



**BAKER TILLY
A&C**

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



INTERIM FINANCIAL STATEMENTS

**FOR THE FIRST 6 MONTHS OF THE FISCAL YEAR
ENDING 31 DECEMBER 2016**

**POWER ENGINEERING
CONSULTING JOINT STOCK
COMPANY 4**

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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 Interim Financial Statements for the fiscal year ending 31 December 2016.

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 legal interests of Power Engineering Consulting Company 4 starting from the date of Business Registration Certificate for joint stock company.

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, lightening 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 survey and survey of works, hydrogeology, geotechnics;
- Surveying, 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 survey;



POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

STATEMENT OF THE BOARD OF DIRECTORS (cont.)

- Providing consulting service for establishment of pre-feasibility study report, feasibility study report; establishment of bidding documents, tender documents evaluation;
- 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;
- Consulting examination of investment report and project; examining technical design, working drawings, total investment capital, total cost estimate, estimated cost; bidding documents for construction projects;
- Consulting environment, surveying and preparing report on compensation, sedentary farming and settlement of construction products. Consulting construction project management;
- Surveying and preparing report on environmental impacts;
- Environmental supervision;
- Producing and trading electricity;
- Trading power 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;
- Testing, analyzing and evaluating environmental criteria. Consulting on environment, surveying, preparing report on environmental impacts. 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:

Board of Management

Full name	Position	Appointing date
Mr. Pham Minh Son	Chairman	Appointed on 21 April 2012
Mr. Tran Hoai Nam	Member	Appointed on 21 April 2012
Mr. Nguyen Duy Binh	Member	Appointed on 20 April 2015
Mr. Tran Van Tho	Member	Appointed on 21 April 2012
Mr. Vu Thanh Danh	Member	Appointed on 21 April 2012

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

STATEMENT OF THE BOARD OF DIRECTORS (cont.)

The Control Board

Full name	Position	Appointing date
Mr. Ho Nam Khanh	Chief of the Board	Appointed on 28 April 2016
Mr. Vu Ngoc Thu	Chief of the Board	Resigned on 28 April 2016
Mr. Tran Vinh Thai	Member	Appointed on 25 April 2013
Ms. Vuong Xuan Thi Lien	Member	Appointed on 21 April 2012

The Board of Directors

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

Legal Representative

The Legal Representative of the Company during the period and to the date of this statement is Mr. Pham Minh Son - General Director.

Auditors

A&C Auditing and Consulting Co., Ltd. has been appointed to perform the audit on the Company's Interim Financial Statements for the first 06 months of the fiscal year ending 31 December 2016.

Responsibilities of the Board of Directors

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

- select the appropriate accounting policies and apply them consistently;
- make judgment 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 Interim Financial Statements;
- prepare the Interim Financial Statements of the Company on the going-concern basis, except for the cases that the going-concern basis is considered inappropriate;
- design and implement effectively the internal control system in order to ensure that the preparation and presentation of the Interim Financial Statements are free from material misstatements due to frauds or errors.

The Board of Directors hereby ensures that all the accounting books of the Company have been fully recorded and can fairly reflect the financial position of the Company at any time in compliance with the applicable Accounting System. The Board of Directors is also responsible for managing the Company's assets and consequently has taken appropriate measures to prevent and detect frauds and other irregularities.

The Board of Directors commits to the compliance with the aforementioned requirements in preparation of the Interim Financial Statements.

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

STATEMENT OF THE BOARD OF DIRECTORS (cont.)

Approval on the Financial Statements

The Board of Directors of the Company hereby approves the accompanying Interim Financial Statements, which give a true and fair view of the financial position of the Company as of 30 June 2016, the financial performance and the cash flows for the first 06 months of the fiscal year ending 31 December 2016 in accordance with the Vietnamese Accounting Standards and System as well as other legal regulations related to the preparation and presentation of the Interim Financial Statements.

For and on behalf of the Board of Directors



Pham Minh Son
General Director

Date: 10 August 2016



**BAKER TILLY
A&C**

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



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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

No. 108/2016/BCTC-KTTV

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

THE SHAREHOLDERS, THE BOARD OF MANAGEMENT AND THE BOARD OF DIRECTORS POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

We have reviewed the accompanying Interim Financial Statements of Power Engineering Consulting Joint Stock Company 4 (hereinafter referred to as "the Company"), which were prepared on 5 August 2016 from 7 to page 44 including the interim balance sheet as of 30 June 2016, the interim income statement, the interim cash flow statement for the first 6 months of the fiscal year ending 31 December 2016 and the notes to the Interim 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 Interim 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 Interim Financial Statements; and responsible for the internal control as the Company's Directors determine necessary to enable the preparation and presentation of the Interim Financial Statements to be free from material misstatement due to fraud or error.

Responsibility of Auditors

Our responsibility is to express a conclusion on the Interim Financial Statements based on our review. We conducted our review in accordance with Vietnamese Standards on Review Engagements 2410 - Review of Interim Financial Information performed by the Independent Auditor of the company, scope of these principles can be applicable to review engagement of historical finance information performed by Independent Auditor of the Company.

A review of interim financial information involves performing inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical procedures and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Vietnamese Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion of auditor

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Interim Financial Statements do not give a true and fair view of the financial positions in all material respect, financial performance as of 30 June 2016, its business results and its cash flows for the the first 6 months of the fiscal year ending 31 December 2016 in accordance with the Vietnamese Accounting Standards and System as well as other related regulations in preparation and presentation of the Interim Financial Statements.

A&C Auditing and Consulting Co., Ltd.

Nha Trang Branch

CÔNG TY TNHH
KIỂM TOÁN và TƯ VẤN
A&C
Tại NHA TRANG

Phan Thị Ngọc Tram
Deputy Director

Audit Practice Registration Certificate No. 0979-2013-008-1

Nha Trang City, 10 August 2016

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ending 31 December 2016

INTERIM BALANCE SHEET**(Full form)****As of 30 June 2016**

Unit: VND

ITEMS	Code	Note	Ending balance	Beginning balance
A - CURRENT ASSETS	100		107.314.739.258	106.716.218.995
I. Cash and cash equivalents	110	V.1	8.392.610.190	22.446.436.893
1. Cash	111		8.392.610.190	8.446.436.893
2. Cash equivalents	112		-	14.000.000.000
II. Short-term investments	120		-	-
1. Trading securities	121		-	-
2. Provisions for devaluation of securities trading	122		-	-
3. Held-to-maturity investments	123		-	-
III. Short-term receivables	130		88.207.221.151	70.887.111.072
1. Short-term trade receivables	131	V.3a	75.430.908.133	71.152.693.943
2. Short-term prepayments to suppliers	132	V.4	9.058.019.701	2.596.806.461
3. Short-term inter-company receivable	133		-	-
Receivable according to the progress of construction				
4. contract	134		-	-
5. Short-term loans receivable	135		-	-
6. Other short-term receivables	136	V.5a	15.458.603.386	8.877.920.737
7. Allowance for short-term doubtful debts	137	V.6	(11.740.310.069)	(11.740.310.069)
8. Deficit assets for treatment	139		-	-
IV. Inventories	140		10.714.907.917	13.377.472.269
1. Inventories	141	V.7	10.714.907.917	13.377.472.269
2. Allowance for inventories	149		-	-
V. Other current assets	150		-	5.198.761
1. Short-term prepaid expenses	151	V.8a	-	5.198.761
2. Deductible VAT	152		-	-
3. Taxes and other accounts receivable from the State	153		-	-
4. Trading Government bonds	154		-	-
5. Other current assets	155		-	-

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ending 31 December 2016

Interim balance sheet (cont.)

ITEMS	Code	Note	<u>Ending balance</u>	<u>Beginning balance</u>
B - NON-CURRENT ASSETS	200		133.882.754.719	134.237.097.398
I. Long-term receivables	210		2.082.336.984	2.082.336.984
1. Long-term trade receivables	211	V.3b	2.012.336.984	2.012.336.984
2. Long-term prepayment to suppliers	212		-	-
3. Working capital in affiliates	213		-	-
4. Long-term inter-company receivable	214		-	-
5. Long-term loans receivable	215		-	-
6. Other long-term receivable	216	V.5b	70.000.000	70.000.000
7. Allowance for long-term doubtful debts	219		-	-
II. Fixed assets	220		24.459.614.179	24.894.878.303
1. Tangible fixed assets	221	V.9	9.387.089.413	9.729.739.810
- <i>Historical cost</i>	222		33.924.773.536	33.511.228.081
- <i>Accumulated depreciation</i>	223		(24.537.684.123)	(23.781.488.271)
2. Financial leased assets	224		-	-
- <i>Historical cost</i>	225		-	-
- <i>Accumulated depreciation</i>	226		-	-
3. Intangible fixed assets	227	V.10	15.072.524.766	15.165.138.493
- <i>Initial cost</i>	228		18.828.157.411	18.797.483.911
- <i>Accumulated amortization</i>	229		(3.755.632.645)	(3.632.345.418)
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		-	-
V. Long-term investments	250		105.941.640.000	105.941.640.000
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	2.091.640.000
Provisions for devaluation of long-term financial				
4. investments	254		-	-
5. Held-to-maturity investments	255		-	-
VI. Other non-current assets	260		1.399.163.556	1.318.242.111
1. Long-term prepaid expenses	261	V.8b	1.399.163.556	1.318.242.111
2. Deferred income tax assets	262		-	-
3. Long-term components and spare parts and accessories	263		-	-
4. Other non-current assets	268		-	-
TOTAL ASSETS	270		<u>241.197.493.977</u>	<u>240.953.316.393</u>



POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ending 31 December 2016

Interim balance sheet (cont.)

ITEMS	Code	Note	<u>Ending balance</u>	<u>Beginning balance</u>
C - LIABILITIES	300		63.925.406.477	60.466.301.691
I. Current liabilities	310		63.925.406.477	57.466.301.691
1. Short-term trade payables	311	V.11	6.865.989.109	7.293.851.403
2. Short-term advances from customers	312	V.12	41.939.470.891	29.118.791.548
3. Taxes and other obligations payable to State Budget	313	V.13	2.962.641.867	3.552.778.700
4. Payables to employees	314	V.14	2.360.711.824	7.803.724.472
5. Short-term accrued expenses	315		-	-
6. Short-term inter-company payables	316		-	-
Payable according to the progress of construction				
7. contracts	317		-	-
8. Short-term unearned revenue	318		-	-
9. Other short-term payables	319	V.15	3.764.063.546	4.156.290.116
10. Short-term borrowings and financial leases	320	V.16a	3.000.000.000	-
11. Provisions for short-term payables	321		-	-
12. Bonus and welfare funds	322	V.17	3.032.529.240	5.540.865.452
13. Price stabilization fund	323		-	-
14. Trading Government bonds	324		-	-
II. Long-term liabilities	330		-	3.000.000.000
1. Long-term trade payables	331		-	-
2. Long-term prepayment from customers	332		-	-
3. Long-term accrued expenses	333		-	-
4. Inter-company payables for operating capital	334		-	-
5. Long-term inter-company payables	335		-	-
6. Long-term unearned revenue	336		-	-
7. Other long-term payables	337		-	-
8. Long-term borrowing and financial leases	338	V.16b	-	3.000.000.000
9. Convertible bonds	339		-	-
10. Preferred shares	340		-	-
11. Deferred income tax payable	341		-	-
12. Provisions for long-term payables	342		-	-
13. Science and technology development funds	343		-	-

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

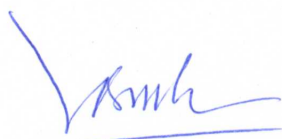
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INTERIM FINANCIAL STATEMENTS

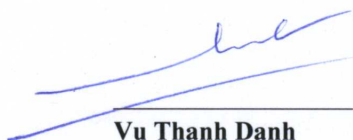
For the first 6 months of the fiscal year ending 31 December 2016

Interim balance sheet (cont.)

ITEMS	Code	Note	Ending balance	Beginning balance
D - OWNER'S EQUITY	400		177.272.087.500	180.487.014.702
I. Owner's equity	410		177.272.087.500	180.487.014.702
1. Capital	411	V.18	145.996.140.000	145.996.140.000
2. Share premiums	412	V.18	(15.784.110.000)	(15.784.110.000)
3. Bond conversion option	413		-	-
4. Other sources of capital	414		-	-
5. Treasury stocks	415	V.18	(745.850.060)	(745.850.060)
6. Differences on asset revaluation	416		-	-
7. Foreign exchange differences	417		-	-
8. Investment and development fund	418	V.18	26.753.260.607	26.753.260.607
9. Business arrangement supporting fund	419		-	-
10. Other funds	420	V.18	1.721.694.867	1.721.694.867
11. Retained earnings	421	V.18	19.330.952.086	22.545.879.288
- Retained earnings accumulated to the end of the previous period	421a		14.535.091.000	22.545.879.288
- Retained earnings of the current period	421b		4.795.861.086	-
12. Construction investment fund	422		-	-
II. Other sources and funds	430		-	-
1. Sources of expenditure	431		-	-
2. Fund to form fixed assets	432		-	-
TOTAL OWNER'S EQUITY	440		241.197.493.977	240.953.316.393



Tran Le Thanh Binh
Preparer



Vu Thanh Danh
Chief Accountant



Phạm Minh Sơn
General Director

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

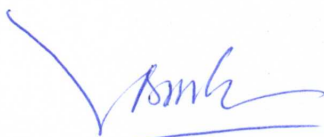
INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ending 31 December 2016

INTERIM INCOME STATEMENT**(Full form)****For the first 6 months of the fiscal year ending 31 December 2016**

Unit: VND

ITEMS	Code	Note	Accumulated from the beginning of the year	
			Current year	Previous year
1. Sales	01	VI.1	70.012.600.894	61.937.717.209
2. Sales deductions	02		-	-
3. Net sales	10		70.012.600.894	61.937.717.209
4. Cost of sales	11	VI.2	46.330.598.831	45.379.743.538
5. Gross profit	20		23.682.002.063	16.557.973.671
6. Financial income	21	VI.3	199.185.675	5.407.737.570
7. Financial expenses	22	VI.4	129.932.897	163.953.609
In which: Loan interest expenses	23		129.224.332	155.660.782
8. Selling expenses	25		-	-
9. General and administration expenses	26	VI.5	17.808.633.483	11.689.758.488
10. Net operating profit	30		5.942.621.358	10.111.999.144
11. Other income	31	VI.6	52.205.000	-
12. Other expenses	32	VI.7	-	65.805.459
13. Other profit/ (loss)	40		52.205.000	(65.805.459)
14. Total accounting profit before tax	50		5.994.826.358	10.046.193.685
15. Current income tax	51	V.13	1.198.965.272	1.067.812.610
16. Deferred income tax	52		-	-
17. Profit after tax	60		<u>4.795.861.086</u>	<u>8.978.381.075</u>
18. Earning per share	70	VI.8	<u>330</u>	<u>618</u>
19. Diluted earning per share	71	VI.8	<u>330</u>	<u>618</u>



Tran Le Thanh Binh
Preparer



Vu Thanh Danh
Chief Accountant



Phạm Minh Sơn
General Director

Khanh Hoa, 5 August 2016

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ending 31 December 2016

INTERIM CASH FLOW STATEMENT**(Full form)****(Indirect method)****For the first 6 months of the fiscal year ending 31 December 2016**

Unit: VND

ITEMS	Code	Note	Accumulated from the beginning of the year	
			Current year	Previous year
I. Cash flows from operating activities				
1. Profit before tax	01		5.994.826.358	10.046.193.685
2. Adjustments				
- Depreciation of fixed assets and investment properties	02	V.9; V.10	879.483.079	703.331.044
- Provisions	03		-	-
- Gain/ (loss) from exchange difference due to revaluation of monetary items in foreign currencies	04		-	2.581.509
- Gain/ (loss) from investing activities	05		(182.346.665)	(5.374.101.947)
- Interest expenses	06	VI.4	129.224.332	155.660.782
- Other adjustments	07		-	-
3. Operating profit before changes of working capital	08		6.821.187.104	5.533.665.073
- Increase/(decrease) of receivables	09		(17.320.110.079)	11.237.007.424
- Increase/(decrease) of inventories	10	V.7	2.662.564.352	5.708.851.538
- Increase/(decrease) of payables	11		6.213.158.190	(26.375.409.754)
- Increase/ (decrease) of prepaid expenses	12	V.8a,b	(75.722.684)	123.990.018
- Increase/(decrease) of securities trading	13		-	-
- Interests paid	14		(41.458.332)	(811.806.979)
- Corporate income tax paid	15	V.13	(1.758.942.464)	(1.233.151.719)
- Other cash inflows	16	V.17	10.000.000	8.000.000
- Other cash outflows	17	V.17	(3.261.579.000)	(49.400.000)
Net cash flows from operating activities	20		(6.750.902.913)	(5.858.254.399)
II. Cash flows from investing activities				
1. Purchases and construction of fixed assets and other long-term assets	21		(229.718.955)	(1.295.953.656)
2. Proceeds from disposals of fixed assets and other long-term assets	22		-	-
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		-	-
6. Withdrawals of investments in other entities	26		-	-
7. Interest earned, dividends and profits received	27		182.346.665	5.374.101.947
Net cash flows from investing activities	30		(47.372.290)	4.078.148.291

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ending 31 December 2016

Interim cash flow statement (cont.)

ITEMS	Code	Note	Accumulated from the beginning of the year	
			Current year	Previous year
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. Receivables from borrowings	33	V.16a	20.000.000.000	15.662.710.500
4. Repayment for loan principal	34	V.16a	(20.000.000.000)	(18.869.334.284)
5. Payments for financial leased assets	35		-	-
6. Dividends and profit paid to the owners	36	V.15; V.18	(7.255.551.500)	(5.223.922.000)
<i>Net cash flows from financing activities</i>	40		(7.255.551.500)	(8.430.545.784)
Net cash flows during the period	50		(14.053.826.703)	(10.210.651.892)
Beginning cash and cash equivalents	60	V.1	22.446.436.893	30.619.889.296
Effects of fluctuations in foreign exchange rates	61		-	437.242
Ending cash and cash equivalents	70	V.1	8.392.610.190	20.409.674.646

Khanh Hoa, 5 August 2016



Tran Le Thanh Binh
Preparer

Vu Thanh Danh
Chief Accountant

Pham Minh Son
General Director

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ended 31 December 2016

NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ending 31 December 2016

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 operations during the year on the Financial Statements

The Company’s trade and consultancy activities are stable, sales from providing services of the first 6 months of the year ended 2016 increase 13,04% equivalent to VND 8,1 billion in comparison with those of the first 6 months of the year ended 2015 due to the growth of sales from surveying power works. Its business results of the first 6 months of the year ended 2016 decrease in comparison with those of the same period of previous year, the main reason is that in the first 6 months of the year ended 2015 the Company has received 5% dividends from contributing capital into Buon Don Hydroelectricity Joint Stock Company; however, in the first 6 months of the year ended 2016, the Company does not have profit from this investment.

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 this associate is 31%, voting 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 Town - 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

The corresponding figures of previous period can compare with the figures of current period.

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INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ended 31 December 2016

Notes to the Interim Financial Statements (cont.)

8. Employees

As of the balance sheet date, there have been 467 employees working for the Company (at the beginning of the year: 475 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 because payments and receipts of the Company are primarily made in VND.

III. ACCOUNTING STANDARDS AND SYSTEM

1. Accounting System

The Company has applied Vietnamese Accounting Standards and System issued together with the Circular No. 200/2014/TT-BTC dated 22 December 2014 and other Circulars guiding implementation of Accounting Standards of the Ministry of Finance in preparation and presentation of the Interim 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 the Interim 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.

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INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ended 31 December 2016

Notes to the Interim 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.
- 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.

3. Cash and cash equivalents

Cash include cash on hand and demand deposits. Cash equivalents are 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.

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.

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INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ended 31 December 2016

Notes to the Interim Financial Statements (cont.)

- 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 as of the balance sheet date are recorded into "Financial expenses" during the year.

Profit or loss from transferring trading securities is recorded into "Financial income or Financial expenses". Costs are determined in line with rolling weighted average method.

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

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.

Initial recognition

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.

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INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ended 31 December 2016

Notes to the Interim Financial Statements (cont.)

Provisions for impairment of investments associates

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:

- 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.

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INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ended 31 December 2016

Notes to the Interim Financial Statements (cont.)

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.

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

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.

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.

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.

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INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ended 31 December 2016

Notes to the Interim Financial Statements (cont.)

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

Expenses related to computer software, which is not a part associated with the relevant hardware, will be capitalized. Initial 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 for the period from 3 to 5 years.

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:

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INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ended 31 December 2016

Notes to the Interim Financial Statements (cont.)

- 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.

Payables and accrued expenses are classified as short-term and long-term in Interim Balance Sheet on the basis of remaining period as of the balance sheet date.

11. 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.

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.

12. 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.

Dividend are recorded as payables upon approval of the Shareholders' Meeting and Decision of the Board of Management regarding dividends payment.

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INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ended 31 December 2016

Notes to the Interim Financial Statements (cont.)

13. 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.

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.

14. Construction contracts

Construction contract is a agreement contract to construct a assets or a group of assets tightly relating or depending in respect of design, technology, function or those use purpose.

When the results from the contract implementations are reliably estimated:

- For the contracts stipulating that the contractors are paid according to the planned progress, income and expenses related to these contracts are recognized correspondingly to the works already completed as determined by the company itself.
- For the contracts stipulating that the contractors are paid according to the works actually done, income and expenses related to these contracts are recognized correspondingly to the works already completed as confirmed during the period in the invoices made by the customers.

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.



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INTERIM FINANCIAL STATEMENTS

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Notes to the Interim Financial Statements (cont.)

15. Sales deductions

Sales deductions include trade discounts, sales allowances, sales returns incurred in the same period of providing services which are recorded as a deduction of sales in such period.

In case of services provided in the previous period but trade discounts, sales allowances, sales returns incurred in the current period, sales deductions shall be recorded as follows:

- If sales allowances, trade discounts, sales returns incur prior to the release of the Interim Financial Statements, such sales deductions are recognized in the Interim Financial Statements of the current period.
- If sales allowances, trade discounts, sales returns incur after the release of the Interim Financial Statements, such sales deductions are recognized in the Interim Financial Statements of the following period.

16. 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.

17. 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.

18. 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.

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INTERIM FINANCIAL STATEMENTS

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Notes to the Interim Financial Statements (cont.)

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.

19. 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.

20. 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.

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INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ended 31 December 2016

Notes to the Interim Financial Statements (cont.)

Segment information is prepared and presented in conformity with accounting policies applied to prepare and present the Company's Interim Financial Statements.

21. 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, 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, other financial liabilities are recorded at original cost less other costs directly related to those financial liabilities.

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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INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ended 31 December 2016

Notes to the Interim Financial Statements (cont.)

V. ADDITIONAL INFORMATION ON THE ITEMS OF THE INTERIM BALANCE SHEET

1. Cash and cash equivalents

	<u>Ending balance</u>	<u>Beginning balance</u>
Cash on hand	641.952.826	352.649.000
Demand deposits in bank	7.750.657.364	8.093.787.893
Cash equivalents (<i>time deposits of which the principal maturity is under 3 months</i>)	-	14.000.000.000
Total	<u>8.392.610.190</u>	<u>22.446.436.893</u>

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 associate

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.

Fair value

The Company has not yet determined fair value of unlisted investments since there is no guidance on determination of fair value in detail.

Situation of the associate's operations

Buon Don Hydroelectricity Joint Stock Company 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

During the period, the Company does not have transactions with associates. The same period of previous year, the Company has only arisen transaction of providing survey and design service for Buon Don Hydroelectricity Joint Stock Company - associate - at amount of VND 2.230.184.730.

2b. Capital contribution into other entities

	Ending balance			Beginning balance		
	Original costs	Fair value	Provisions	Original costs	Fair value	Provisions
Shares						
EVN International Joint Stock Company	105.000	1.050.000.000	-	105.000	1.050.000.000	-
Khanh Hoa - Ha Noi Development Investment Joint Stock Company	104.164	1.041.640.000	-	104.164	1.041.640.000	-
Total		<u>2.091.640.000</u>	-		<u>2.091.640.000</u>	-

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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For the first 6 months of the fiscal year ended 31 December 2016

Notes to the Interim Financial Statements (cont.)

3. Short-term/ long-term trade receivables**3a. Short-term trade receivables**

	<u>Ending balance</u>	<u>Beginning balance</u>
<i>Receivables from related parties</i>	2.726.583.861	1.115.332.656
Power Engineering Consulting Joint Stock Company 2	1.611.251.205	-
Buon Don Hydroelectricity Joint Stock Company Power Engineering Consulting Joint Stock Company 1	974.266.502	974.266.502
	141.066.154	141.066.154
<i>Receivables from other customers</i>	72.704.324.272	70.037.361.287
Trung Nam Power Joint Stock Company	7.064.180.169	7.264.180.169
Management Board of Northern Power Project	2.452.163.178	5.629.020.025
Other customers	63.187.980.925	57.144.161.093
Total	<u>75.430.908.133</u>	<u>71.152.693.943</u>

3b. Long-term trade receivables

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

4. Short-term prepayments to suppliers

	<u>Ending balance</u>	<u>Beginning balance</u>
<i>Prepayments to other suppliers</i>	1.967.500.000	-
Power Engineering Consulting Joint Stock Company 1	1.967.500.000	-
<i>Prepayments to other suppliers</i>	7.090.519.701	2.596.806.461
Lung Lo Construction Joint Stock Company 9	2.400.000.000	-
Damwatch Engineering Ltd	1.037.794.000	-
Hanoi - Energy Construction Consulting Co., Ltd.	400.000.000	400.000.000
Le Nguyen Construction Co., Ltd.	397.101.100	397.101.100
NIAPP	269.146.436	269.146.436
Others	2.586.478.165	1.530.558.925
Total	<u>9.058.019.701</u>	<u>2.596.806.461</u>

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Notes to the Interim Financial Statements (cont.)

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	-	6.750.250.000	-
Buon Don Hydroelectricity Joint Stock Company - dividends and profits shared	6.750.250.000	-	6.750.250.000	-
Receivables from other organizations and individuals	8.708.353.386	-	2.127.670.737	-
Mott MacDonald Ltd., Co - Expenses for fuels to be collected from investors	-	-	23.892.818	-
Receipt from employees	67.000.000	-	78.000.000	-
Advances to employees	8.452.045.404	-	1.841.967.261	-
Social insurance	22.724.000	-	-	-
Other short-term receivables	166.583.982	-	183.810.658	-
Total	15.458.603.386	-	8.877.920.737	-

5b. Other long-term receivables

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

6. Doubtful debts

	Outstanding period	Ending balance		Outstanding period	Beginning balance	
		Original costs	Recoverable amount		Original costs	Recoverable amount
Other organizations and individuals						
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	2009	6.037.929.873	4.830.343.898	2009	6.037.929.873	4.830.343.898
Duc Long Gia Lai Group JSC	2011	5.318.864.000	2.659.432.000	2011	5.318.864.000	2.659.432.000
Nhan Luat Energy JSC	2009	3.054.527.900	1.527.263.950	2009	3.054.527.900	1.527.263.950
Vietnam Electricity Construction JSC	2007	3.686.461.336	1.530.276.536	2007	3.686.461.336	1.530.276.536
Others	2008-2013	5.391.329.766	3.106.163.090	2008-2013	6.127.829.766	3.842.663.090
Total		29.409.105.697	17.668.795.628		30.145.605.697	18.405.295.628

Fluctuations in allowances for doubtful debts are as follows:

	Current period	Previous period
Beginning balance	11.740.310.069	14.820.291.684
Ending balance	11.740.310.069	14.820.291.684

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Notes to the Interim Financial Statements (cont.)

7. Inventories

	Ending balance		Beginning balance	
	Original costs	Allowance	Original costs	Allowance
Materials and supplies	424.731.509	-	491.433.726	-
Tools	54.642.042	-	9.806.103	-
Work in progress	10.235.534.366	-	12.876.232.440	-
Total	10.714.907.917	-	13.377.472.269	-

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

	Ending balance	Beginning balance
Tools	-	5.198.761
Total	-	5.198.761

8b. Long-term prepaid expenses

	Ending balance	Beginning balance
Tools	1.316.988.313	1.303.037.507
Other expenses	82.175.243	15.204.604
Total	1.399.163.556	1.318.242.111

9. Tangible fixed assets

	Buildings and structures	Machinery and equipment	Vehicles	Office equipment	Total
Historical costs					
Beginning balance	10.104.595.287	9.746.130.755	12.541.821.147	1.118.680.892	33.511.228.081
New purchase during the period	-	335.000.000	-	78.545.455	413.545.455
Ending balance	10.104.595.287	10.081.130.755	12.541.821.147	1.197.226.347	33.924.773.536
<i>In which:</i>					
Assets fully depreciated but still in use	773.606.927	7.426.817.082	9.908.142.964	807.570.522	18.916.137.495
Assets waiting for liquidation	-	-	-	-	-
Depreciation					
Beginning balance	4.310.763.255	7.819.057.830	10.758.911.077	892.756.109	23.781.488.271
Depreciation	239.870.612	252.907.256	225.538.950	37.879.034	756.195.852
Ending balance	4.550.633.867	8.071.965.086	10.984.450.027	930.635.143	24.537.684.123
Net book value					
Beginning balance	5.793.832.032	1.927.072.925	1.782.910.070	225.924.783	9.729.739.810
Ending balance	5.553.961.420	2.009.165.669	1.557.371.120	266.591.204	9.387.089.413
<i>In which:</i>					
Assets temporarily not in use	-	-	-	-	-
Assets waiting for liquidation	-	-	-	-	-

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Notes to the Interim Financial Statements (cont.)

Some tangible fixed assets of which its net book value are VND 5.553.961.420 are mortgaged to secure loans from BIDV - Khanh Hoa Branch (see Note V.16).

10. Intangible fixed assets

	<u>Long-term land use right</u>	<u>Fixed-term land use right</u>	<u>Computer software</u>	<u>Total</u>
Initial costs				
Beginning balance	7.093.957.000	9.463.506.000	2.240.020.911	18.797.483.911
Purchase during the period	-	-	30.673.500	30.673.500
Ending balance	<u>7.093.957.000</u>	<u>9.463.506.000</u>	<u>2.270.694.411</u>	<u>18.828.157.411</u>
<i>In which:</i>				
Assets fully depreciated but still being in use	-	-	2.107.552.255	2.107.552.255
Amortization				
Beginning balance	-	1.476.920.505	2.155.424.913	3.632.345.418
Amortization during the period	-	99.752.400	23.534.827	123.287.227
Ending balance	-	<u>1.576.672.905</u>	<u>2.178.959.740</u>	<u>3.755.632.645</u>
Net book value				
Beginning balance	7.093.957.000	7.986.585.495	84.595.998	15.165.138.493
Ending balance	<u>7.093.957.000</u>	<u>7.886.833.095</u>	<u>91.734.671</u>	<u>15.072.524.766</u>
<i>In which:</i>				
Assets temporarily not yet used	-	-	-	-
Assets waiting for liquidation	-	-	-	-

Some intangible fixed assets of which its net book value are VND 12.695.746.615 are mortgaged to secure borrowings from BIDV - Khanh Hoa Branch (see Note V.16).

11. Trade payables

	<u>Ending balance</u>	<u>Beginning balance</u>
<i>Payables to related parties</i>	983.545.000	983.545.000
Power Engineering Consulting JSC 1	983.545.000	983.545.000
<i>Payables to other suppliers</i>	5.882.444.109	6.310.306.403
Sea Research and Sea Map Measure Team	917.730.264	917.730.264
Hoa Binh – Agriculture 1 Map Measure Enterprise	733.998.010	733.998.010
Other suppliers	4.230.715.835	4.658.578.129
Total	<u>6.865.989.109</u>	<u>7.293.851.403</u>

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INTERIM FINANCIAL STATEMENTS

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Notes to the Interim Financial Statements (cont.)

12. Short-term advances from customers

	<u>Ending balance</u>	<u>Beginning balance</u>
<i>Prepayment to related parties</i>	-	762.712.795
Power Engineering Consulting JSC 2	-	762.712.795
<i>Prepayment to other customers</i>	41.939.470.891	28.356.078.753
Hydroelectricity Project Management Board 5	15.629.961.338	-
Trung Son Hydropower One Member Co., Ltd (ATS)	4.133.783.284	6.879.147.834
Central Power Project Management Board	3.894.814.456	4.247.698.817
Management Board of Southern Electricity Project	3.371.930.288	3.371.930.288
Other customers	14.908.981.525	13.857.301.814
Total	<u>41.939.470.891</u>	<u>29.118.791.548</u>

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	2.277.021.750	5.196.943.937	(5.280.909.578)	2.193.056.109
Corporate income tax	1.239.518.950	1.198.965.272	(1.758.942.464)	679.541.758
Personal income tax	36.238.000	592.106.490	(538.300.490)	90.044.000
Property tax	-	3.123.300	(3.123.300)	-
Other taxes	-	75.200.632	(75.200.632)	-
Total	<u>3.552.778.700</u>	<u>7.066.339.631</u>	<u>(7.656.476.464)</u>	<u>2.962.641.867</u>

Value Added Tax (VAT)

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

Corporate income tax

The Company has to pay corporate income tax for taxable income at tax rate of 20% (tax rate of the same period of previous year was 22%).

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

	<u>Accumulated from the beginning of the year</u>	
	<u>Current year</u>	<u>Previous year</u>
Total accounting profit before tax	5.994.826.358	10.046.193.685
Increases/(decreases) of accounting profit to determine profit subject to corporate income tax	-	(5.192.500.000)
- Increases	-	-
- Decreases	-	(5.192.500.000)
Taxable income	5.994.826.358	4.853.693.685
Corporate income tax rate	20%	22%
Corporate income tax payable	<u>1.198.965.272</u>	<u>1.067.812.610</u>

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INTERIM FINANCIAL STATEMENTS

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Notes to the Interim Financial Statements (cont.)

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.

Property tax

Property tax is paid in line with notice of tax agency.

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. 119A/QĐ-HĐQT dated 31 March 2016 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.

15. Other short-term payables

	<u>Ending balance</u>	<u>Beginning balance</u>
<i>Payables to related parties</i>	1.758.165.935	1.670.399.935
Payable for EVN	1.758.165.935	1.670.399.935
<i>In which:</i>		-
- <i>Loan interest expenses</i>	98.286.000	10.520.000
- <i>Interest on bonds payable</i>	1.659.879.935	1.659.879.935
<i>Payables to other organizations and individuals</i>	2.005.897.611	2.485.890.181
Payable for equitization	2.100.000	2.100.000
Dividends and profits payable	61.365.800	49.371.800
Interest on bonds payable	48.118.000	48.118.000
Other payables	1.894.313.811	2.386.300.381
Total	<u>3.764.063.546</u>	<u>4.156.290.116</u>

16. Short-term/long-term borrowings

16a. Short-term borrowings

	<u>Ending balance</u>	<u>Beginning balance</u>
<i>Short-term borrowings payable to related parties</i>		
Current portion of long-term borrowings from EVN ⁽ⁱ⁾	3.000.000.000	-
<i>Short-term borrowings payable to other organizations and individuals</i>	-	-
Short-term borrowings from BIDV - Khanh Hoa Branch ⁽ⁱⁱ⁾	-	-
Total	<u>3.000.000.000</u>	<u>-</u>

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Notes to the Interim Financial Statements (cont.)

The Company can settle short-term borrowings.

- (i) Long-term borrowings 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.
- (ii) Short-term borrowings from BIDV – Khanh Hoa branch in line with credit line (line: VND 40.000.000.000) to supplement its working capital, borrowing period is applied for each credit contract.

Borrowing 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

Details of increases/ (decreases) of short-term borrowings during the period are as follows:

	<u>Beginning balance</u>	<u>Increase</u>	<u>Transfer from long-term borrowings</u>	<u>Amount already paid during the period</u>	<u>Ending balance</u>
Borrowings from BIDV - Khanh Hoa Branch	-	20.000.000.000	-	(20.000.000.000)	-
Current portion of long-term borrowing from EVN	-	-	3.000.000.000	-	3.000.000.000
Total	-	20.000.000.000	3.000.000.000	(20.000.000.000)	3.000.000.000

16b. Long-term borrowings

	<u>Ending balance</u>	<u>Beginning balance</u>
Long-term borrowings payables to related parties		
Borrowings from EVN	-	3.000.000.000
Total	-	3.000.000.000

The Company can settle long-term borrowings.

Payment term of long-term borrowings: under 1 year

Details of increases, (decreases) of long-term borrowings from EVN are as follows:

Beginning balance	3.000.000.000
Transfer from short-term borrowings during the period	(3.000.000.000)
Ending balance	-

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Notes to the Interim Financial Statements (cont.)

17. Bonus and welfare fund

	<u>Beginning balance</u>	<u>Increase due to extraction from profit</u>	<u>Bonus from the Group</u>	<u>Funds paid during the year</u>	<u>Ending balance</u>
Bonus fund	2.474.434.174	499.842.788	10.000.000	(2.514.850.000)	469.426.962
Welfare fund	2.396.131.278	-	-	(76.680.000)	2.319.451.278
Bonus fund for the Executive Officers	670.300.000	243.400.000	-	(670.049.000)	243.651.000
Total	5.540.865.452	743.242.788	10.000.000	(3.261.579.000)	3.032.529.240

18. Owner's equity

18a. Statement of fluctuation 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

Situation of charter capital contribution is as follows:

	<u>As in Business Registration Certificate</u>		<u>Charter capital already contributed (VND)</u>	<u>Charter capital to be contributed (VND)</u>
	<u>VND</u>	<u>Rate (%)</u>		
EVN	104.478.440.000	71,56	104.478.440.000	-
Other shareholders	41.517.700.000	28,44	41.517.700.000	-
Total	145.996.140.000	100,00	145.996.140.000	-

18c. Shares

	<u>Ending balance</u>	<u>Beginning balance</u>
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.

18d. Profit distribution

During the year, the Company has distributed profit in line with Resolution of 2016 shareholders' meeting dated 28 April 2016 as follows:

	VND
• Extraction for bonus and welfare fund	: 499.842.788
• Bonus fund for the Executive Officers	: 243.400.000

Pursuant to Resolution of 2016 shareholders' meeting dated 28 April 2016, the Company has decided to share dividends of the year 2015 to shareholders at amount of VND 21.802.636.500. During the period, based on Resolution of the Board of Management, the Company has appropriated VND 7.267.545.500 of dividends for shareholders.

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Notes to the Interim Financial Statements (cont.)

19. Off-balance sheet items**19a. Foreign currencies**

As of the balance date, cash comprise USD 364.13 (Beginning balance: USD 22,343.03).

19b. Treated doubtful debts

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

VI. ADDITIONAL INFORMATION ON THE ITEMS OF THE INTERIM INCOME STATEMENT**1. Sales****1a. Gross sales**

	Accumulated from the beginning of the year	
	Current year	Previous year
Survey	29.269.610.820	13.508.100.082
Design	40.742.990.074	48.429.617.127
Total	70.012.600.894	61.937.717.209

1b. Sales from sales of goods and service provision to related parties

Apart from transactions of sales of goods and service provisions to subsidiaries, joint ventures, associates are presented in Note V.2b. The Company has transactions on sales of goods and service provisions to related parties which are not joint ventures and associates are as follows:

	Accumulated from the beginning of the year	
	Current year	Previous year
Electricity of Vietnam (EVN)	-	14.326.965.180
Power Engineering Consulting Joint Stock Company 2	5.319.740.201	-

2. Costs of goods sold

	Accumulated from the beginning of the year	
	Current year	Previous year
Costs of survey	18.888.725.052	8.166.552.221
Costs of design	27.441.873.779	37.213.191.317
Total	46.330.598.831	45.379.743.538

3. Financial income

	Accumulated from the beginning of the year	
	Current year	Previous year
Gains from bank deposits	198.096.117	181.601.947
Dividends and profit shared	-	5.192.500.000
Gains from foreign exchange difference	1.089.558	33.635.623
Total	199.185.675	5.407.737.570

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Notes to the Interim Financial Statements (cont.)

4. Financial expenses

	Accumulated from the beginning of the year	
	Current year	Previous year
Loan interest expenses	129.224.332	155.660.782
Loss from foreign exchange difference	708.565	8.292.827
Total	129.932.897	163.953.609

5. General and administration expenses

	Accumulated from the beginning of the year	
	Current year	Previous year
Expenses for employees	6.972.894.035	6.377.315.276
Office materials and stationeries	277.365.100	216.118.032
Depreciation of fixed assets	33.900.548	26.539.459
Taxes, fees and legal fees	39.289.966	29.123.300
External service rendered	506.222.346	457.655.599
Other expenses	9.978.961.488	4.583.006.822
Total	17.808.633.483	11.689.758.488

6. Other income

	Accumulated from the beginning of the year	
	Current year	Previous year
Gains from refund of training expenses	52.105.000	-
Receipt of document compensation	100.000	-
Total	52.205.000	-

7. Other expenses

	Accumulated from the beginning of the year	
	Current year	Previous year
Fines due to contract violation	-	65.805.459
Total	-	65.805.459

8. Earning per shares

8a. Basic/dillute earning per shares

	Accumulated from the beginning of the year	
	Current year	Previous year
Accounting profit after corporate income tax	4.795.861.086	8.978.381.075
Increase/(decrease) of accounting profit to determine profit attribute shareholders owned ordinary shares:	-	-
Profit used to calculate basic/diluted earnings per share	4.795.861.086	8.978.381.075
Average outstanding ordinary shares during the period	14.535.091	14.535.091
Basic/diluted earning per share	330	618

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INTERIM FINANCIAL STATEMENTS

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Notes to the Interim Financial Statements (cont.)

8b. Other information

There are no transactions relating to ordinary shares or potential ordinary shares occurring from the balance sheet date to the date releasing these Interim Financial Statements.

9. Operating expenses

	Accumulated from the beginning of the year	
	Current year	Previous year
Materials and supplies	4.011.318.906	2.357.700.605
Labors	38.738.799.051	31.886.576.381
Depreciation of fixed assets	879.483.079	703.331.044
External service rendered	3.836.198.098	7.645.248.291
Other expenses	14.032.735.106	8.824.691.393
Total	61.498.534.240	51.417.547.714

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

Non-cash transactions

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

	Accumulated from the beginning of the year	
	Current year	Previous year
Payment of principal amount of long-term loans through offsetting liabilities against EVN	-	3.000.000.000
Payment of principal amount of short-term borrowings through offsetting against liabilities	-	1.766.900.000
Total	-	4.766.900.000

VII. OTHER DISCLOSURES

1. Commitments

Pursuant to Resolution No. 1938/NQ-HĐQT 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.

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Notes to the Interim Financial Statements (cont.)

2. Balances and transactions with related parties

The Company's related parties include key managers, individuals related to key managers and other related parties.

2a. Balances and transactions with key managers and individuals related to key managers

Key managers include the Board members, the Board of Directors, Chief Accountant. Individuals related to key managers are their family members.

Transactions with key managers and individuals related to key managers

The Company does not have transactions of sales of goods and service provision to key managers and individuals related to key managers and have only transactions with the Board members, the Board of Directors and Chief Accountant as follows:

Key management members	Transactions
The Board of Management and the Board of Control	Pursuant to Resolution of the 2016 annual general shareholders' meeting, remuneration of the Board of Management and the Board of Control in the first 6 months of the year ended 2016 is VND 265.200.000 (in the first 6 months of the year ended 2015: VND 239.000.000).
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 the first 6 months of the year ended 2016 is VND 1.179.972.528 (in the first 6 months of the year ended 2015: VND 1.064.339.043).

Liabilities with key managers and individuals related to key managers

The Company does not have liabilities with key managers and individuals related to key managers.

2b. Balances and transactions with other related parties

Other related parties with the Company include:

Other related parties	Relationship
Electricity of Vietnam (EVN)	Shareholders possessing 71,56% of shares (see Note V.18)
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 other related parties

Apart from transactions with associates presented in Note V.2a as well as transactions on sales of goods and service provision to other related parties which are not associates presented in Note VI.1b, the Company has other transactions with other related parties as follows:

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Notes to the Interim Financial Statements (cont.)

	Accumulated from the beginning of the year	
	Current year	Previous year
<i>Electricity of Vietnam (EVN)</i>		
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
Payment of dividends	5.223.922.000	10.447.844.000
Loan interest expenses	87.766.000	124.963.000
<i>Power Engineering Consulting Joint Stock Company 1</i>		
Advances	1.967.500.000	-
<i>Power Engineering Consulting Joint Stock Company 2</i>		
Receipt of survey fee	3.477.750.221	-

Price of service provision to other related parties is agreed price. Purchasing services from other related parties is done according to agreed price.

Liabilities with other related parties

Liabilities with other related parties are presented in Notes V.3a, V.4, V.5a, V.11 and V.12, V.15, V.16.

Receivables related to other related parties are un-secured and paid by cash. No provision for bad debts are made for receivables from other related parties.

3. Segment information

The Company's operation only includes one operating field i.e. providing survey and design service and is taken place in Vietnam.

4. Financial risk management

The Company's operation arises financial risks as follows credit risk, liquidity risk and market risk, the Board of Directors has responsibility for establishing policies and the control in order to diminish financial risks as well as manage performance of policies and the controls established.

4a. 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

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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.

The maximum credit risk of financial assets is book value of financial assets (see Note VII.4 on book value of financial assets).

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

	Not yet overdue or not impaired	Not yet overdue but already devaluated	Already overdue but not yet devaluated	Already overdue and/ (or) devaluated	Total
Ending balance					
Cash and cash equivalents	8.392.610.190	-	-	-	8.392.610.190
Receivable from customers	47.297.639.420	-	-	30.145.605.697	77.443.245.117
Other receivables	15.458.603.386	-	-	-	15.458.603.386
Financial assets available for sale	2.091.640.000	-	-	-	2.091.640.000
Total	73.240.492.996	-	-	30.145.605.697	103.386.098.693
Beginning 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	2.091.640.000	-	-	-	2.091.640.000
Total	76.435.422.860	-	-	30.145.605.697	106.581.028.557

4b. 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 (excluding interest payable) are based on the undiscounted payments supposed to make according to the contracts as follows:

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Notes to the Interim Financial Statements (cont.)

	<u>Less than 01 year</u>	
	<u>Ending balance</u>	<u>Beginning balance</u>
Trade payables	6.865.989.109	7.293.851.403
Borrowings and debts	3.000.000.000	3.000.000.000
Other payables	1.780.031.609	1.871.170.019
Total	<u>11.646.020.718</u>	<u>12.165.021.422</u>

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.

4c. *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 30 June 2016 and 31 December 2015 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.

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Notes to the Interim Financial Statements (cont.)

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	-
Borrowings and debts	(3.000.000.000)	-	(3.000.000.000)	-
Net assets	(3.000.000.000)	-	11.000.000.000	-

As at the balance sheet date, 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 before tax and owner's equity of the Company in the current year will decrease/increase by VND 60.000.000 (the same period of previous year: decreased/increased by VND 162.414.052).

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.

4d. Collaterals

The Company has not had any collaterals given to other entities as well as received any collaterals from other entities as at 30 June 2016 and 31 December 2015.

5. Financial assets and financial liabilities

Financial assets

Carrying values of financial assets are as follows:

	Ending balance		Beginning balance	
	Original costs	Provision	Original costs	Provision
Cash and cash equivalents	8.392.610.190	-	22.446.436.893	-
Receivables from customers	47.297.639.420	(11.740.310.069)	43.019.425.230	(11.740.310.069)
Other receivables	15.458.603.386	-	8.877.920.737	-
Available-for-sale financial assets	2.091.640.000	-	2.091.640.000	-
Total	73.240.492.996	(11.740.310.069)	76.435.422.860	(11.740.310.069)

Financial liabilities

Carrying values of financial liabilities are as follows:

	Ending balance	Beginning balance
Trade payables	6.865.989.109	7.293.851.403
Borrowings and debts	3.000.000.000	3.000.000.000
Other payables	1.780.031.609	1.871.170.019
Total	11.646.020.718	12.165.021.422

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INTERIM FINANCIAL STATEMENTS

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Notes to the Interim Financial Statements (cont.)

Method of fair value determination of financial assets and liabilities

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.

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, 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.

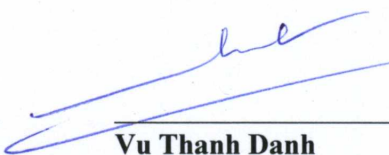
6. Subsequent events

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 Interim Financial Statements.

Nha Trang, 5 August 2016



Tran Le Thanh Binh
Preparer



Vu Thanh Danh
Chief Accountant



Pham Minh Son
General Director

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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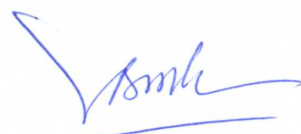
INTERIM FINANCIAL STATEMENTS

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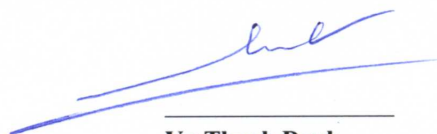
Appendix: Statement of fluctuations in owner's equity

Unit: VND

	Capital	Share premiums	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	15.442.288.490	173.383.423.904
Profit during the previous period	-	-	-	-	-	8.978.381.075	8.978.381.075
Extraction for funds in the previous period	-	-	-	-	-	(907.197.490)	(907.197.490)
Distribution of dividends from retained earnings of previous year	-	-	-	-	-	(7.267.545.500)	(7.267.545.500)
Ending balance of previous period	145.996.140.000	(15.784.110.000)	(745.850.060)	26.753.260.607	1.721.694.867	16.245.926.575	174.187.061.989
Beginning 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
Profit during the period	-	-	-	-	-	4.795.861.086	4.795.861.086
Extractions for funds during the period	-	-	-	-	-	(743.242.788)	(743.242.788)
Distribution of dividends from retained earnings of previous year	-	-	-	-	-	(7.267.545.500)	(7.267.545.500)
Ending balance of the current period	145.996.140.000	(15.784.110.000)	(745.850.060)	26.753.260.607	1.721.694.867	19.330.952.086	177.272.087.500



Tran Le Thanh Binh
Preparer



Vu Thanh Danh
Chief Accountant



Khánh Hòa, 5 August 2016

Pham Minh Son
General Director

