012.336.984	2.012.336.984
2. Long-term prepayments to suppliers	212		-	-
3. Working capital in affiliates	213		-	-
4. Long-term inter-company receivable	214		-	-
5. Receivables for long-term loans	215		-	-
6. Other long-term receivables	216	V.5b	70.000.000	80.000.000
7. Allowance for long-term doubtful debts	219		-	-
II. Fixed assets	220		24.894.878.303	23.097.069.955
1. Tangible fixed assets	221	V.9	9.729.739.810	7.708.091.151
<i>Historical cost</i>	222		33.511.228.081	30.292.582.135
<i>Accumulated depreciation</i>	223		(23.781.488.271)	(22.584.490.984)
2. Financial leased assets	224		-	-
<i>Historical cost</i>	225		-	-
<i>Accumulated depreciation</i>	226		-	-
3. Intangible fixed assets	227	V.10	15.165.138.493	15.388.978.804
<i>Initial cost</i>	228		18.797.483.911	18.762.715.255
<i>Accumulated amortization</i>	229		(3.632.345.418)	(3.373.736.451)
III. Investment property	230		-	-
Historical costs	231		-	-
Accumulated depreciation	232		-	-
IV. Long-term assets in process	240		-	-
1. Long-term work in process	241		-	-
2. Construction-in-progress	242		-	-
IV. Long-term financial investments	250		105.941.640.000	106.400.000.000
1. Investments in subsidiaries	251		-	-
2. Investments in joint ventures and associates	252	V.2a	103.850.000.000	103.850.000.000
3. Investments in other entities	253	V.2b	2.091.640.000	2.550.000.000
4. Provisions for devaluation of long-term financial investments	254		-	-
5. Held-to-maturity investments	255		-	-
V. Other non-current assets	260		1.318.242.111	889.251.400
1. Long-term prepaid expenses	261	V.8b	1.318.242.111	889.251.400
2. Deferred income tax assets	262		-	-
3. Long-term components and spare parts	263		-	-
4. Other non-current assets	268		-	-
TOTAL ASSETS	270		240.953.316.393	266.616.406.403

POWER ENGINEERING CONSULTING CO., LTD.

Address: No.11 Hoang Hoa Tham - Nha Trang City - Khanh Hoa Province

FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2015

Balance sheet (cont.)

ITEMS	Code	Note	<u>Ending balance</u>	<u>Beginning balance</u>
C - LIABILITIES	300		60.466.301.691	93.232.982.499
I. Current liabilities	310		57.466.301.691	85.837.435.317
1. Short-term trade payables	311	V.11	7.293.851.403	7.351.021.754
2. Short-term advances from customers	312	V.12	29.118.791.548	27.804.540.735
3. Taxes and other obligations to the State Budget	313	V.13	3.552.778.700	5.295.745.360
4. Payables to employees	314	V.14	7.803.724.472	12.560.181.688
5. Short-term accrued expenses	315		-	842.760.000
6. Short-term inter-company payable	316		-	-
7. Payable according to the progress of construction contracts	317		-	-
8. Short-term unearned revenue	318		-	-
9. Other short-term payables	319	V.15	4.156.290.116	19.684.332.818
10. Short-term borrowings and financial leases	320	V.16a	-	4.950.399.000
11. Provisions for short-term payables	321		-	-
12. Bonus and welfare funds	322	V.17	5.540.865.452	7.348.453.962
13. Price stabilization fund	323		-	-
14. Trading Government bonds	324		-	-
II. Long-term liabilities	330		3.000.000.000	7.395.547.182
1. Long-term trade payables	331		-	-
2. Long-term advances from customers	332		-	-
3. Long-term accrued expenses	333		-	-
4. Inter-company payables for working capital	334		-	-
5. Long-term inter-company payables	335		-	-
6. Long-term unearned revenue	336		-	-
7. Other long-term payables	337		-	-
8. Long-term borrowings and financial leases	338	V.16b	3.000.000.000	7.395.547.182
9. Convertible bonds	339		-	-
10. Preferred shares	340		-	-
11. Deferred income tax liability	341		-	-
12. Provisions for long-term payables	342		-	-
13. Science and technology development fund	343		-	-

POWER ENGINEERING CONSULTING CO., LTD.

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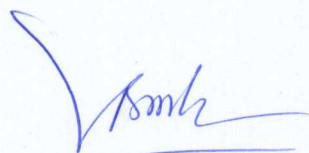
FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2015

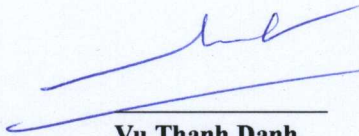
Balance sheet (cont.)

ITEMS	Code	Note	Ending balance	Beginning balance
D - OWNER'S EQUITY	400		180.487.014.702	173.383.423.904
I. Owner's equity	410		180.487.014.702	173.383.423.904
1. Capital	411	V.19	145.996.140.000	145.996.140.000
- Ordinary shares carrying voting rights	411a		145.996.140.000	145.996.140.000
- Preferred shares	411b		-	-
2. Share premiums	412		(15.784.110.000)	(15.784.110.000)
3. Bond conversion options	413		-	-
3. Other sources of capital	414		-	-
4. Treasury stocks	415		(745.850.060)	(745.850.060)
5. Differences on asset revaluation	416		-	-
6. Foreign exchange differences	417		-	-
7. Investment and development fund	418	V.19	26.753.260.607	26.753.260.607
8. Business arrangement supporting fund	419		-	-
9. Other funds	420	V.19	1.721.694.867	1.721.694.867
10. Retained earnings	421	V.19	22.545.879.288	15.442.288.490
- Retained earnings accumulated to the end of the previous period	421a		10.955.560.634	15.442.288.490
- Retained earnings of the current period	421b		11.590.318.654	-
11. Construction investment fund	422		-	-
II. Other sources and funds	430		-	-
1. Sources of expenditure	431		-	-
2. Fund to form fixed assets	432		-	-
TOTAL LIABILITIES AND OWNER'S EQUITY	440		240.953.316.393	266.616.406.403

Nha Trang, 26 February 2016



Tran Le Thanh Binh
Preparer



Vu Thanh Danh
Chief Accountant



Phạm Minh Sơn
General Director

POWER ENGINEERING CONSULTING CO., LTD.

Address: No.11 Hoang Hoa Tham - Nha Trang City - Khanh Hoa Province

FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2015

INCOME STATEMENT

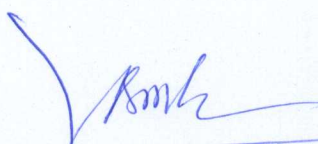
For the year ended 2015

Unit: VND

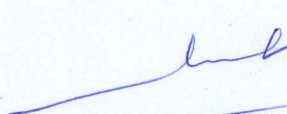
ITEMS	Code	Note	Current year	Previous year
1. Sales	01	VI.1	140.542.529.949	120.546.785.133
2. Sales deductions	02		-	-
3. Net sales	10	VI.1	140.542.529.949	120.546.785.133
4. Cost of sales	11	VI.2	97.716.980.532	88.250.512.134
5. Gross profit/ (loss)	20		42.825.549.417	32.296.272.999
6. Financial income	21	VI.3	12.495.797.255	15.714.245.834
7. Financial expenses	22	VI.4	287.555.474	908.337.802
In which: Loan interest expenses	23		272.832.675	849.232.116
8. Selling expenses	24		-	-
9. General and administration expenses	25	VI.5	29.458.655.563	23.072.480.239
10. Net operating profit/ (loss)	30		25.575.135.635	24.029.700.792
11. Other income	31	VI.6	42.989.909	218.707.636
12. Other expenses	32	VI.7	81.620.046	6.165.400
13. Other profit/(loss)	40		(38.630.137)	212.542.236
14. Total accounting profit/ (loss) before tax	50		25.536.505.498	24.242.243.028
15. Current income tax	51	V.14	2.990.626.210	1.906.249.354
16. Deferred income tax	52		-	-
17. Profit/ (loss) after tax	60		<u>22.545.879.288</u>	<u>22.335.993.674</u>
18. Earnings per share	70	VI.8	<u>1.551</u>	<u>1.537</u>
19. Diluted earnings per share	71		<u>-</u>	<u>-</u>

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Nha Trang, 26 February 2016



Tran Le Thanh Binh
Preparer



Vu Thanh Danh
Chief Accountant



Pham Minh Som
General Director

POWER ENGINEERING CONSULTING CO., LTD.

Address: No.11 Hoang Hoa Tham - Nha Trang City - Khanh Hoa Province

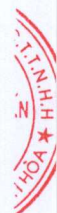
FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2015

CASH FLOWS STATEMENT**(Indirect method)****For the year ended 2015**

Unit: VND

ITEMS	Code	Note	<u>Current year</u>	<u>Previous year</u>
I. Cash flows from operating activities				
1. Profit/ (loss) before tax	01		25.536.505.498	24.242.243.028
2. Adjustments				
- Depreciation of fixed assets and investment properties	02	V.9,V.10	1.455.606.254	1.599.347.214
- Provisions and allowances	03	V.6	(3.079.981.615)	1.036.624.200
- Exchange gain/ (loss) due to revaluation of	04		-	(9.122.332)
- Gain/ (loss) from investing activities	05	VI.3	(12.365.715.699)	(15.640.600.378)
- Interest expenses	06	VI.4	272.832.675	849.232.116
- Others	07		-	-
3. Operating profit/(loss) before changes of working capital	08		11.819.247.113	12.077.723.848
- Increase/(decrease) of receivables	09		27.872.610.367	27.354.745.059
- Increase/(decrease) of inventories	10		1.215.768.748	(2.192.038.650)
- Increase/ (decrease) of payables	11		(18.047.251.800)	(1.582.612.999)
- Increase/ (decrease) of prepaid expenses	12		(429.061.545)	(205.707.255)
- Increase/ (decrease) of trading securities	13		(1.071.366.872)	(295.934.343)
- Interests paid	14	V.14	(2.300.964.329)	(1.039.789.614)
- Corporate income tax paid	15		26.000.000	95.000.000
- Other cash inflows	16		(2.740.786.000)	(201.071.000)
Other cash outflows				
	20		<u>16.344.195.682</u>	<u>34.010.315.046</u>
<i>Net cash flows from operating activities</i>				
II. Cash flows from investing activities				
1. Purchases and construction of fixed assets and other long-term assets	21		(3.253.414.602)	(818.418.182)
2. Proceeds from disposals of fixed assets and other long-term assets	22		-	8.454.545
3. Cash outflow for lending, buying debt instruments of other entities	23		-	-
4. Cash recovered from lending, selling debt instruments of other entities	24		-	-
5. Investments into other entities	25		-	(1.433.882.000)
6. Withdrawals of investments in other entities	26	V.2b	458.360.000	-
7. Interest earned, dividends and profits received	27		5.615.465.699	15.632.145.833
<i>Net cash flows from investing activities</i>	30		<u>2.820.411.097</u>	<u>13.388.300.196</u>



POWER ENGINEERING CONSULTING CO., LTD.

Address: No.11 Hoang Hoa Tham - Nha Trang City - Khanh Hoa Province

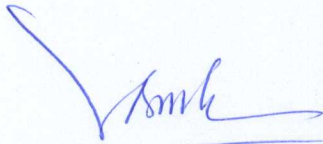
FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2015

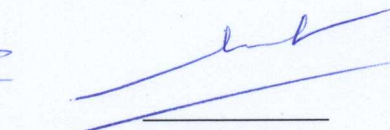
Cash flows statement (cont.)

ITEMS	Code	Note	<u>Current year</u>	<u>Previous year</u>
III. Cash flows from financing activities				
1. Proceeds from issuing stocks and capital contributions from owners	31		-	
2. Repayment for capital contributions and re-purchases of stocks already issued	32		-	-
3. Proceeds from borrowings	33	V.16a,16b	17.162.710.500	27.572.857.750
4. Repayment for loan principal	34	V.16a,16b	(24.741.756.682)	(42.137.517.026)
5. Payments for financial leased assets	35		-	-
6. Dividends and profit paid to the owners	36		(19.759.013.000)	(6.380.495.000)
<i>Net cash flows from financing activities</i>	40		<u>(27.338.059.182)</u>	<u>(20.945.154.276)</u>
Net cash flows during the period	50		(8.173.452.403)	26.453.460.966
Beginning cash and cash equivalents	60	V.1	30.619.889.296	4.166.428.330
Effects of fluctuations in foreign exchange rates	61		-	-
Ending cash and cash equivalents	70	V.1	<u>22.446.436.893</u>	<u>30.619.889.296</u>

Nha Trang, 26 February 2016



Tran Le Thanh Binh
Preparer



Vu Thanh Danh
Chief Accountant



Phạm Minh Sơn
General Director

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

Address: 11 Hoang Hoa Tham - Nha Trang City - Khanh Hoa Province

FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2015

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2015

I. GENERAL INFORMATION

1. Ownership form

Power Engineering Consulting Joint Stock Company 4 (hereinafter referred to as “the Company”) is a joint stock company.

2. Operating field

Consulting service

3. Principal activities

The company’s principal activities is to consult, survey and design power.

4. Normal operating cycle

Normal operating cycle of the Company is within 12 months.

5. Effects of the Company’s operation during the year on the Financial Statements

During the year, sales increase more 16,5% equivalent to VND 19,9 billion because sales from designing the Group’s power projects significantly increase. In addition, adjustment of sales deductions is not arisen much in comparison with that of the same period.

6. Structure of the Company

Joint ventures and associates

The company has only invested into Buon Don Hydroelectricity Joint Stock Company at floor 7, Dien Bien Hotel, 1 Ngo Quyen, Thang Loi Ward, Buon Ma Thuot City, Dac Lac Province. The principal business activity of this associate is to trade power. As of the balance sheet date, the capital contribution rate of the company at associate is 31%, voting rate and possessing rate is equivalent to capital contribution rate.

Affiliates that have not been granted Business Certificates and cannot do accounting works independently

Affiliates	Address
Branch in Northern	Lot 3 - TT4 Lane 183 - Hoang Van Thai Street - Khuong Trung Ward - Thanh Xuan District - Ha Noi City
Branch in Southern	No. 46/8 Tran Quy Khoach St - Tan Dinh Ward - District 1 - Ho Chi Minh City

7. Statement on information comparability on the Financial Statements

As presented in the Note No. III.1, since 01 January 2015, the Company has applied the Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance guiding the Vietnamese Accounting System in replacement for the Decision No. 15/2006/QĐ-BTC dated 20 March 2006 of the Minister of Finance and the Circular No. 244/2009/TT-BTC dated 31 December 2009 of the Ministry of Finance. The Company has re-presented the comparative figures; therefore, the figures presented in the Financial Statements for the fiscal year ended 31 December 2015 can be comparable with corresponding figures in the same period of the previous year.

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

Address: 11 Hoang Hoa Tham - Nha Trang City - Khanh Hoa Province

FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2015

Notes to the financial statements (cont.)

8. Employees

As of the balance sheet date, there have been 475 employees working for the Company (at the beginning of the year: 493 employees).

II. FISCAL YEAR AND ACCOUNTING CURRENCY

1. Fiscal year

The fiscal year of the Company is from 1 January to 31 December annually.

2. Accounting currency unit

The accounting currency unit is VND.

III. ACCOUNTING STANDARDS AND SYSTEM

1. Accounting Standards and System

On 22 December 2014, the Ministry of Finance issued the Circular No. 200/2014/TT-BTC guiding the Vietnamese Accounting System in replacement for the Decision No. 15/2006/QĐ-BTC dated 20 March 2006 of the Minister of Finance and the Circular No. 244/2009/TT-BTC dated 31 December 2009 of the Ministry of Finance. This Circular takes effect and is applied to the fiscal year starting from or after 01 January 2015. The Company applies the Vietnamese Accounting Standards, this Circular and other Circulars guiding the implementation of Vietnamese Accounting Standards of the Ministry of Finance in the preparation and presentation of Financial Statements.

2. Statement on the compliance with the Accounting Standards and System

The Board of Directors ensures to follow all the requirements of the Vietnamese Accounting Standards and System, which were issued together with the Circular No. 200/2014/TT-BTC dated 22 December 2014 as well as other Circulars guiding the implementation of Vietnamese Accounting Standards of the Ministry of Finance in the preparation of Financial Statements.

IV. ACCOUNTING POLICIES

1. Accounting convention

All the Financial Statements are prepared on the accrual basis (except for the information related to cash flows).

2. Foreign currency transactions

Transactions in foreign currencies are converted at the actual exchange rates ruling as of the transaction dates. The ending balances of monetary items in foreign currencies are converted at the actual exchange rates ruling as of the balance sheet date.

Foreign exchange differences arisen from foreign currency transactions during the year shall be included into financial income or financial expenses. Foreign exchange differences due to the revaluation of ending balances of the monetary items in foreign currencies after offsetting their positive differences against negative differences shall be included into financial income or financial expenses.

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

Address: 11 Hoang Hoa Tham - Nha Trang City - Khanh Hoa Province

FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2015

Notes to the financial statements (cont.)

The exchange rate used to convert foreign currency transactions is the actual exchange rate ruling as at the time of these transactions. The actual exchange rates applied to foreign currency transactions are as follows:

- For the foreign currency trading contract (including spot contract, forward contract, future contract, option contract, currency swap): the exchange rate stipulated in the contracts of trading foreign currency between the Company and the Bank.
- If the contract does not specify the applied exchange rate:
 - For the capital contribution or receipt of capital contribution: buying rate of the commercial bank where the company opens account to receive the contributed capital from investors as at the date of capital contribution.
 - For receivables: the buying rate as at the time of transaction of the commercial bank where the company nominates the customers for payments.
 - For payables: the selling rate ruling as at the time of transaction of the commercial bank where the company supposes to make payments.
 - For acquisition of assets or immediate payments in foreign currency (not included into payable accounts): the buying rate of the commercial bank where the company makes payments.

The exchange rate used to convert foreign currency transactions is the actual exchange rate ruling as at the time of these transactions. The actual exchange rates applied to foreign currency transactions are as follows:

- For foreign currency deposits: the buying rate of the bank where the Company opens its foreign currency account.
- For monetary items in foreign currencies classified as other assets: the buying rate of An Binh Bank where the Company frequently conducts transactions.
- For monetary items in foreign currencies classified as payables: the selling rate of An Binh Bank where the Company frequently conducts transactions.

3. Cash and cash equivalents

Cash include cash on hand, demand deposits and cash in transit and short-term investments of which the due dates cannot exceed 3 months from the dates of the investments and the convertibility into cash is easy, and which do not have a lot of risks in the conversion into cash as of the balance sheet date.

4. Financial investments

Trading securities

Investments classified as trading securities are those held by the Company for the trading purpose with the aim of making profit.

Trading securities are recognized at original costs which include fair value of the payments made at the time of the transaction plus other costs attributable transaction costs.

The time of recognizing trading securities is when the Company acquires the ownership, as follows:

- For listed securities: recognized at the time of order-matching (T+0).
- For unlisted securities: recognized at the time of acquiring official ownership as stipulated by law.

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

Address: 11 Hoang Hoa Tham - Nha Trang City - Khanh Hoa Province

FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2015

Notes to the financial statements (cont.)

Interest, dividends, and profit of the periods prior to the acquisition of trading securities are recorded as a decrease in the value of such securities. Interest, dividends and profit of the periods after the acquisition of such securities are recorded in the Company's revenues. Particularly, the dividends paid in form of shares are not recorded as an increase in values, but the increasing quantity is followed up.

Convertible shares are determined on the basis of the fair value at the date of exchange. The fair value of the shares is determined as follows:

- For shares of listed companies: the closing price listed on the stock market at the date of exchange. In case at the date of exchange, the stock market is not traded, the fair value of shares is the closing price of the preceding trading with the date of exchange.
- For unlisted shares traded on UPCOM: the closing price on UPCOM at the date of exchange. In case at the date of exchange, the UPCOM is not traded, the fair value of shares is the closing price of the preceding trading with the date of exchange.
- For other unlisted shares: the price agreed by the parties under the contracts or the carrying value at the time of exchange.

Provisions for devaluation of trading securities are made for each particular type of securities in the market of which the fair value is lower than original costs. The fair value of trading securities listed on the stock market or traded on UPCOM is the closing price at the balance sheet date. In case where the stock market or UPCOM is not available for transactions as at the balance sheet date, the fair value of shares is the closing price of the preceding transaction with the balance sheet date.

Increases/ (decreases) in the provisions for devaluation of trading securities are recorded into "Financial expenses" during the year.

Held-to-maturity investments

Investments are classified as held-to-maturity investments that the Company intends and is able to hold to maturity. Held-to-maturity investments include term deposits (including debentures and promissory note), bonds, preferred shares that the issuer are required to re-purchases at a certain date in the future and held-to-maturity loans for the purpose of receiving periodical interest as well as other held-to-maturity investments.

Held-to-maturity investments are initially recognized at cost including the purchase cost and other transaction costs. After initial recognition, these investments are recorded at recoverable value. Interest from these held-to-maturity investments after acquisition date is recognized in the profit or loss on the basis of the interest income to be received. Interests arising prior to the Company's acquisition of held-to-maturity investments are recorded as a decrease in the costs as at the acquisition time.

When there are reliable evidences proving that a part or the whole investment cannot be recovered and the loss are reliably determined, the loss is recognized as financial expenses during the period while the investment value is derecognized.

Investments in associates

An associate is an entity which the Company has significant influence but not the control to govern the financial and operating policies. Significant influence is the right to participate in making the associate's financial and operating policies but not control those policies.

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

Address: 11 Hoang Hoa Tham - Nha Trang City - Khanh Hoa Province

FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2015

Notes to the financial statements (cont.)

Investments in associates are initially recognized at costs, including the cost of purchase or capital contributions plus other directly attributable transaction cost. In case of investment in non-monetary assets, the costs of the investment are recognized at the fair value of non-monetary assets at the arising time.

Dividends and profits of the periods prior to the purchase of investments are recorded as a decrease in value of such investments. Dividends and profit of the periods after the purchase of investments are recorded into the Company's revenues. Particularly, the dividends paid in form of shares are not recorded as an increase in values, but the increasing quantity is followed up.

Provisions for impairment of investments associates is made when the associates suffer from losses at the rate equal to the difference between the actual capital invested by investors in associates and the actual owner's equity multiplying (x) by the Company's rate of capital contribution over the total actual capital invested by investors in associates. If the associates are consolidated into Consolidated Financial Statements, the basis for impairment provisions is the Consolidated Financial Statements.

Increases/ (decreases) in the provisions for impairment of investments in associates are recorded into "Financial expenses" during the year.

Investments in equity instruments of other entities

Investments in equity instruments of other entities include such investments in equity instruments that do not enable the Company to have the control, joint control or significant influence on these entities.

Investments in equity instruments of other entities are initially recognized at costs, including cost of purchase plus other directly attributable transaction costs. Values of these investments are derecognized for dividends and profits arising in the periods prior to the acquisition of such investments. Dividends and profit arising in the periods after the acquisition of investments are recorded into the Company's revenue. Particularly, the dividends paid in form of shares are not recorded as an increase in values, but the increasing quantity of shares is followed up.

Provisions for impairment of investments in equity instruments of other entities are made as follows:

- For investments in listed shares or fair value of investments which is reliably measured, provisions are made on the basis of the market value of shares.
- For investments of which the fair value cannot be measured at the time of reporting, provisions are made on the basis of the losses suffered by investees, at the rate equal to the difference between the actual capital invested by investors and the actual owner's equity multiplying (x) by the Company's rate of capital contribution over the total actual capital invested by investors in these investees.

Increases/ (decreases) in the provisions for impairment of investments in equity instruments of other entities are recorded into "Financial expenses" during the year.

5. Receivables

Receivables are recognized at the carrying amounts less allowances for doubtful debts.

The classification of receivables as trade receivables and other receivables is made according the following principles:

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

Address: 11 Hoang Hoa Tham - Nha Trang City - Khanh Hoa Province

FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2015

Notes to the financial statements (cont.)

- Trade receivables reflect receivables concerning the commercial nature arising from purchase and sale transactions between the Company and customers who are independent to the Company, inclusive of receivables for the exports entrusted to other entities.
- Other receivables reflect receivables not concerning the commercial nature and irrelevant to purchase and sale transactions.

Allowance is made for each doubtful debt on the basis of the debt age or estimated loss as follows. Increases/(decreases) in the obligatory allowance for doubtful debts as of the balance sheet date are recorded into "General and administration expenses".

6. Inventories

Inventories are recognized at the lower of cost or net realizable value.

Cost of inventories is determined as follows:

- For materials and merchandises: Costs comprises costs of purchases and other directly relevant costs incurred in bringing the inventories to their present location and conditions.
- Work-in-process: Costs only comprises main materials and labors.

Net realizable value is the estimated selling price of inventories in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Costs of inventories are determined in accordance with the weighted average method and recorded in line with the perpetual method.

Allowance for inventories is recognized for each type of inventories when their costs are higher than their net realizable values. For services in progress, allowance is recognized for each type of services at their own specific prices. Increases/(decreases) in the obligatory allowance for inventories as of the balance sheet date are recorded into "Costs of sales".

7. Prepaid expenses

Prepaid expenses comprise actual expenses arising and relevant to financial performance in several accounting periods. Prepaid expenses of the Company include:

Tools

Expenses of tools being put into use are allocated into expenses in accordance with the straight-line method for the maximum period of 24 months.

Computer software

Purchase price of computer software, which is not a part associated with the relevant hardware, will be capitalized. Costs of computer software include all the expenses paid by the Company until the date the software is put into use. Computer software is amortized in accordance with the straight-line method in 2 years.

Vehicles

Vehicle of which its historical cost under VND 30 million is allocated in line with straight line method for 3 years.

Other expenses are allocated in line with actual use period of fee for looking up online legal documents.



POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

Address: 11 Hoang Hoa Tham - Nha Trang City - Khanh Hoa Province

FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2015

Notes to the financial statements (cont.)

8. Tangible fixed assets

Tangible fixed assets are determined by their historical costs less accumulated depreciation. Historical costs of tangible fixed assets include all the expenses paid by the Company to bring the asset to its working condition for its intended use. Other expenses arising subsequent to initial recognition are included into historical costs of fixed assets only if it can be clearly demonstrated that the expenditure has resulted in future economic benefits expected to be obtained from the use of these assets. Those which do not meet the above conditions will be recorded into operation costs during the period.

When a tangible fixed asset is sold or disposed, its historical cost and accumulated depreciation are written off, then any gain or loss arising from such disposal is included in the income or the expenses during the year.

Tangible fixed assets are depreciated in accordance with the straight-line method over their estimated useful lives. The depreciation years applied are as follows:

<u>Fixed assets</u>	<u>Years</u>
Buildings and structures	05 – 25
Machinery and equipment	03 – 06
Vehicles	6
Office equipment	03 - 06

9. Intangible fixed assets

Intangible fixed assets are determined by their initial costs less accumulated amortization.

Initial costs of intangible fixed assets include all the costs paid by the Company to bring the asset to its working condition for its intended use. Other costs relevant to intangible fixed assets arising subsequent to initial recognition are included into operation costs during the period only if these costs are associated with a specific intangible fixed asset and result in future economic benefits expected to be obtained from the use of these assets.

When an intangible fixed asset is sold or disposed, its initial costs and accumulated amortization are written off, then any gain or loss arising from such disposal is included in the income or the expenses during the year.

The Company's intangible fixed asset includes:

Land use right

Land use right includes all the actual expenses paid by the Company directly related to the land being used such as expenses to obtain the land use right, expenses for house removal, land clearance and ground leveling, registration fees, etc. Fixed-term land use right is amortized over the land using period (50 years). Land use right is permanent, it is not amortized.

Long-term land use right granted by the State is determined in line with documents of enterprise valuation so as to equitization as of 31 December 2005.

Computer software

Computer software includes all the expenses paid until the date the software is put into use. It is amortized from 3 to 5 years.

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

Address: 11 Hoang Hoa Tham - Nha Trang City - Khanh Hoa Province

FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2015

Notes to the financial statements (cont.)

10. Payables and accrued expenses

Payables and accrued expenses are recorded based on the amounts payable for goods and services already used. Accrued expenses are recorded based on reasonable estimates for the amounts payable.

The classification of payables as trade payables, accrued expenses and other payables is made on the basis of following principles:

- Trade payables reflect payables of commercial nature arising from the purchase of goods, services, or assets and the seller is an independent entity with the Company, including payables for import through entrustment.
- Accrued expenses reflect expenses for goods, services received from suppliers or supplied to customers but have not been paid, invoiced or lack of accounting records and supporting documents; pay on leave payable to employees; and accrual of operation expenses.
- Other payables reflect payables of non-commercial nature and irrelevant to purchase, sales of goods or provisions of services.

11. Provisions for payables

Provisions are recorded when the Company has present obligations (legal or constructive) as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

If time causes material effects, the provisions will be determined by deducting the amount to be spent in future to settle the liability at the pre-tax discount rate that reflects the assessments of the time value of money and the specific risks from this liability in the current market. The increase in provisions due to the effect of time will be recognized as a financial expense.

The Company's provisions for payables include:

Provisions for severance allowances

The Company has to pay for severance allowances to the employees who have worked regularly for the Company for 12 months or more for the period in which employees do not pay for unemployment insurance when they terminate the labor contracts. Provisions for severance allowances are appropriated at the rate equal to $\frac{1}{2}$ of the average salary plus the salary allowances (if any) in the most recent 6 consecutive months to the date of preparing the Financial Statements for each working year.

Increases/ (decreases) of provisions for severance allowances are appropriated at the balance sheet date and recorded in general and administration expenses.

12. Capital

Owner's equity

Capital is recorded according to the actual amounts invested by shareholders.

Share premiums

Share premiums are recorded in accordance with the difference between the issuance price and face value upon the IPO, additional issue or the difference between the re-issuance price and carrying value of treasury shares and the equity component of convertible bonds upon maturity date. Expenses directly related to the additional issue of shares and the re-issuance of treasury shares are recorded as a decrease in share premiums.

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

Address: 11 Hoang Hoa Tham - Nha Trang City - Khanh Hoa Province

FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2015

Notes to the financial statements (cont.)

Other sources of capital

Other sources of capital are due to the supplementation from business profits, revaluation of assets and net carrying values between the fair values of the assets gifted or granted to the Company after deducting taxes payable (if any) related to these assets.

Treasury shares

When a share capital in the owner's equity is re-purchased, the amount payable including the expenses related to the transaction is recorded as treasury shares and a corresponding decrease in owner's equity then is recognized. When this share capital is re-issued, the difference between the re-issuance price and carrying value of treasury shares is recorded in share premiums.

13. Profit distribution

Profit after tax is distributed to the shareholders after appropriation for funds under the Charter of the Company as well as legal regulations and approved by the Shareholders Meeting.

The distribution of profits to the shareholders is made with consideration toward non-cash items in the retained earnings that may affect cash flows and payment of dividends such as profit due to revaluation of assets contributed as investment capital, profit due to revaluation of monetary items, financial instruments and other non-cash items.

Dividends is recorded as payables upon approval of the Shareholders' Meeting.

14. Recognition of sales and income

Sales of rendering services

Sales of rendering services shall be recognized when all of the following conditions are satisfied:

- the amount of sales can be measured reliably. When the contract stipulates that the buyer is entitled to return the services rendered under specific conditions, sales is recognized only when these specific conditions are no longer existed and the buyer is not entitled to return the services rendered.
- the Company received or shall probably receive the economic benefits associated with the rendering of services.
- the stage of completion of the transaction at the end of reporting period can be measured reliably.
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

In the case that the services are provided in several accounting periods, the determination of sales is done on the basis of the stage of completion as of the balance sheet date.

Revenue from the construction

When the outcome of the construction contracts is estimated reliably:

- For the construction contracts stipulating that the contractors are paid according to the planned progress, revenue and costs related to these contracts are recognized in proportion to the stage of completion of contract activity as determined by the Company itself.
- For the construction contracts stipulating that the contractors are paid according to the work actually performed, revenue and costs related to these contracts are recognized in proportion to the stage of completion of contract activity as confirmed in the invoices made by the customers.

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

Address: 11 Hoang Hoa Tham - Nha Trang City - Khanh Hoa Province

FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2015

Notes to the financial statements (cont.)

Increases/(decreases) in revenue of the works done, compensation receivable and other receivables are only recognized upon the agreement with customers.

When the outcome of the construction contracts cannot be estimated reliably:

- Contract revenue is recognized only to the extent that contract costs incurred are expected to be reliably recoverable.
- Contract costs are only recognized as actually incurred.

The difference between the accumulated revenue from the construction contract already recognized and the accumulated amount in the invoices according to the planned progress of contract is recognized as an amount receivable or an amount payable according to the planned progress of implementation of the construction contracts.

Interest

Interest is recorded, based on the term and the actual interest rate applied in each particular period.

Dividends and profit shared

Dividends and profit shared are recognized when the Company has the right to receive dividends or profit from the capital contribution. Particularly, the dividends paid in form of shares are not recorded into income, but the increasing quantity is followed up.

15. Borrowing costs

Borrowing costs are interests and other costs that the Company directly incurs in connection with the borrowing.

Borrowing costs are recorded as an expense when it is incurred. In case the borrowing costs are directly attributable to the construction or the production of an asset in progress, which takes a substantial period of time (over 12 months) to get ready for intended use or sales of the asset, these costs will be included in the cost of that asset. To the extent that the borrowings are especially for the purpose of construction of fixed assets and investment properties, the borrowing cost is eligible for capitalization even if construction period is under 12 months. Incomes arisen from provisional investments as loans are recognized as a decrease in the costs of relevant assets.

In the event of general borrowings which are partly used for acquiring, constructing or producing an asset in progress, the costs eligible for capitalization will be determined according to the capitalization rates applied to average accumulated expenditure on that asset. The capitalization rates are computed at the average interest rates on the borrowings not yet paid during the period, except for particular borrowings serving the purpose of obtaining a specific asset.

16. Expenses

Expenses are those that result in outflows of the Corporation's economic benefits and are recorded at the time of transactions or when incurrence of the transaction is reliable regardless of whether payment for expenses is made or not.

Expenses and their corresponding revenues are simultaneously recognized in accordance with matching principle. In the event that matching principle conflicts with prudence principle, expenses are recognized based on the nature and regulations of accounting standards in order to guarantee that transactions can be fairly and truly reflected.

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

Address: 11 Hoang Hoa Tham - Nha Trang City - Khanh Hoa Province

FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2015

Notes to the financial statements (cont.)

17. Corporate income tax

Corporate income tax includes current income tax and deferred income tax.

Current income tax

Current income tax is the tax amount computed based on the taxable income. Taxable income is different from accounting profit due to the adjustments of temporary differences between tax and accounting figures, non-deductible expenses as well as those of non-taxable income and losses brought forward.

Deferred income tax

Deferred income tax is the amount of corporate income tax payable or refundable due to temporary differences between book values of assets and liabilities serving the preparation of the financial statements and the values for tax purposes. Deferred income tax liabilities are recognized for all the temporary taxable differences. Deferred income tax assets are recorded only when there is an assurance on the availability of taxable income in the future against which the temporarily deductible differences can be used.

Carrying values of deferred corporate income tax assets are considered as of the balance sheet date and will be reduced to the rate that ensures enough taxable income against which the benefits from part of or all of the deferred income tax can be used. Deferred corporate income tax assets, which have not been recorded before, are considered as of the balance sheet date and are recorded when there is certainly enough taxable income to use these unrecognized deferred corporate income tax assets.

Deferred income tax assets and deferred income tax liabilities are determined at the estimated rate to be applied in the year when the assets are recovered or the liabilities are settled based on the effective tax rates as of the balance sheet date. Deferred income tax is recognized in the income statement. In the case that deferred income tax is related to the items of the owner's equity, corporate income tax will be included in the owner's equity.

The Company shall offset deferred tax assets and deferred tax liabilities if, and only if:

- The Company has the legal right to offset current income tax assets against current income tax liabilities; and
- Deferred income tax assets and deferred income tax liabilities are relevant to corporate income tax which is under the management of one tax authority either:
 - Of the same subject to corporate income tax; or
 - The Company has intention to pay current income tax liabilities and current income tax assets on a net basis or recover tax assets and settle tax liability simultaneously in each future period to the extent that the majority of deferred income tax liabilities or deferred income tax assets are paid or recovered.

18. Related parties

A party is considered a related party of the company in case that party is able to control the Company or to cause material effects on the financial decisions as well as the operations of the Company. A party is also considered a related party of the Company in case that party is under the same control or is subject to the same material effects.

Considering the relationship of related parties, the nature of relationship is focused more than its legal form.

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

Address: 11 Hoang Hoa Tham - Nha Trang City - Khanh Hoa Province

FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2015

Notes to the financial statements (cont.)

19. Segment reporting

A business segment is a distinguishable component of the Company that is engaged in manufacturing or providing products or services and that is subject to risks and returns that are different from those of other business segments.

A geographical segment is a distinguishable component of the Company that is engaged in manufacturing or providing products or services within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environments.

20. Financial instruments

Financial assets

The classification of financial assets depends on their nature and purposes and is determined at the date of initial recognition. The financial assets of the Company include cash and cash equivalents, trade receivables, other receivables, listed and non-listed financial instruments, and derivatives.

At the date of initial recognition, financial assets are recognized at original cost plus other costs directly related to the acquisition or issuance of those financial assets.

Financial liabilities

The classification of financial liabilities depends on their nature and purposes and is determined at the date of initial recognition. The financial liabilities of the Company include trade payables, borrowings, other payables, and derivatives.

At the date of initial recognition, financial liabilities are recorded at original cost less other costs directly related to those financial liabilities.

Amortized value is measured by the initial value of financial liabilities minus the principal amounts then plus/minus the accumulated amortized amounts which are calculated by applying the effective interest method to the difference between initial value and the due value, then minus deductions (direct deductions or deductions by using a provisional account) due to devaluation or unrecoverable amount.

The effective interest method is used to calculate the amortized value of one or a group of financial liabilities and to allocate the interest income or interest expenses in relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or during a shorter period (if necessary) to the current net book value of the financial liability.

Equity instrument

Equity instrument is the contract which can prove the remaining benefits in the assets of the Company after deducting all of its liabilities.

Offsetting financial instruments

Financial assets and financial liabilities will be offset against each other and reflected at their net values in the Balance Sheet when, and only when, the Company:

- has a legal right to offset the recognized amounts; and
- has intention either to settle on a net basis, or to recognize the asset and to settle the liability simultaneously.

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POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

Address: 11 Hoang Hoa Tham - Nha Trang City - Khanh Hoa Province

FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2015

Notes to the financial statements (cont.)**V. ADDITIONAL INFORMATION ON THE ITEMS OF THE BALANCE SHEET****1. Cash and cash equivalents**

	<u>Ending balance</u>	<u>Beginning balance</u>
Cash on hand	352.649.000	161.219.000
Bank deposits	8.093.787.893	7.658.670.296
Cash equivalents (<i>time deposits of which the principal maturity is under 3 months</i>)	14.000.000.000	22.800.000.000
Total	<u>22.446.436.893</u>	<u>30.619.889.296</u>

As at 31 December 2015, the balance of demand deposit with an amount of VND 8.093.787.893 is used to secured short-term loans at Bank for Investment and Development of Vietnam (BIDV) – Khanh Hoa Branch.

2. Financial investments

The financial investments of the Company include trading securities and investment into other entities. The Company's financial investments are as follows:

2a. Investments into other entities

	<u>Ending balance</u>			<u>Beginning balance</u>		
	<u>Original costs</u>	<u>Provisions</u>	<u>Fair value</u>	<u>Original costs</u>	<u>Provisions</u>	<u>Fair value</u>
<i>Investments into joint ventures, associates</i>						
Buon Don Hydroelectricity Joint Stock Company ⁽¹⁾	103.850.000.000	- 103.850.000.000		103.850.000.000	- 103.850.000.000	
Total	<u>103.850.000.000</u>	<u>- 103.850.000.000</u>		<u>103.850.000.000</u>	<u>- 103.850.000.000</u>	

Pursuant to Business Registration Certificate No. 6000884487 dated 20 May 2009 of Buon Don Hydroelectricity Joint Stock Company granted by Department of Planning and Investment of Daklak Province, the company has invested into Buon Don Hydroelectricity Joint Stock Company at amount of VND 103.850.000.000 equivalent to 31% of charter capital. As of the balance sheet date, the company has fully invested its charter capital.

Situation of the associate's operations

Other subsidiaries and joint ventures, associates are operating in normal condition, there are no material changes in comparison with those of previous year.

Investments into associates are not devaluated therefore, the company has made no provision.

Transactions with associates

The company only has transactions with Buon Don Hydroelectricity Joint Stock Company – associate as follows:

	<u>Current year</u>	<u>Previous year</u>
Dividends receivables	6.750.250.000	-
Providing services of designing and surveying	2.723.769.960	1.448.486.591

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

Address: 11 Hoang Hoa Tham - Nha Trang City - Khanh Hoa Province

FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2015

Notes to the financial statements (cont.)

2b. Trading securities

	Ending balance			Beginning balance		
	Original costs	Fair values	Provisions	Original costs	Fair values	Provisions
Shares						
EVN						
International						
Joint Stock						
Company	105.000	1.050.000.000	-	105.000	1.050.000.000	-
- Nha Trang -						
Ha Noi						
Development						
Investment						
Joint Stock						
Company (*)	-	-	-	45.836	458.360.000	-
Khanh Hoa -						
Ha Noi						
Development						
Investment						
Joint Stock						
Company (*)	104.164	1.041.640.000	-	104.164	1.041.640.000	-
Total		2.091.640.000			2.550.000.000	

The reason of changing trading securities:

- Shares of Nha Trang - Ha Noi Development and Joint Stock Company: decreasing due to sale of all invested shares.

(*) Nha Trang - Khanh Hoa Development Investment Joint Stock Company is separated from Nha Trang - Ha Noi Development Investment Joint Stock Company.

On 18 June 2014, the company separated the company in line with separation method approved at Resolution No. 01/14/N&H/NQ-ĐHĐCĐ dated 26 April 2014. Whereby:

- Nha Trang - Ha Noi Development Investment Joint Stock Company (hereinafter referred to as N&H).
 - Charter capital: VND 25.924.410.000.
 - Result of transferring assets after separation: inheritance of all assets, rights and obligation at D2 Giang Vo Project.
- Khanh Hoa - Ha Noi Development Investment Joint Stock Company, which is separated from Nha Trang - Ha Noi Development Investment Joint Stock Company (hereinafter referred to as K&H).
 - Charter capital: VND 121.075.590.000.
 - Result of transferring assets after separation: other assets, rights and obligations at the company after sharing to the separated company.

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

Address: 11 Hoang Hoa Tham - Nha Trang City - Khanh Hoa Province

FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2015

Notes to the financial statements (cont.)**3. Short-term/ long-term trade receivables****3a. Short-term trade receivables**

	Ending balance		Beginning balance	
	Value	Allowance	Value	Allowance
<i>Receivables from other</i>				
Receivables from related parties	1.115.332.656		999.648.487	
Power Engineering Consulting Joint Stock Company 1	141.066.154		141.066.154	
Power Engineering Consulting Joint Stock Company 2	-		858.582.333	
Buon Don Hydroelectricity Joint Stock Company	974.266.502		-	
Receivables from other customers	70.037.361.287		97.352.968.191	
Management Board of Northern Power Project	5.629.020.025		14.446.477.165	
EVN – International Joint Stock Company	123.675.153		11.346.307.218	
Other customers	64.284.666.109		71.560.183.808	
Total	71.152.693.943		98.352.616.678	

3b. Long-term trade receivables

	Ending balance		Beginning balance	
	Value	Allowance	Value	Allowance
<i>Deposits and mortgages</i>				
Receivables from other customers				
Hydroelectricity Management Board 1	184.144.863		184.144.863	
Nho Que Power Development and Investment JSC	1.532.762.821		1.532.762.821	
Trung Son Hydropower One Member Co., Ltd	138.611.000		138.611.000	
Hydroelectricity Management Board 2	156.818.300		156.818.300	
Total	2.012.336.984		2.012.336.984	

As of 31 December 2015, the balances of trade receivables from customers with an amount of VND 71.152.693.943 are used to secure short-term loans at Bank for Investment and Development of Vietnam (BIDV) - Khanh Hoa Branch.

4. Short-term prepayments to suppliers

	Ending balance	Beginning balance
<i>Prepayments to other suppliers</i>		
Hanoi - Energy Construction Consulting Co., Ltd.	400.000.000	400.000.000
Le Nguyen Construction Co., Ltd.	397.101.100	397.101.100
Subniapp	269.146.436	269.146.436
Others	1.530.558.925	2.253.329.576
Total	2.596.806.461	3.319.577.112

5. Other short-term/ long-term receivables**5a. Other short-term receivables**

	Ending balance		Beginning balance	
	Value	Allowance	Value	Allowance
Receivables from related parties	6.750.250.000			
Buon Don Hydroelectricity Joint Stock Company – dividends and profits shared	6.750.250.000	-	-	-

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

Address: 11 Hoang Hoa Tham - Nha Trang City - Khanh Hoa Province

FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2015

Notes to the financial statements (cont.)

	Ending balance		Beginning balance	
	Value	Allowance	Value	Allowance
Receivables from other organizations and individuals	2.127.670.737	-	2.067.587.718	-
Social insurance	-	-	50.050.700	-
Mott MacDonald Ltd., Co - Expenses for fuels to be collected from investors	23.892.818	-	197.899.768	-
Receipt from employees	78.000.000	-	2.000.000	-
Advances to employees	1.841.967.261	-	1.779.891.047	-
Other short-term receivables	183.810.658	-	37.746.203	-
Total	8.877.920.737	-	2.067.587.718	-

5b. Other long-term receivables

	Ending balance		Beginning balance	
	Value	Allowance	Value	Allowance
Deposits and mortgages	70.000.000	-	80.000.000	-
Total	70.000.000	-	80.000.000	-

6. Doubtful debts

	Outstanding period	Ending balance		Outstanding period	Beginning balance	
		Original costs	Recoverable amount		Original costs	Recoverable amount
Other organizations						
Northern Power Development and Investment JSC 1	2010	5.919.992.822	4.015.316.154	2010	5.919.992.822	4.015.316.154
Nho Que Hydroelectricity JSC 1	2008 2009 2010			2008 2009 2010		
	2010	6.037.929.873	4.830.343.898	2010	6.037.929.873	4.830.343.898
Song Da 12 - Nguyen Loc JSC	2010	-	-	2010	1.619.979.530	-
Duc Long Gia Lai Group JSC	2010 2011			2010 2011		
	2011	5.318.864.000	2.659.432.000	2011	5.318.864.000	2.659.432.000
Hoang Anh - Ban Me JSC	2008 2009			2008 2009		
	2009	-	-	2009	2.920.004.170	1.460.002.085
Nhan Luat Energy JSC	2009	3.054.527.900	1.527.263.950	2009	3.054.527.900	1.527.263.950
Construction Consulting JSC 533	2009	312.000.000	156.000.000	2009	312.000.000	156.000.000
Vietnam Electricity Construction JSC	2007	3.686.461.336	1.530.276.536	2007	3.686.461.336	1.530.276.536
Tra Xom Hydroelectricity JSC	2009 2013			2009 2013		
	2013	777.750.622	622.059.331	2013	777.750.622	622.059.331

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

Address: 11 Hoang Hoa Tham - Nha Trang City - Khanh Hoa Province

FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2015

Notes to the financial statements (cont.)

	Ending balance			Beginning balance		
	Outstanding period	Original costs	Recoverable amount	Outstanding period	Original costs	Recoverable amount
La Ngau Hydroelectricity JSC	2007			2007		
	2008	3.455.841.709	2.734.849.309	2008	3.455.841.709	2.734.849.309
FED	2009	1.355.603.000	329.754.450	2009	2.225.603.000	1.199.754.450
Binh Dinh Hydroelectricity JSC	2009	114.728.435	-	2009	114.728.435	-
Ban Ve Hydroelectricity JSC	2009-2010	111.906.000	-	2009-2010	111.906.000	-
Buon Don Management Board	1999	-	-	1999	56.815.007	56.815.007
Total		30.145.605.697	18.405.295.628		35.612.404.404	20.792.012.720

Fluctuations in allowances for doubtful debts are as follows:

	Current year	Previous year
Beginning balance	14.820.291.684	17.621.929.167
Additional extraction	1.516.817.092	1.036.624.200
Written off	(4.596.798.707)	(3.838.261.683)
Ending balance	11.740.310.069	14.820.291.684

7. Inventories

	Ending balance		Beginning balance	
	Original costs	Allowance	Original costs	Allowance
Materials and supplies	491.433.726	-	484.935.680	-
Tools	9.806.103	-	28.052.481	-
Work in progress	12.876.232.440	-	14.080.252.856	-
Total	13.377.472.269	-	14.593.241.017	-

8. Short-term/ long-term prepaid expenses**8a. Short-term prepaid expenses**

Short-term prepaid expenses are expenses for tools for allocation period of under 12 months.

8a. Long-term prepaid expenses

	Ending balance	Beginning balance
Tools	1.303.037.507	845.004.085
Other expenses	15.204.604	44.247.315
Total	1.318.242.111	889.251.400

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

Address: 11 Hoang Hoa Tham - Nha Trang City - Khanh Hoa Province

FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2015

Notes to the financial statements (cont.)**9. Tangible fixed assets**

	Buildings and structures	Machinery and equipment	Vehicles	Office equipment	Total
Historical costs					
Beginning balance	10.104.595.287	7.837.767.082	11.378.793.874	971.425.892	30.292.582.135
New purchase during the year	-	1.908.363.673	1.163.027.273	147.255.000	3.218.645.946
Ending balance	10.104.595.287	9.746.130.755	12.541.821.147	1.118.680.892	33.511.228.081

In which:

Assets fully depreciated but still in use	607.801.473	7.222.575.809	9.908.142.964	772.206.886	18.510.727.132
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Depreciation

Beginning balance	3.816.906.288	7.617.981.309	10.362.855.158	786.748.229	22.584.490.984
Depreciation	493.856.967	201.076.521	396.055.919	106.007.880	1.196.997.287
Ending balance	4.310.763.255	7.819.057.830	10.758.911.077	892.756.109	23.781.488.271

Net book value

Beginning balance	6.287.688.999	219.785.773	1.015.938.716	184.677.663	7.708.091.151
Ending balance	5.793.832.032	1.927.072.925	1.782.910.070	225.924.783	9.729.739.810

In which:

Assets temporarily not in use	-	-	-	-	-
Assets waiting for liquidation	-	-	-	-	-

Some tangible fixed assets of which its historical costs and its remaining book value as at 31 December 2015 are VND 9.621.242.560 and VND 5.779.122.016 respectively are mortgaged to secure loans from BIDV - Khanh Hoa Branch (see Note V.17).

10. Intangible fixed assets

	Long-term land use right	Fixed-term land use right	Computer software	Total
Initial costs				
Beginning balance	7.093.957.000	9.463.506.000	2.205.252.255	18.762.715.255
Increase during the year	-	-	34.768.656	34.768.656
Ending balance	7.093.957.000	9.463.506.000	2.240.020.911	18.797.483.911

In which:

Assets fully depreciated but still being in use	-	-	2.107.552.255	2.107.552.255
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POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

Address: 11 Hoang Hoa Tham - Nha Trang City - Khanh Hoa Province

FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2015

Notes to the financial statements (cont.)

	Long-term land use right	Fixed-term land use right	Computer software	Total
Amortization				
Beginning balance	-	1.277.415.705	2.096.320.746	3.373.736.451
Amortization during the year	-	199.504.800	59.104.167	258.608.967
Ending balance	-	1.476.920.505	2.155.424.913	3.632.345.418
Net book value				
Beginning balance	7.093.957.000	8.186.090.295	108.931.509	15.388.978.804
Ending balance	7.093.957.000	7.986.585.495	84.595.998	15.165.138.493
<i>In which:</i>				
Temporarily not yet used	-	-	-	-
To be liquidated	-	-	-	-

Some intangible fixed assets of which its historical costs and its remaining book value as at 31 December 2015 are VND 14.073.531.400 and VND 12.783.181.927 respectively are mortgaged to secure loans from BIDV - Khanh Hoa Branch (see Note V.17).

11. Trade payables**Short-term trade payables**

	Ending balance	Beginning balance
Payables to related parties	983.545.000	983.545.000
Power Engineering Consulting JSC 1	983.545.000	983.545.000
Payables to other suppliers	6.310.306.403	6.367.476.754
Hoa Binh – Agriculture 1 Map Measure Enterprise	733.998.010	733.998.010
Sea Research and Sea Map Measure Team	917.730.264	1.022.676.000
Other supplies	4.658.578.129	4.610.802.744
Total	7.293.851.403	7.351.021.754

12. Short-term advances from customers

	Ending balance	Beginning balance
Prepayment to related parties	762.712.795	1.247.914.645
Power Engineering Consulting JSC 2	762.712.795	762.712.795
Buon Don Hydroelectricity JSC	-	485.201.850
Prepayment to other customers	28.356.078.753	26.556.626.090
Central Power Project Management Board	4.247.698.817	10.594.675.469
Trung Son Hydroelectricity Co., Ltd. (ATS)	6.879.147.834	1.416.870.834
Management Board of Southern Electricity Project	3.371.930.288	288.754.924
Other customers	13.857.301.814	14.256.324.863
Total	29.118.791.548	27.804.540.735

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

Address: 11 Hoang Hoa Tham - Nha Trang City - Khanh Hoa Province

FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2015

Notes to the financial statements (cont.)**13. Taxes and other obligations to the State budget**

	<u>Beginning balance</u>	<u>Amount payable</u>	<u>Amount already paid</u>	<u>Ending balance</u>
VAT on local sales	4.642.550.841	12.244.651.880	(14.610.180.971)	2.277.021.750
VAT on imports	-	180.543.752	(180.543.752)	-
Corporate income tax	549.857.069	2.990.626.210	(2.300.964.329)	1.239.518.950
Personal income tax	103.337.450	726.847.278	(793.946.728)	36.238.000
Taxes on using non-agricultural land	-	3.123.300	(3.123.300)	-
Other taxes	-	33.638.000	(33.638.000)	-
Total	5.295.745.360	16.179.430.420	(17.922.397.080)	3.552.778.700

Value Added Tax (VAT)

The company has paid Value Added Tax in line with deduction method. Tax rate applied for service of design and investigation consultancy is 10%.

Corporate income tax

The company has to pay corporate income tax at rate of 22%.

Estimated corporate income tax payable during the year is as follows:

	<u>Current year</u>	<u>Previous year</u>
Total accounting profit before tax	25.536.505.498	24.242.243.028
Increases/(decreases) of accounting profit to determine profit subject to corporate income tax	(11.942.750.000)	(15.577.473.238)
- Increases	-	26.762
- Decreases	(11.942.750.000)	(15.577.500.000)
Income subject to tax	13.593.755.498	8.664.769.790
Corporate income tax rate	22%	22%
Corporate income tax to be paid	2.990.626.210	1.906.249.354

Determination of corporate income tax liability of the company is based on prevailing regulations on tax. Nonetheless, these tax regulations may change from time to time and tax regulations applicable to variety of transactions can be interpreted differently. Hence, the tax amounts presented in the combined financial statements can be changed upon the inspection of tax authorities.

Other taxes

The company has paid and declared these taxes in line with prevailing regulations.

14. Payable to employees

Salary fund during the period is determined in line with Decision No. 65/QĐ-HĐQT dated 12 March 2015 of the Chairman of the Board of Management. The unit price of salary for sales recorded during the period is as follows:

- Survey by the company itself: VND 530/VND 1.000 sales.
- Design by the company itself: VND 510/VND 1.000 sales.

The ending balance is salary fund not yet paid to employees.



POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

Address: 11 Hoang Hoa Tham - Nha Trang City - Khanh Hoa Province

FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2015

Notes to the financial statements (cont.)

15. Other payables

	<u>Ending balance</u>	<u>Beginning balance</u>
<i>Payables to related parties</i>	1.670.399.935	16.788.618.197
Payable for EVN	1.670.399.935	14.148.588.197
<i>In which:</i>		
- <i>Loan interest expenses</i>	10.520.000	809.054.197
- <i>Interest on bonds payable</i>	8.434.716.000	8.434.716.000
- <i>Dividends</i>	-	5.223.922.000
- <i>Offsetting against liabilities of Management Board of Son La, Hoa Binh Hydroelectricity Project</i>	(6.774.836.065)	(319.104.000)
Amount contributing capital into Buon Don Hydroelectricity JSC taken from other shareholders	-	2.640.030.000
<i>Payables to other entities and individuals</i>	2.485.890.181	2.895.714.621
Trade Union's Expenditure	2.285.120.097	2.576.587.087
Payable for equitization	2.100.000	2.100.000
Dividends and profits payable	49.371.800	23.655.800
Interest on bonds payable	48.118.000	48.118.000
Other payables	101.180.284	245.253.734
Total	<u>4.156.290.116</u>	<u>19.684.332.818</u>

16. Short-term/long-term borrowings**16a. Short-term borrowings**

	<u>Ending balance</u>		<u>Beginning balance</u>	
	<u>Value</u>	<u>Recoverable amount</u>	<u>Value</u>	<u>Recoverable amount</u>
<i>Short-term borrowings payable to related parties</i>	-	-	1.766.900.000	1.766.900.000
Current portion of long-term borrowings from	-	-	1.766.900.000	1.766.900.000
<i>Short-term borrowings payable to other organizations and individuals</i>	-	-	3.183.499.000	3.183.499.000
Short-term borrowings from BIDV – Khanh Hoa Branch ^(a)	-	-	-	-
Short-term borrowings from individuals are the company's staffs	-	-	3.183.499.000	3.183.499.000
Total	-	-	<u>4.950.399.000</u>	<u>4.950.399.000</u>

(a) Short-term borrowings from BIDV – Khanh Hoa branch in line with credit line (line: VND 10.000.000.000) to supplement its working capital, loan period is applied for each credit contract.

Borrowings security method:

- Mortgaging land use right and assets pertaining land of the company at:
 - + 137 Thong Nhat, Van Thang Ward - Nha Trang City - Khanh Hoa Province
 - + 38 Le Thanh Phuong, Phuong Sai Ward - Nha Trang City - Khanh Hoa Province
 - + 11 Hoang Hoa Tham, Loc Tho Ward - Nha Trang City - Khanh Hoa Province

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

Address: 11 Hoang Hoa Tham - Nha Trang City - Khanh Hoa Province

FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2015

Notes to the financial statements (cont.)

- All balances of business deposits by VND and foreign currencies of the company at BIDV – Khanh Hoa Branch and at other credit organizations.
- Accounts receivable in line with economic contracts signed between the company and other partners that the company is beneficiary.

Increase, decrease of loans and current portions of long-terms borrowings during the period is as follows:

	Beginning balance	Increase	Offsetting against liabilities	Amount already paid during the period	Ending balance
Borrowings from BIDV - Khanh Hoa Branch		- 17.162.710.500		- (17.162.710.500)	-
Borrowings from staffs	3.183.499.000	-		- (3.183.499.000)	-
Current portion of long-term borrowing from EVN	1.766.900.000	-	(1.766.900.000)	-	-
Total	4.950.399.000	17.162.710.500	(1.766.900.000)	(20.346.209.500)	-

16b. Long-term debts and borrowings

Loans from EVN in line with the following contracts:

This item reflects long-term loans from Electricity of Vietnam (EVN) in line with subcontract No. 01/2008/EVN/TCKT-CPXDDDD4 dated 15 February 2008 and Appendix No. 01/PLHDD01-2008/EVN - TVDD4 dated 31 December 2011 at amount of VND 10.000.000.000 to supplement its working capital for loan period of 9 years, interest rate is calculated by 12 month deposit, interest paid after reference average of 4 Commercial Banks plus 3%. The debt principal amount is paid from the year 2014 to the year 2016.

Payment schedule of long-term debts and borrowings: under 1 year.

Details of increase, decrease of long-term debts and borrowings

Details of long-term borrowings from EVN are as follows:

	Current year	Previous year
Beginning balance	7.395.547.182	10.332.610.498
Amount already paid	(4.395.547.182)	(18.478.276)
Transfer to short-term loans	-	(3.000.000.000)
Difference due to revaluation of balance	-	81.414.960
Ending balance	3.000.000.000	7.395.547.182

17. Bonus and welfare fund

	Beginning balance	Increase due to extraction from profit of previous year	Bonus from the Group	Funds paid during the year	Ending balance
Bonus fund	4.064.734.174	400.000.000	26.000.000	(2.016.300.000)	2.474.434.174
Welfare fund	2.277.968.788	263.797.490	-	(145.635.000)	2.396.131.278
Bonus fund for the Executive Officers	1.005.751.000	243.400.000	-	(578.851.000)	670.300.000
Total	7.348.453.962	907.197.490	26.000.000	(2.740.786.000)	5.540.865.452

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

Address: 11 Hoang Hoa Tham - Nha Trang City - Khanh Hoa Province

FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2015

Notes to the financial statements (cont.)

18. Owner's equity

18a Statement on fluctuations in owner's equity:

Information on the fluctuation of owner's equity is presented in the attached Appendix.

18b. Details of capital contribution of the owners

	Ending balance		Beginning balance	
	Capital contributed	Rate (%)	Capital contributed	Rate (%)
Electricity of Vietnam	104.478.440.000	71,56	104.478.440.000	71,56
Other shareholders	41.517.700.000	28,44	41.517.700.000	28,44
Total	145.996.140.000	100,00	145.996.140.000	100,00

Dividends

Dividends already paid are as follows:

	Current year	Previous year
Payment of dividends of previous year	14.535.091.000	4.360.527.300
Dividends temporarily paid	-	-
Total	14.535.091.000	4.360.527.300

Shares

	Ending balance	Beginning balance
Number of shares registered to be issued	14.599.614	14.599.614
Number of shares already sold to the public	14.599.614	14.599.614
Number of shares repurchased	(64.523)	(64.523)
Number of outstanding shares	14.535.091	14.535.091

All shares are common shares. Face value is VND 10.000.

18c. Profit distribution

During the year, the company has distributed the remaining profit of the year ended 2014 in line with Resolution of 2015 shareholders' meeting No. 86/2015/NQ-DHCD dated 20 April 2015 as follows:

	VND
• Sharing remaining dividends to shareholders	: 14.535.091.000
• Extraction for bonus and welfare fund	: 663.797.490
• Bonus fund for the Executive Officers	243.400.000

19. Off-balance sheet items

19a. Foreign currencies

	Ending balance	Beginning balance
US Dollar (USD)	22.343,03	378,49

19b. Treated doubtful debts

	Ending balance		Beginning balance		Reasons for writing off
	Original currency	VND	Original currency	VND	
Other customers	-	8.435.060.390	-	3.838.261.683	
Total		8.435.060.390		3.838.261.683	

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

Address: 11 Hoang Hoa Tham - Nha Trang City - Khanh Hoa Province

FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2015

Notes to the financial statements (cont.)**VI. ADDITIONAL INFORMATION ON THE ITEMS OF THE INCOME STATEMENT****1. Sales****1a. Gross sales**

	<u>Current year</u>	<u>Previous year</u>
Survey	30.379.442.136	40.412.791.367
Design	110.163.087.813	80.133.993.766
Total	<u>140.542.529.949</u>	<u>120.546.785.133</u>

1b. Sales to related parties

Sales of goods and service provisions to subsidiaries, joint ventures, associates are presented in Note V.2b. Sales of goods and service provisions to related parties which are not subsidiaries, joint ventures and associates are as follows:

	<u>Current year</u>	<u>Previous year</u>
Electricity of Vietnam (EVN)	14.326.965.180	1.121.000.000

2. Costs of goods sold

	<u>Current year</u>	<u>Previous year</u>
Costs of survey	22.851.382.772	33.032.418.163
Costs of design	74.865.597.760	55.218.093.971
Total	<u>97.716.980.532</u>	<u>88.250.512.134</u>

3. Financial incomes

	<u>Current year</u>	<u>Previous year</u>
Term deposit interests	422.965.699	54.645.833
Demand deposit interests	38.382.459	27.505.435
Dividends and profit shared	11.942.750.000	15.577.500.000
Gains from unrealized foreign exchange difference	-	9.122.332
Gains from realized foreign exchange difference	68.781.097	45.472.234
Other incomes	22.918.000	-
Total	<u>12.495.797.255</u>	<u>15.714.245.834</u>

4. Financial expenses

	<u>Current year</u>	<u>Previous year</u>
Loan interest expenses	272.832.675	849.232.116
Loss from realized foreign exchange difference	14.722.799	59.105.686
Total	<u>287.555.474</u>	<u>908.337.802</u>

5. Administrative overheads

	<u>Current year</u>	<u>Previous year</u>
Expenses for employees	14.847.979.126	10.958.991.405
Office materials and stationeries	498.177.432	502.149.053
Depreciation of fixed assets	54.937.818	43.628.750
External service rendered	1.062.935.453	895.816.176
Other expenses	12.994.625.734	10.671.894.855
Total	<u>29.458.655.563</u>	<u>23.072.480.239</u>

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

Address: 11 Hoang Hoa Tham - Nha Trang City - Khanh Hoa Province

FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2015

Notes to the financial statements (cont.)**6. Other income**

	<u>Current year</u>	<u>Previous year</u>
Gains from disposal and liquidation of fixed assets	-	8.454.545
Receipt of refund of training fee	36.814.000	191.942.000
Gains from material liquidation	5.290.909	14.179.091
Other incomes	885.000	4.132.000
Total	<u>42.989.909</u>	<u>218.707.636</u>

7. Other expenses

	<u>Current year</u>	<u>Previous year</u>
Fines due to contract violation	81.620.046	6.138.638
Others		26.762
Total	<u>81.620.046</u>	<u>6.165.400</u>

8. Earning per share

	<u>Current year</u>	<u>Previous year</u>
Accounting profit after corporate income tax	22.545.879.288	22.335.993.674
Increase/(decrease) of accounting profit to determine profit attribute shareholders owned ordinary shares		
Profit attribute shareholders owned ordinary shares	22.545.879.288	22.335.993.674
Average outstanding ordinary shares during the year	14.535.091	14.535.091
Earning per share	<u>1.551</u>	<u>1.537</u>

Average outstanding ordinary shares during the year are as follows:

	<u>Current year</u>	<u>Previous year</u>
Average outstanding ordinary shares at beginning year	14.535.091	14.535.091
Average outstanding ordinary shares during the year	<u>14.535.091</u>	<u>14.535.091</u>

9. Operating expenses

	<u>Current year</u>	<u>Previous year</u>
Materials and supplies	5.659.694.011	6.004.273.530
Labors	74.239.895.628	64.464.655.330
Depreciation of fixed assets	1.455.606.254	1.599.347.214
External service rendered	22.496.657.539	21.670.509.471
Other expenses	22.119.762.247	19.897.201.941
Total	<u>125.971.615.679</u>	<u>113.635.987.486</u>

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

Address: 11 Hoang Hoa Tham - Nha Trang City - Khanh Hoa Province

FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2015

Notes to the financial statements (cont.)

VII. ADDITIONAL INFORMATION ON THE ITEMS OF THE INTERIM CASH FLOWS STATEMENT

1. Non-cash transactions

During the period, the company has had non-cash transactions as follows:

	<u>Current year</u>	<u>Previous year</u>
Payment of principal amount of long-term loans through offsetting liabilities against EVN	3.000.000.000	-
Payment of principal amount of short-term loans through offsetting against liabilities	1.766.900.000	-
Total	4.766.900.000	-

VIII. OTHER DISCLOSURES

1. Commitments

- Pursuant to Resolution No. 1938/NQ-HDQT dated 20 December 2011 of the Board of Management regarding “*adoption of commitment on supporting capital loans for Srêpôk 4A Hydroelectricity Project of Buon Don Hydroelectricity Joint Stock Company*”, the Board of Management of the company has adopted commitment on supporting capital loans for Srêpôk 4A Hydroelectricity Project of Buon Don Hydroelectricity Joint Stock Company as follows:

- + Power Engineering Consulting Joint Stock Company 4 will not transfer the company’s shares if not yet having the agreement of the creditor starting from date of commitment to all liabilities of the credit contract fully repaid;
- + Power Engineering Consulting Joint Stock Company 4, shareholders relating to EVN and individuals together contribute capital to Buon Don Hydroelectricity Joint Stock Company by form of capital contribution or of additionally giving loans to assure the shortage of cash on hand which is able to happen in the the future of the progress of capital loan and to assure ability to pay liabilities of Buon Don Hydroelectricity Joint Stock Company.

2. Transactions with related parties

Transactions with key management members

Key management members and related individuals of the company including the Board’s members, the Directors and Chief Accountant.

The transactions between the company and key management members include:

<u>Key management members</u>	<u>Transactions</u>
The Board of Management and the Board of Control	Pursuant to Resolution of the 2015 annual general shareholders’ meeting, remuneration of the Board of Management and the Board of Control is VND 524.400.000 (in 2014: VND 476.000.000).
The Board of Directors and Chief Accountant	Income from salary and allowances in line with regulations on salary of the company. Income of the Board of Directors and Chief Accountant in 2015 is VND 2.319.045.171 (in 2014: VND 1.707.266.986).

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

Address: 11 Hoang Hoa Tham - Nha Trang City - Khanh Hoa Province

FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2015

Notes to the financial statements (cont.)

Transactions with other related parties

<u>Related parties</u>	<u>Relationship</u>
Electricity of Vietnam (EVN)	Shareholders possessing 71,56% of shares (see Note V.23)
Power Engineering Consulting Joint Stock Company 2	The Group
Power Engineering Consulting Joint Stock Company 1	The Group
EVN Finance	The Group
Buon Don Hydroelectricity Joint Stock Company	The Group

Transactions with subsidiaries, joint ventures and associates are presented in Note V.2b. The transactions arisen between the company and other related parties without subsidiaries, joint ventures, associates are as follows:

	<u>Current year</u>	<u>Previous year</u>
<i>Electricity of Vietnam (EVN)</i>		
Loan interest expenses payable in current year	-	543.750.000
Offsetting against advances to perform contract of design and survey	4.500.000.000	-
Offsetting liabilities against loan interest expenses payable	6.455.732.065	-
Offsetting liabilities against current portion of long-term loans	1.766.900.000	-
Offsetting liabilities against long-term debts and borrowings	3.000.000.000	-
<i>Buon Don Hydroelectricity Joint Stock Company</i>		
Capital contribution	-	1.433.882.000

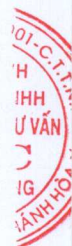
3. Segment information

The principal business activity of the company is to provide survey and design service in Vietnam.

4. Comparative figures

Application of new Accounting Standards and System

As presented in Note III.1, since 01 January 2015, the Company has applied the Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance guiding the Vietnamese Accounting System in replacement for the Decision No. 15/2006/QĐ-BTC dated 20 March 2006 of the Minister of Finance and the Circular No. 244/2009/TT-BTC dated 31 December 2009 of the Ministry of Finance. The Company has re-presented the comparative figures in compliance with regulations of this new Accounting System.



POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

Address: 11 Hoang Hoa Tham - Nha Trang City - Khanh Hoa Province

FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2015

Notes to the financial statements (cont.)

5. *Effects of the application of new Accounting System*

The application of new Accounting System have not caused material effects on the comparative figures in the financial statements. Effects of adjusting errors on the comparative figures are as follows:

	<u>Code</u>	<u>Figures before adjustments</u>	<u>Adjustments</u>	<u>Figures adjusted</u>	<u>Note</u>
<i>Balance sheet</i>					
Other receivables	136	287.696.671	1.779.891.047	2.067.587.718	
Other current assets	155	1.779.891.047	(1.779.891.047)	-	

6. **Financial risk management**

The company's operation arises financial risks as follows credit risk, liquidity risk and market risk, the Directors have responsibility for establishing policies and the control in order to diminish financial risks as well as manage performance of policies and the controls established. Managing risks is performed by Finance - Account Department in line with policies and procedures approved by the Directors.

6a. *Credit risk*

Credit risk is the risk that a contractual party cannot perform its responsibilities, leading to a financial loss to the company.

The company has credit risks from accounts receivable from customers and bank deposits.

Receivable from customers

The company diminishes credit risk by only transacting entities having good financial activity. In addition, accountant constantly follows up accounts receivable to speed up recovery.

Receivable from customers of the company relates to entities and individuals; therefore credit risk concentrating accounts receivable from customers is low.

Bank deposits

Most bank deposits of the company are deposited at the trust banks in Vietnam. The company recognizes that credit risk of bank deposits is low.

Maximum level of credit risk with financial assets is book value of financial assets (see Note VIII.8 on book value of financial assets).

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

Address: 11 Hoang Hoa Tham - Nha Trang City - Khanh Hoa Province

FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2015

Notes to the financial statements (cont.)

Analysis on overdue time and devaluation of financial assets is as follows:

	Not yet overdue or devaluated	Not yet overdue but already devaluated	Already overdue but not yet devaluated	Already overdue and/ (or) devaluated	Total
Ending balance					
Cash and cash equivalents	22.446.436.893	-	-	-	22.446.436.893
Receivable from customers	43.019.425.230	-	-	30.145.605.697	73.165.030.927
Other receivables	8.877.920.737	-	-	-	8.877.920.737
Financial assets available for sale	105.941.640.000	-	-	-	105.941.640.000
Total	180.285.422.860	-	-	30.145.605.697	210.431.028.557
Beginning balance					
Cash and cash equivalents	30.619.889.296	-	-	-	30.619.889.296
Trading securities	-	-	-	-	-
Receivable from customers	65.622.549.258	-	-	34.742.404.404	100.364.953.662
Other receivables	2.067.587.718	-	-	-	2.067.587.718
Financial assets available for sale	106.400.000.000	-	-	-	106.400.000.000
Total	204.710.026.272	-	-	34.742.404.404	239.452.430.676

6b. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities.

The Company's liquidity risks mainly arise from the differences in maturity dates of financial assets and financial liabilities.

The Company controls liquidity risk by regularly following up the current payment requests as well as estimated payment requests in the futures to maintain an appropriate amount of cash as well as loans, supervising the cash flows actually arisen in comparison with estimation to minimize the effects of the changes in cash flows to the Company.

The terms of payments to non-derivative financial liabilities (including interest payable) are based on the undiscounted payments supposed to make according to the contracts as follows:

	Less than 01 year	From 01 year to 05 years	Over 05 years	Total
Ending balance				
Borrowings	3.000.000.000	-	-	3.000.000.000
Trade payables	7.293.851.403	-	-	7.293.851.403
Other payables	1.871.170.019	-	-	1.871.170.019
Total	12.165.021.422	-	-	12.165.021.422
Beginning balance				
Borrowings	4.950.399.000	7.395.547.182	-	12.345.946.182
Trade payables	7.351.021.754	-	-	7.351.021.754
Other payables	17.950.505.731	-	-	17.950.505.731
Total	30.251.926.485	7.395.547.182	-	37.647.473.667

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

Address: 11 Hoang Hoa Tham - Nha Trang City - Khanh Hoa Province

FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2015

Notes to the financial statements (cont.)

The Board of Directors believes that the risk level associated with payments to financial liabilities is low. The Company has sufficient capacity to settle all financial obligations when they are due from its operating cash flows and from the amounts receivable from mature financial assets. The Company is able to approach capital sources and loans falling due within 12 months, which can be extended with the current creditors.

6c. Market risk

Market risk is the risk that the fair value or cash flows in the future of a financial instrument will fluctuate due to changes in market prices.

Market risks exposed to the operations of the Company include foreign currency risk, interest rate risk, securities price risk and material price.

The sensitivity analyses and evaluations below are related to the company's financial position as of 31 December 2015 and 31 December 2014 on the basis of net debt value. The changes of exchange rate and interest rate, securities price, material price for analyses are assumed on the basis of the judgments of what can be happen in the next 01 year in the observable conditions of the current market.

Foreign currency risk

Foreign currency risk is the risk that the fair value or cash flows of a financial instrument will fluctuate due to changes in exchange rates.

The Board of Directors believes that the effects due to fluctuations in exchange rates on profit after tax and owner's equity of the Company are unremarkable since its foreign currency denominated net debts carry low values.

Interest rate risk

Interest rate risk is the risk that the fair value or cash flows of in the future a financial instrument will fluctuate due to changes in market interest rates.

The Company's interest rate risk substantially relates to term deposits, loans given and loans at floating interest rates.

The Company controls the interest rate risk by analyzing the market situation in order to give appropriate decision on choosing the time for getting loans, choosing appropriate loan terms to get the most favorable interest rates as well as maintaining loan structure with appropriate floating interest rate and fixed interest rate.

The Company's financial instruments at floating interest rates are as follows:

	Ending balance		Beginning balance	
	VND	USD	VND	USD
Cash and cash equivalents	14.000.000.000	-	22.800.000.000	-
Borrowings	(3.000.000.000)	-	(12.345.946.182)	-
Net financial assets	11.000.000.000	-	10.454.053.818	-

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

Address: 11 Hoang Hoa Tham - Nha Trang City - Khanh Hoa Province

FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2015

Notes to the financial statements (cont.)

As at the balance sheet, with the assumption that other variables were constant, if the interest rates of VND denominated loans at floating interest rates increase/decrease by 2%, the profit after tax and owner's equity of the Company in the current year will decrease/increase by VND 220.000.000 (Previous year: decrease/increase by VND 209.081.076).

Material price risk

The Company is exposed to the risk related to fluctuations in material prices. The Company manages the material price risk by following up the market information and related situations to control the time for purchasing materials, preparing manufacturing plan and keeping the volumes of inventories at reasonable level.

The Company has not used derivatives to avoid material price risk.

6d. Collaterals

Collaterals given to other entities

Carrying values of financial assets given to other entities are as follows :

	<u>Ending balance</u>	<u>Beginning balance</u>
Bank deposits	8.093.787.893	7.658.670.296
Receivable from customers	71.152.693.943	98.352.616.678
Total	<u>79.246.481.836</u>	<u>106.011.286.974</u>

The Company's collaterals will be released when financial obligations are fulfilled. There are no special terms and conditions in respect of the uses of these collaterals.

Collaterals received from other entities

The Company has not received any collaterals from other entities as at 31 December 2015 and 31 December 2014.

7. Fair values of financial assets and financial liabilities

	Carrying values		Fair values	
	<u>Ending balance</u>	<u>Beginning balance</u>	<u>Ending balance</u>	<u>Beginning balance</u>
<i>Financial assets</i>				
Cash and cash equivalents	22.446.436.893	30.619.889.296	22.446.436.893	30.619.889.296
Receivables from customers	73.165.030.927	100.364.953.662	61.424.720.858	85.544.661.978
Other receivables	8.877.920.737	2.067.587.718	8.877.920.737	2.067.587.718
Available-for-sale financial assets	105.941.640.000	106.400.000.000	105.941.640.000	106.400.000.000
Total	<u>210.431.028.557</u>	<u>239.452.430.676</u>	<u>198.690.718.488</u>	<u>224.632.138.992</u>
<i>Financial liabilities</i>				
Borrowings	3.000.000.000	12.345.946.182	3.000.000.000	12.345.946.182
Trade payables	7.293.851.403	7.351.021.754	7.293.851.403	7.351.021.754
Other payables	1.871.170.019	17.950.505.731	1.871.170.019	17.950.505.731
Total	<u>12.165.021.422</u>	<u>37.647.473.667</u>	<u>12.165.021.422</u>	<u>37.647.473.667</u>

Fair values of financial assets and financial liabilities of the Company are reflected at the values which the financial instruments can be converted in a current transaction among parties having adequate knowledge and expecting to involve in the transaction.

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

Address: 11 Hoang Hoa Tham - Nha Trang City - Khanh Hoa Province

FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2015

Notes to the financial statements (cont.)

The Company has applied the following method and assumption to estimate the fair values of financial assets and financial liabilities:

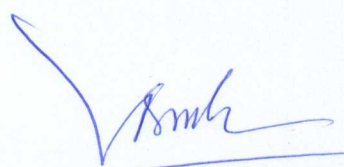
- Fair values of cash and cash equivalents, trade receivables, loans given, other receivables, borrowings, trade payables and other current liabilities are equivalent to their carrying values (already excluded estimation of doubtful debts) since these instruments have short-term periods.
- Fair values of held-to-maturity investments and available-for-sale financial assets which have been listed in stock market are the prices disclosed as at the balance sheet date. Fair values of held-to-maturity investments and available-for-sale financial assets which have not been listed in the stock market but had transaction prices disclosed by 03 stock companies are the average price computed based on transaction prices disclosed by 03 stock companies.
- Fair values of trade receivables, other receivables, borrowings, trade payables, other payables, held-to-maturity investments which have not been listed in the stock market or had transaction prices disclosed by 03 stock companies are estimated by discounting cash flows at the current interest rate applied to the loans having similar features and due dates.

The Company has not made any official assessment on the available-for-sale financial assets which have not been listed in the stock market and not had transaction prices disclosed by 03 stock companies. However, the Board of Directors believes that there is no material difference between fair values of these financial assets and their carrying values.

8. Subsequent events

There have been no events arising after the date of this statement which need to make adjustments on the figures or the disclosures in the financial statements.

Nha Trang, 26 February 2016



Tran Le Thanh Binh
Preparer

Vu Thanh Danh
Chief Accountant



Pham Minh Son
General Director



POWER ENGINEERING CONSULTING CO., LTD.

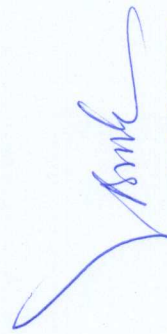
Address: No.11 Hoang Hoa Tham - Nha Trang City - Khanh Hoa Province
 FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2015

Appendix 1: Statement of fluctuation in owner's equity

Unit: VND

	Owner's equity	Equity surplus	Treasury stocks	Business promotion fund	Other funds	Retained earnings	Total
Beginning balance of previous year	145.996.140.000	(15.784.110.000)	(745.850.060)	26.753.260.607	1.721.694.867	4.734.367.616	162.675.503.030
Profit of previous year	-	-	-	-	-	22.335.993.674	22.335.993.674
Sharing dividends of previous year	-	-	-	-	-	(4.360.527.300)	(4.360.527.300)
Dividends temporarily advance in current year	-	-	-	-	-	(7.267.545.500)	(7.267.545.500)
Ending balance of previous year	145.996.140.000	(15.784.110.000)	(745.850.060)	26.753.260.607	1.721.694.867	15.442.288.490	173.383.423.904
Beginning balance in current year	145.996.140.000	(15.784.110.000)	(745.850.060)	26.753.260.607	1.721.694.867	15.442.288.490	173.383.423.904
Profit during the year	-	-	-	-	-	22.545.879.288	22.545.879.288
Extraction for fund	-	-	-	-	-	(907.197.490)	(907.197.490)
Sharing dividends and profit	-	-	-	-	-	(14.535.091.000)	(14.535.091.000)
Ending balance in current year	145.996.140.000	(15.784.110.000)	(745.850.060)	26.753.260.607	1.721.694.867	22.545.879.288	180.487.014.702




Tran Le Thanh Binh
Preparer



Vu Thanh Danh
Chief Accountant




Pham Minh Son
General Director

