

FINANCIAL STATEMENTS
FOR THE FIRST QUARTER OF YEAR 2016

**POWER ENGINEERING
CONSULTING JOINT STOCK
COMPANY 4**



POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

BALANCE SHEET

As of 31 March 2016

Unit: VND

ASSETS	Code	Note	Ending balance	Beginning balance
A - CURRENT ASSETS	100		103.961.971.395	106.716.218.995
I. Cash and cash equivalents	110	V.1	13.843.079.680	22.446.436.893
1. Cash	111		3.843.079.680	8.446.436.893
2. Cash equivalents	112		10.000.000.000	14.000.000.000
II. Short-term financial investments	120		-	-
1. Trading securities	121		-	-
2. Provisions for devaluation of trading securities	122		-	-
3. Held-to-maturity investments	123		-	-
III. Short-term receivables	130		81.354.335.580	70.887.111.072
1. Short-term trade receivables	131	V.3a	73.240.820.644	71.152.693.943
2. Short-term prepayments to suppliers	132	V.4	4.287.107.658	2.596.806.461
3. Short-term inter-company receivables	133		-	-
4. Receivable according to the progress of construction contract	134		-	-
5. Receivables for short-term loans	135		-	-
6. Other short-term receivables	136	V.5	15.566.717.347	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		8.704.770.363	13.377.472.269
1. Inventories	141	V.7	8.704.770.363	13.377.472.269
2. Allowance for inventories	149		-	-
V. Other current assets	150		59.785.772	5.198.761
1. Short-term prepaid expenses	151	V.8a	-	5.198.761
2. Deductible VAT	152		59.785.772	-
3. Taxes and other receivables from the State	153		-	-
4. Trading Government bonds	154		-	-
5. Other current assets	155		-	-

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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ASSETS	Code	Note	Ending balance	Beginning balance
B - LONG-TERM ASSETS	200		133.691.594.886	134.237.097.398
I. Long-term accounts 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 prepayments to suppliers	212		-	-
3. Working capital in affiliates	213		-	-
4. Long-term inter-company receivable	214		-	-
5. Receivables for long-term loans	215		-	-
6. Other long-term receivables	216		70.000.000	70.000.000
7. Allowance for long-term doubtful debts	219		-	-
II. Fixed assets	220		24.457.683.656	24.894.878.303
1. Tangible fixed assets	221	V.9	9.353.460.418	9.729.739.810
<i>Historical costs</i>	222		33.511.228.081	33.511.228.081
<i>Accumulated depreciation</i>	223		(24.157.767.663)	(23.781.488.271)
2. Financial leased assets	224		-	-
<i>Historical costs</i>	225		-	-
<i>Accumulated depreciation</i>	226		-	-
3. Intangible fixed assets	227	V.10	15.104.223.238	15.165.138.493
<i>Initial costs</i>	228		18.797.483.911	18.797.483.911
<i>Accumulated amortization</i>	229		(3.693.260.673)	(3.632.345.418)
III. Investment property	230		-	-
1. Historical costs	231		-	-
2. 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 financial investments	250		105.941.640.000	105.941.640.000
1. Investment in subsidiaries	251		-	-
2. Investment in joint ventures and associates	252	V.2	103.850.000.000	103.850.000.000
3. Investments in other entities	253	V.2	2.091.640.000	2.091.640.000
4. Provisions for devaluation of long-term financial investments	254		-	-
5. Held-to-maturity investments	255		-	-
V. Other long-term assets	260		1.209.934.246	1.318.242.111
1. Long-term prepaid expenses	261	V.8b	1.209.934.246	1.318.242.111
2. Deferred income tax assets	262		-	-
3. Long-term components and spare parts	263		-	-
4. Other long-term assets	268		-	-
TOTAL ASSETS	270		237.653.566.281	240.953.316.393

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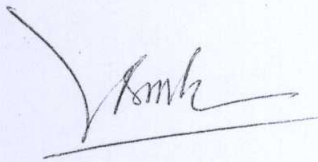
OWNER'S EQUITY	Code	Note	Ending balance	Beginning balance
A - LIABILITIES	300		62.356.403.023	60.466.301.691
I. Current liabilities	310		62.356.403.023	57.466.301.691
1. Short-term trade payables	311	V.11	6.417.668.501	7.293.851.403
2. Short-term advances from customers	312	V.12	42.582.624.477	29.118.791.548
3. Taxes and other obligations to the State Budget	313	V.13	1.390.020.577	3.552.778.700
4. Payable to employees	314	V.14	-	7.803.724.472
5. Short-term accrued expenses	315		-	-
6. Short-term inter-company payable	316		-	-
7. Payable according to the progress of construction contract	317		-	-
8. Short-term unearned revenue	318		-	-
9. Other payable short-term	319	V.15	3.658.523.016	4.156.290.116
10. Short-term borrowings and finance lease	320	V.16a	6.000.000.000	-
11. Provision for short-term payables	321		-	-
12. Bonus and welfare funds	322	V.17	2.307.566.452	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 advances from customers	332		-	-
3. Long-term accrued expenses	333		-	-
4. Inter-company payables for working capital	334		-	-
5. Long-term inter-company payables	335		-	-
6. Long-term unearned revenue	336		-	-
7. Other payable long-term	337		-	-
8. Long-term borrowings and finance lease	338	V.16b	-	3.000.000.000
9. Convertible bonds	339		-	-
10. Preferred shares	340		-	-
11. Deferred income tax liability	341		-	-
12. Provisions for long-term payables	342		-	-
13. Science and technology development fund	343		-	-

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

OWNER'S EQUITY		Code	Note	Ending balance	Beginning balance
B - OWNER'S EQUITY		400		175.297.163.258	180.487.014.702
I. Owner's equity		410	V.18	175.297.163.258	180.487.014.702
1. Capital		411		145.996.140.000	145.996.140.000
- Ordinary shares carrying voting rights		411a		145.996.140.000	145.996.140.000
- Preference shares		411b		-	-
2. Share premiums		412		(15.784.110.000)	(15.784.110.000)
3. Bond conversion options		413		-	-
4. Other sources of capital		414		-	-
5. Treasury stocks		415		(745.850.060)	(745.850.060)
6. Differences on asset revaluation		416		-	-
7. Foreign exchange differences		417		-	-
8. Investment and development fund		418		26.753.260.607	26.753.260.607
9. Business arrangement supporting fund		419		-	-
10. Other funds		420		1.721.694.867	1.721.694.867
11. Retained earnings		421		17.356.027.844	22.545.879.288
- Retained earnings accumulated to the end of the previous period		421a		15.278.333.788	-
- Retained earnings of the current period		421b		2.077.694.056	22.545.879.288
12. Construction investment fund		422		-	-
II. Other sources and funds		430		-	-
1. Sources of expenditure		432		-	-
2. Fund to form fixed assets		433		-	-
OWNER'S EQUITY		440		237.653.566.281	240.953.316.393

Nha Trang, 20 April 2016



Tran Le Thanh Binh
Preparer



Vu Thanh Danh
Chief Accountant



Phạm Minh Sơn
General Director

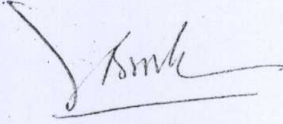
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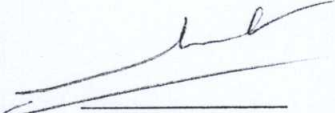
INCOME STATEMENT
First quarter of year 2016

Unit: VND

ITEMS	Code	Note	Quarter 1		Accumulate to quarter 1	
			Year 2016	Year 2015	Year 2016	Year 2015
1. Sales	01	VI.1	30.261.005.869	39.647.493.389	30.261.005.869	39.647.493.389
2. Deductions	02		-	-	-	-
3. Net sales	10		30.261.005.869	39.647.493.389	30.261.005.869	39.647.493.389
4. Costs of goods sold	11	VI.2	21.679.063.576	29.610.953.408	21.679.063.576	29.610.953.408
5. Gross profit / loss	20		8.581.942.293	10.036.539.981	8.581.942.293	10.036.539.981
6. Financial income	21	VI.3	105.751.546	118.354.887	105.751.546	118.354.887
7. Financial expenses	22	VI.4	64.299.898	75.686.767	64.299.898	75.686.767
In which: Loan interest expenses	23		63.591.333	73.546.605	63.591.333	73.546.605
8. Selling expenses	24		-	-	-	-
9. Administrative overheads	25	VI.5	6.078.381.371	6.925.499.584	6.078.381.371	6.925.499.584
10. Net operating profit / loss	30		2.545.012.570	3.153.708.517	2.545.012.570	3.153.708.517
11. Other income	31	VI.6	52.105.000	-	52.105.000	-
12. Other expenses	32	VI.7	-	47.823.743	-	47.823.743
13. Other profit	40		52.105.000	(47.823.743)	52.105.000	(47.823.743)
14. Profit / loss before tax	50		2.597.117.570	3.105.884.774	2.597.117.570	3.105.884.774
15. Current corporate income tax	51	V.13	519.423.514	683.294.650	519.423.514	683.294.650
16. Deffed corporate incom tax	52		-	-	-	-
17. Profit / loss after tax	60		2.077.694.056	2.422.590.124	2.077.694.056	2.422.590.124
18. Earning per share	70	VI.8	143	167	143	167
19. Diluted Earning per share	71		-	-	-	-




Tran Le Thanh Binh
Preparer



Vu Thanh Danh
Chief Accountant

Nha Trang, 20 April 2016

Phạm Minh Sơn
General Director

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

CASH FLOWS STATEMENT

(Indirect method)

First quarter of year 2016

Unit: VND

ITEMS	Code	Note	Current year	Previous year
I. Cash flows from operating activities				
1. Profit/ (loss) before tax	01		2.597.117.570	3.105.884.774
2. Adjustments				
- Depreciation of fixed assets and investment properties	02		437.194.647	366.201.381
- Provisions and allowances	03		-	-
- Gain/ (loss) from unrealized foreign exchange difference	04		-	-
- Gain/ (loss) from investing activities	05		(41.309.455)	(41.586.757)
- Loan interest expenses	06		63.591.333	73.546.605
- Other adjustments	07		-	-
3. Operating profit/ (loss) before changes of working capital	08		3.056.594.095	3.504.046.003
- Increase/ (decrease) of receivables	09		5.552.964.430	(14.008.729.722)
- Increase/ (decrease) of inventories	10		4.672.701.906	9.060.251.032
- Increase/ (decrease) of payables	11		(20.623.018.635)	(4.800.840.648)
- Increase/ (decrease) of prepaid expenses	12		113.506.626	32.978.407
- Increase/ (decrease) of trading securities	13		-	-
- Interests paid	14		(20.208.333)	(7.839.449)
- Corporate income tax paid	15		(1.239.518.950)	(549.857.069)
- Other cash inflows	16		10.000.000	8.000.000
- Other cash outflows	17		(3.231.250.000)	(26.700.000)
<i>Net cash flows from operating activities</i>	20		<u>(11.708.228.861)</u>	<u>(6.788.691.446)</u>
II. Cash flows from investing activities				
1. Purchases and construction of fixed assets and other long-term assets	21		-	-
2. Gains from disposals and liquidation 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		104.871.648	-
<i>Net cash flows from investing activities</i>	30		<u>104.871.648</u>	<u>-</u>

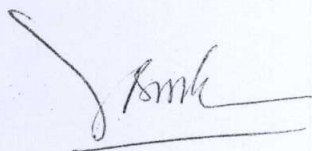

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

Cash flows statement (cont.)

ITEMS	Code	Note	<u>Current year</u>	<u>Previous year</u>
III. Cash flows from financing activities				
1. Proceeds from issuing stocks and capital contributions from owners	31		-	-
2. Repayment for capital contributions and re-purchases of stocks already issued	32		-	-
3. Proceeds from borrowings	33		15.000.000.000	2.000.000.000
4. Repayment for loan principal	34		(12.000.000.000)	(16.045.410.500)
5. Payments for financial leasehold assets	35		-	-
6. Dividends and profit already paid to the owners	36		-	-
<i>Net cash flows from financing activities</i>	40		<u>3.000.000.000</u>	<u>(14.045.410.500)</u>
Net cash flows during the year	50		(8.603.357.213)	(20.834.101.946)
Beginning cash and cash equivalents	60	V.1	22.446.436.893	30.619.889.296
Effects of fluctuations in foreign exchange rates	61		-	-
Ending cash and cash equivalents	70	V.1	<u>13.843.079.680</u>	<u>9.785.787.350</u>

Nha Trang, 20 April 2016


Tran Le Thanh Binh
Preparer
Vu Thanh Danh
Chief Accountant
Phạm Minh Sơn
General Director

NOTES TO THE FINANCIAL STATEMENTS

First quarter of year 2016

I. OPERATION FEATURES

1. **Investment form** : Joint Stock Company
2. **Operating field** : Consulting service
3. **Business industry** : Consulting, investigating, designing power
4. **Normal operating cycle** : The normal operating cycle of the Company is generally within 12 months.

5. Material effects on the operations of the company

6. Company structure:

Associates:

Buon Don Hydropower Joint Stock Company:

- Address: Floor 7th – Biet Dien Hotel, 01 Ngo Quyen Street, Thang Loi Ward, Buon Ma Thuot City, Dak Lak Province.

- Main business activities: production, transmission and distribution of electricity.

- Charter capital: 335,000,000,000 VND.

- PECC4 has invested into Buon Don Hydropower Joint Stock Company with amount of 103,850,000,000 VND, equivalent to 31% of the charter capital.

Affiliates:

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

7. Statement of information comparability in the financial statements:

8. Number of employees

As of 31 March 2016, the company has had 474 employees (as of 31 December 2015: 475 employees).

II. FISCAL YEAR AND STANDARD CURRENCY UNIT USED IN ACCOUNTING

1. Fiscal year

The fiscal year of the company is from 01 January to 31 December annually.

2. Standard currency unit

The standard currency unit used is Vietnam Dong (VND).

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

Address: 11 Hoang Hoa Tham St. – Nha Trang City – Khanh Hoa Province

Notes to the financial statements (cont.)

III. ACCOUNTING SYSTEM AND STANDARDS

1. Accounting system

The Company had adopted the Vietnamese Accounting System for enterprises in accordance with Circular No.200/2014/TT-BTC issued by the Ministry of Finance on 22 December 2014.

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

The Directors ensure to follow all the requirements of the prevailing Vietnamese accounting system and standards in the preparation of these financial statements.

IV. ACCOUNTING POLICIES

1. Accounting convention

All the financial statements are prepared on the basis of the accrual accounting..

2. Foreign exchange rates applied in accounting

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

Difference on foreign exchange arisen during the year from transactions in foreign currencies of monetary items in foreign currencies and difference on foreign exchange due to revaluation of balance of monetary items in foreign currencies as at the balance sheet date after offsetting their positive differences against negative differences are recorded into financial income or expenses during the year.

The exchange rate used to convert the transactions arisen by foreign currencies is the actual exchange rate ruling as of the transaction dates of commercial banks where the company has transactions.

At the reporting date, the Company revaluated closing balance of monetary items denominated in foreign currencies as follows:

- Capital in cash and loans receivable: revalue at buying exchange rates of the BIDV where the Company opens its accounts.
- Accounts payable: revalue at selling exchange rates of the BIDV where the Company opens its accounts.

3. Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash in bank, cash in transit and short-term investments of which the due dates can not 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.

4. Financial investment accounting principles

Held-to-maturity investments

Including term deposits at bank, bonds, and held-to-maturity loans for the purpose of earning periodic interest and other held-to-maturity investments.

Held-to-maturity investments are stated at costs and recognised at fair value based on the recovery of the investments.

Associates :

Associates are entities in which the Company has significant influence, but not control.

Associates are recorded at their original costs.

Provisions for loss of investments in other economic organizations are made when these organizations suffer from loss (except for the case that this loss is an approved part of the business

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Notes to the financial statements (cont.)

plan before making the investment) at the rate equivalent to rate of capital contribution of the company in these organizations.

Any increase, decrease of balance of provision for financial investments is recorded into item “financial expenses” during the year.

Investments in orther entities:

Investments in orther entities are recorded at their original costs.

5. Receivables

Receivables are presented in the interim consolidated financial statements at the carrying amounts due from customers and other debtors, after provision for doubtful debts.

Provision for bad debts is made for each particular type of bad debt on the basis of the estimated losses can cause.

Increase or decrease of balance of province for bad debts is recorded into administrative overheads during the year.

6. Inventories

Inventories are started at the lower of original costs and net realisable value.

Costs include purchasing expenses, processing expenses and other directly related costs to bring the inventories to the current positions and conditions.

Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs to complete and the estimated costs necessary to make the sale.

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

Provision for devaluation of inventories is recognized when their costs are higher than their net realizable values.

7. Prepaid expenses

Prepaid expenses are reported as short-term or long-term prepaid expenses on the balance sheet. They include:

Tool expenses

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

Computer software

Purchase price of computer software without part associated with hardware is capitalized. Initial costs of software includes all the expenses paid until the date the software is put into use. Computer software is amortized in line with straight line method for 2 years.

Vehicles

Vehicles which have its historical costs of under VND 30 million are depreciated in line with straight line method in 3 years.

Other expenses are allocated in line with the actual use period of fee for finding out online legal documents.

8. Tangible fixed assets

Fixed assets are determined by their historical costs less accumulated depreciation. Historical costs of fixed assets achieved from purchasing, constructing and transferring include all the expenses of the company to have these fixed assets as of the dates they are ready to be put into use. Other expenses incurred subsequent to the initial recognition are included in historical costs of fixed assets only if they certainly bring more economic benefits in the future thanks to the use of these assets. Those which do not meet the above conditions will be recorded into expenses during the period.

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Notes to the financial statements (cont.)

When a fixed asset is sold or disposed, its historical cost and accumulated depreciation are written off, then any gain/ (loss) arisen are posted into the income or the expenses during the period. Fixed assets are depreciated in accordance with the straight-line method over their estimated useful lives. The depreciation years of fixed assets are as follows:

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

9. Intangible fixed assets

Value of land use right

Land use right includes all the actual expenses related to the land being used such as expenses to obtain the land use right, expenses for house removal and land clearance, expenses on ground leveling, registration fees, etc. Fixed - term land use right is amortized for the period of using. Long-term land use right is not applied amortization.

Long-term land use right taken over state-owned company is determined in line with documents of evaluating company's value in order to conduct equitization as of 31 December 2005.

Computer software

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

10. Payable liabilities and accrued expenses

Payable liabilities is monitored in details by terms, suppliers, kind of currency and other factors depending on the Company's managerial demand.

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

Accounts payable to suppliers, loans payable and other payables are payable that are determined probably in value and timing and recognised at actual obligation incurred.

Accounts payable are classified as Short-term and Long-term in the Balance sheet based on the remaining maturity period of these payable at the reporting date.

11. Unemployment allowances

The company pays for severance allowances for employees who have worked for the company for over 12 months. Payment rate is a half the salary month plus salary allowances (if any) of 6 consecutive months before the resigning date for one working year for period employees do not attend to pay unemployment insurance.

Severance allowance is recorded into adminstravite overheads when paying to employees.

12. Source of capital

Capital

Capital is recorded in line with amount actually invested by shareholders.

Share premium

Share premium is recorded in line with difference between issuance price and face value of shares as the first issuance, additional issuance or difference between re-issuance price and book value of treasury stocks. Direct expenses related to the additional issuance of shares and re-issuance of treasury stocks are recorded as decrease of share premium.

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Notes to the financial statements (cont.)

Other capital

Other capital include supplement from the business results, assets given and re-valuation of assets.

Treasury stocks

When a share capital in the owner's equity is re-purchased, the amount payable including the expenses related to the transaction is classified as a treasury stocks and are recorded as a decrease in owner's equity. When re-issuance, difference between re-issuance price and book value of treasury stocks is recorded into share premium.

13. Appropriation of net profit

Net profit after tax is available for appropriation to shareholders after getting approval by the shareholders in the annual general meeting, and after making appropriation to reserve funds in accordance with the Group's Charter and Vietnam's regulatory requirements.

Dividends are recorded as an amount payable in the period during which the dividends are disclosed.

14. Recognition of sales and income

Sales of service provision

Sales of service provision are recognized when there are no uncertain factors related to payments or additional costs. In case that the services are to be provided in many accounting periods, the determination of sales in each period is done on the basis of the service completion rate as of the balance sheet date.

Interests

Interests are recorded based on the term and the interest rates applied for each period.

Dividends and profit shared

Dividends and profit shared are recognized when the company has right to receive dividends and profit from its capital contribution. In particular, dividends received in form of shares are not recorded into income but are only followed up the additional quantity.

15. Borrowing costs

Borrowing costs will be recognized into expenses during the period. Borrowing costs will be capitalized when they are directly related to the construction or the production of an asset in progress, which has taken a substantial period of time (over 12 months) to get ready for intended use or sales of the asset.

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

16. Expenses

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

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

17. Corporate income tax

Corporate income tax during the period includes current income tax and deferred income tax.

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Notes to the financial statements (cont.)

Current income tax is the tax amount computed based on the taxable income during the period at the tax rates applied as of the balance sheet date. Taxable income is different from accounting profit due to the adjustments of temporary differences between tax and accounting figures as well as those of non-taxable or non-deductible income and expenses.

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.

Book values of deferred corporate income tax assets are considered at the balance sheet dates and will be reduced to the rates that ensure enough taxable income against which the benefits from a part of or all of the deferred income tax can be used.

Deferred income tax assets and deferred income tax liabilities are determined at the estimated rates 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 of the company.

18. Related parties

A party is considered a related party of the company in case that party is able to control the company or to cause material effects on the financial decisions as well as the operations of the company. A party is considered a related party if parties are under control or material effects together.

To consider relationship between related parties, nature of relationship is attached great importance than legal form.

V. ADDITIONAL INFORMATION ON THE ITEMS OF THE BALANCE SHEET

1. Cash and cash equivalents

	<u>Ending balance</u>	<u>Beginning balance</u>
Cash on hand	473.577.909	352.649.000
Cash in bank	3.369.501.771	8.093.787.893
Cash equivalents (under 3 months deposit)	10.000.000.000	14.000.000.000
Total	<u>13.843.079.680</u>	<u>22.446.436.893</u>

2. Financial investement

	Ending balance			Beginning balance		
	Cost	Provision	Fair value	Cost	Provision	Fair value
Buon Don Hydroelectricity Joint Stock Company	103.850.000.000		- 103.850.000.000	103.850.000.000		- 103.850.000.000
- EVN International Joint Stock Company	1.050.000.000		- 1.050.000.000	1.050.000.000		- 1.050.000.000
- Khanh Hoa – Ha Noi Development	1.041.640.000		- 1.041.640.000	1.041.640.000		- 1.041.640.000

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Notes to the financial statements (cont.)

	Ending balance			Beginning balance		
	Cost	Provision	Fair value	Cost	Provision	Fair value
Investment Joint Stock Company						
Total	105.941.640.000	- 105.941.640.000		105.941.640.000	- 105.941.640.000	

The material transactions between the company and Buon Don Hydroelectricity Joint Stock Company:

	Accumulation from the beginning of the year	
	Current year	Previous year
Providing survey and design service (excluding 10% VAT)	-	2.230.184.730

3. Receivable**3a. Short-term receivable from customers**

	Ending balance	Beginning balance
Customers are belonged to EVN and NPT	22.870.167.561	20.321.876.298
Customers are not belonged to EVN and NPT	50.370.653.083	50.830.817.645
Total	73.240.820.644	71.152.693.943

3b. Long-term receivable from customers

	Ending balance	Beginning balance
Management Board of Hydroelectricity 1	184.144.863	184.144.863
Nho Que Power Development and Investment JSC	1.532.762.821	1.532.762.821
Trung Son Hydropower One Member Co., Ltd	138.611.000	138.611.000
Management Board of Hydroelectricity 2	156.818.300	156.818.300
Total	2.012.336.984	2.012.336.984

4. Prepayment to suppliers

	Ending balance	Beginning balance
Customers are belonged to EVN and NPT	-	-
Customers are not belonged to EVN and NPT	4.287.107.658	2.596.806.461
Total	4.287.107.658	2.596.806.461

5. Other receivables

	Ending balance		Beginning balance	
	Cost	Provision	Cost	Provision
Social insurance	14.665.795	-	-	-
Receivable from employees	97.500.000	-	78.000.000	-
Advances for employees of the company	7.610.425.590	-	1.841.967.261	-
Others	7.844.125.962	-	6.957.953.476	-
Total	15.566.717.347	-	8.877.920.737	-

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Notes to the financial statements (cont.)

6. Bad debts

	Ending balance		Beginning balance	
	Cost	Recoverable amount	Cost	Recoverable amount
Total value of receivables, loans that are overdue or not pass due but hardly recoverable	30.145.605.697	18.405.295.628	30.145.605.697	18.405.295.628

Provision for bad debts

Situation of fluctuations in provision for bad debts is as follows:

	Accumulation from the beginning of the year	
	Current year	Previous year
Beginning balance	11.740.310.069	14.820.291.684
Additional extraction	-	-
Written off	-	-
Ending balance	<u>11.740.310.069</u>	<u>14.820.291.684</u>

7. Inventories

	Ending balance		Beginning balance	
	Cost	Provision	Cost	Provision
Materials and supplies	618.065.731	-	491.433.726	-
Tools	174.018.239	-	9.806.103	-
Work in progress	7.912.686.393	-	12.876.232.440	-
Total	<u>8.704.770.363</u>	-	<u>13.377.472.269</u>	-

8. Prepaid expenses

8a. Short-term prepaid expenses

	Ending balance	Beginning balance
Other expenses	-	5.198.761
Total	<u>-</u>	<u>5.198.761</u>

8b. Long-term prepaid expenses

	Ending balance	Beginning balance
Tools	1.109.446.595	1.303.037.507
Other expenses	100.487.651	15.204.604
Total	<u>1.209.934.246</u>	<u>1.318.242.111</u>

9. Tangible fixed assets

	Buiding & structures	Machinery & 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 purchases	-	-	-	-	-

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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Notes to the financial statements (cont.)

	<u>Buiding & structures</u>	<u>Machinery & equipment</u>	<u>Vehicles</u>	<u>Office equipment</u>	<u>Total</u>
Ending balance	<u>10.104.595.287</u>	<u>9.746.130.755</u>	<u>12.541.821.147</u>	<u>1.118.680.892</u>	<u>33.511.228.081</u>
<i>In which:</i>					
Fully depreciated but still being in use	607.801.473	7.294.089.809	9.908.142.964	807.570.522	18.617.604.768
Depreciation					
Beginning balance	4.310.763.255	7.819.057.830	10.758.911.077	892.756.109	23.781.488.271
Depreciation	119.836.356	125.870.160	112.769.475	17.803.401	376.279.392
Ending balance	<u>4.430.599.611</u>	<u>7.944.927.990</u>	<u>10.871.680.552</u>	<u>910.559.510</u>	<u>24.157.767.663</u>
Net book values					
Beginning balance	5.793.832.032	1.927.072.925	1.782.910.070	225.924.783	9.729.739.810
Ending balance	<u>5.673.995.676</u>	<u>1.801.202.765</u>	<u>1.670.140.595</u>	<u>208.121.382</u>	<u>9.353.460.418</u>

10. Intangible fixed assets

	<u>Long-term land use right</u>	<u>Fixed-term land use right</u>	<u>Computer's 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
Increases during the year	-	-	-	-
Ending balance	<u>7.093.957.000</u>	<u>9.463.506.000</u>	<u>2.240.020.911</u>	<u>18.797.483.911</u>
<i>In which:</i>				
Fully depreciated but still being in use	-	-	2.107.552.255	2.107.552.255
Amortiation				
Beginning balance	-	1.476.920.505	2.155.424.913	3.632.345.418
Amortization	-	49.876.200	11.039.055	60.915.255
Ending balance	<u>-</u>	<u>1.526.796.705</u>	<u>2.166.463.968</u>	<u>3.693.260.673</u>
Net books 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>7.936.709.295</u>	<u>73.556.943</u>	<u>15.104.223.238</u>

11. Short-term trade payables

	<u>Ending balance</u>	<u>Beginning balance</u>
Customers are belonged to EVN and NPT	983.545.000	983.545.000
Customers are not belonged to EVN and NPT	5.434.123.501	6.310.306.403
Total	<u>6.417.668.501</u>	<u>7.293.851.403</u>

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Notes to the financial statements (cont.)

12. Short-term advances from customers

	<u>Ending balance</u>	<u>Beginning balance</u>
Customers are belonged to EVN and NPT	37.173.864.695	22.408.317.166
Customers are not belonged to EVN and NPT	5.408.759.782	6.710.474.382
Total	<u>42.582.624.477</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	1.420.908.580	(2.859.133.267)	838.797.063
Corporate income tax	1.239.518.950	519.423.514	(1.239.518.950)	519.423.514
Personal income tax	36.238.000	391.437.490	(395.875.490)	31.800.000
Tax on using non-agricultural land	-	3.123.300	(3.123.300)	-
Other taxes	-	3.000.000	(3.000.000)	-
Total	<u>3.552.778.700</u>	<u>2.337.892.884</u>	<u>4.500.651.007</u>	<u>1.390.020.577</u>

Value added tax

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

Corporate income tax

The company has to pay corporate income tax at rate of 20%

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

	Accumulation from the beginning of the year	
	<u>Current year</u>	<u>Previous year</u>
Total accounting profit before tax	2.597.117.570	3.105.884.774
Increases, decreases of accounting profit to determine income subject to corporate income tax		
- Increase	-	-
- Decrease	-	-
Taxable income	2.597.117.570	3.105.884.774
Corporate income tax rate	20%	22%
Corporate income tax payable	<u>519.423.514</u>	<u>683.294.640</u>

Other taxes

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

14. Payable to employees

	<u>Ending balance</u>	<u>Beginning balance</u>
Salary paid to employees	-	7.803.724.472
Total	<u>-</u>	<u>7.803.724.472</u>

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Notes to the financial statements (cont.)

15. Other short-term payable

	<u>Ending balance</u>	<u>Beginning balance</u>
Trade Union's Expenditure	1.922.874.407	2.285.120.097
Payable for equitization	2.100.000	2.100.000
Payable for EVN	1.713.782.935	1.670.399.935
- <i>Loan interest expenses</i>	53.903.000	10.520.000
- <i>Interest on bonds payable</i>	1.659.879.935	1.659.879.935
Interest on bonds payable	48.118.000	48.118.000
Dividends payable for shareholders	61.365.800	49.371.800
Others	(89.718.126)	101.180.284
Total	<u>3.658.523.016</u>	<u>4.156.290.116</u>

16. Loans**16a. Short-term loans**

	<u>Ending balance</u>		<u>Beginning balance</u>	
	<u>Value</u>	<u>Repayable amount</u>	<u>Value</u>	<u>Repayable amount</u>
Short-term loans from BIDV - Khanh Hoa Branch	3.000.000.000	3.000.000.000	-	-
Current portion of long-term loans from Electricity of Vietnam (EVN)	3.000.000.000	3.000.000.000	-	-
Total	<u>6.000.000.000</u>	<u>6.000.000.000</u>	<u>-</u>	<u>-</u>

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

	<u>Beginning balance</u>	<u>Increase</u>	<u>Amount already paid during the year</u>	<u>Ending balance</u>
Loans from BIDV - Khanh Hoa Branch	-	15.000.000.000	(12.000.000.000)	3.000.000.000
Current portions of long-term loans from Electricity of Vietnam (EVN)	-	3.000.000.000	-	3.000.000.000
Total	<u>-</u>	<u>18.000.000.000</u>	<u>(12.000.000.000)</u>	<u>6.000.000.000</u>

16b. Long-term loans

	<u>Ending balance</u>		<u>Beginning balance</u>	
	<u>Value</u>	<u>Repayable amount</u>	<u>Value</u>	<u>Repayable amount</u>
Loans from Electricity of Vietnam (EVN)	-	-	3.000.000.000	3.000.000.000
Total	<u>-</u>	<u>-</u>	<u>3.000.000.000</u>	<u>3.000.000.000</u>

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Notes to the financial statements (cont.)

17. Bonus and welfare funds

	Beginning balance	Increase due to extraction from profit of previous year	Bonus from the Group	Funds paid during the period	Ending balance
Bonus fund	2.474.434.174	-	10.000.000	(2.514.850.000)	(30.415.826)
Welfare fund	2.396.131.278	-	-	(58.400.000)	2.337.731.278
Remuneration for Executive officers	670.300.000	-	-	(670.049.000)	251.000
Total	5.540.865.452	-	10.000.000	(3.243.299.000)	2.307.566.452

18. Owner's equity*18a. Statements of fluctuation in owner's equity*

	Owner's equity	Equity surplus	Business promotion fund	Other funds	Retained earnings	Treasury stocks
Beginning balance of previous year	145.996.140.000	(15.784.110.000)	26.753.260.607	1.721.694.867	15.442.288.490	(745.850.060)
Increases	-	-	-	-	2.422.590.124	-
Decreases	-	-	-	-	(7.267.545.500)	-
Ending balance of previous period	145.996.140.000	(15.784.110.000)	26.753.260.607	1.721.694.867	10.597.333.114	(745.850.060)
Beginning balance in current year	145.996.140.000	(15.784.110.000)	26.753.260.607	1.721.694.867	22.545.879.288	(745.850.060)
Increases	-	-	-	-	2.077.694.056	-
Decreases	-	-	-	-	(7.267.545.500)	-
Ending balance in current period	145.996.140.000	(15.784.110.000)	26.753.260.607	1.721.694.867	17.356.027.844	(745.850.060)

18b. Details of owner's equity

	As of 31 March 2016	
	Share capital	Rate (%)
Electricity of Vietnam	104.478.440.000	71,56
Other shareholders	41.517.700.000	28,44
Total	145.996.140.000	100,00

18c. Shares

	Ending balance	Beginning balance
Number of shares allowed to be issued	14.599.614	14.599.614
Number of shares sold to 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.

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Notes to the financial statements (cont.)

18d. Profit distribution

- Sharing remaining dividends to shareholders : 7.267.545.500

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

	<u>Ending balance</u>	<u>Beginning balance</u>
USD	5.882,13	22.343,03

19b. Bad debts already treated

	<u>Ending balance</u>	<u>Beginning balance</u>
Other customers	8.435.060.390	8.435.060.390
Total	<u>8.435.060.390</u>	<u>8.435.060.390</u>

VI. ADDITIONAL INFORMATION ON THE ITEMS OF THE INCOME STATEMENT**1. Net sales**

	Accumulation from the beginning of the year	
	<u>Current year</u>	<u>Previous year</u>
Gains from survey	10.471.623.933	10.418.034.812
Gains from design	19.789.381.936	29.229.458.577
Total	<u>30.261.005.869</u>	<u>39.647.493.389</u>

2. Costs of goods sold

	Accumulation from the beginning of the year	
	<u>Current year</u>	<u>Previous year</u>
Costs of survey	7.946.107.664	5.876.480.448
Costs of design	13.732.955.912	23.734.472.960
Total	<u>21.679.063.576</u>	<u>29.610.953.408</u>

3. Financial income

	Accumulation from the beginning of the year	
	<u>Current year</u>	<u>Previous year</u>
Gains from time-deposits	104.900.788	115.133.362
Gains from foreign exchange difference	850.758	3.221.525
Total	<u>105.751.546</u>	<u>118.354.887</u>

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Notes to the financial statements (cont.)

4. Financial expenses

	Accumulation from the beginning of the year	
	Current year	Previous year
Loan interest expenses	63.591.333	73.546.605
Loss from selling foreign currencies	708.565	2.140.162
Total	64.299.898	75.686.767

5. Administrative overheads

	Accumulation from the beginning of the year	
	Current year	Previous year
Expenses for employees	3.048.148.883	4.270.440.274
Supplies and office equipments	115.230.020	76.815.069
Depreciation of fixed assets	15.814.158	12.723.904
External service rendered	245.040.481	266.775.297
Other expenses	2.654.147.829	2.298.745.040
Total	6.078.381.371	6.925.499.584

6. Other income

	Accumulation from the beginning of the year	
	Current year	Previous year
Receiving reimbursement of training fee	52.105.000	-
Total	52.105.000	-

7. Other expenses

	Accumulation from the beginning of the year	
	Current year	Previous year
Fines due to contract violation	-	47.823.743
Total	-	47.823.743

8. Earning per share

	Accumulation from the beginning of the year	
	Current period	Previous period
Accounting profit after corporate income tax	2.077.694.056	2.422.590.124
Increase/(decrease) of accounting profit to determine profit attribute shareholders owned ordinary shares	-	-
Profit attribute shareholders owned ordinary shares	2.077.694.056	2.422.590.124
Outstanding average ordinary shares during the year	14.535.091	14.535.091
Earning per share	143	167

Average outstanding ordinary shares during the year are as follows:

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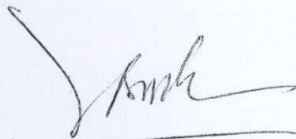
Notes to the financial statements (cont.)

	Accumulation from the beginning of the year	
	Current year	Previous year
Average outstanding ordinary shares at beginning year	14.535.091	14.535.091
Average outstanding ordinary shares during the year	14.535.091	14.535.091

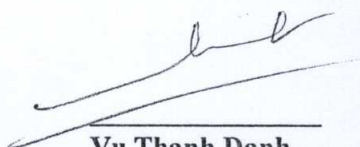
9. Operating expenses

	Accumulation from the beginning of the year	
	Current year	Previous year
Materials and supplies	1.412.647.607	950.774.023
Labors	16.934.160.465	21.352.201.372
Depreciation of fixed assets	437.194.647	366.201.381
External service rendered	(187.882.120)	647.508.911
Other expenses	4.197.778.301	4.176.129.165
Total	22.793.898.900	27.492.814.852

Nha Trang, 20 April 2016



Tran Le Thanh Binh
Preparer



Vu Thanh Danh
Chief Accountant



Pham Minh Son
General Director

