



**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 2017**

**POWER ENGINEERING
CONSULTING JOINT STOCK
COMPANY 4**

CONTENTS

	Page
1. Contents	1
2. Statement of the Board of the Directors	2 - 5
3. Review Report on Interim Financial Information	6
4. Interim Balance Sheet as of 30 June 2017	7 - 10
5. Interim Income Statement for the first 6 months of the fiscal year ending 31 December 2017	11
6. Interim Cash Flow Statement for the first 6 months of the fiscal year ending 31 December 2017	12 - 13
7. Notes to the Financial Statements for the first 6 months of the fiscal year ending 31 December 2017	14 - 41
8. Appendix: Statement of fluctuation in owner's equity for the first 6 months of the fiscal year ending 31 December 2017	42

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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 first 6 months of the fiscal year ending 31 December 2017.

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.

Head office

Address : No. 11 Hoang Hoa Tham, Nha Trang City, Khanh Hoa Province
Tel : (0258) 3563 999
Fax : (0258) 3 563 888
Website : www.pecc4.vn

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	28B Dang Tat - Tan Dinh Ward - District 1 - Ho Chi Minh City

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;

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

STATEMENT OF THE BOARD OF DIRECTORS (cont.)

- 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;
- Providing consulting service for establishment of pre-feasibility study report, feasibility study report; establishment of bidding documents, tender documents evaluation;
- Supervision of executing 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 computer software and IT equipments;
- Processing and manufacturing power components and 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.

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 / re-appointing date/ resigning date
Mr. Pham Minh Son	Chairman	Re-appointed on 25 April 2017
Mr. Tran Hoai Nam	Member	Re-appointed on 25 April 2017
Mr. Vu Thanh Danh	Member	Re-appointed on 25 April 2017
Mr. Lam Du Son	Member	Appointed on 25 April 2017
Mr. Nguyen Duy Binh	Member	Resigned on 25 April 2017
Mr. Tran Van Tho	Member	Resigned on 25 April 2017

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

STATEMENT OF THE BOARD OF DIRECTORS (cont.)

The Control Board

Full name	Position	Re-appointing date/ resigning date
Mr. Ho Nam Khanh	Chief of the Board	Re-appointed on 25 April 2017
Mr. Tran Vinh Thai	Member	Re-appointed on 25 April 2017
Ms. Vuong Xuan Thi Lien	Member	Resigned on 25 April 2017

The Board of Directors

Full name	Position	Appointing date/ Re-appointing date
Mr. Pham Minh Son	General Director	Re-appointed on 25 April 2017
Mr. Pham Ngoc Son A	Deputy General Director	Appointed on 01 June 2013
Mr. Tran Hoai Nam	Deputy General Director	Re-appointed on 25 April 2017
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.

Auditor

A&C Auditing and Consulting Co., Ltd. has been appointed to review the Interim Financial Statements for the first 06 months of the fiscal year ending 31 December 2017 of the Company.

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:

- 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 2017, the financial performance and the cash flows for the first 06 months of the fiscal year ending 31 December 2017 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: 12 August 2017

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**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 : 15-13 Vo Nguyen Giap St., Can Tho City
www.a-c.com.vn

No. 131/2017/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 1 August 2017 from 7 to page 42 including the Interim Balance Sheet as of 30 June 2017, the Interim Income Statement, the Interim Cash Flow statement for the first 6 months of the fiscal year ending 31 December 2017 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 2017, its business results and its cash flows for the first 6 months of the fiscal year ending 31 December 2017 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



Nguyen Van Kien
Director

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

Nha Trang, 12 August 2017

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ending 31 December 2017

INTERIM BALANCE SHEET**(Full form)****As of 30 June 2017**

Unit: VND

ITEMS	Code	Note	Ending balance	Beginning balance
A - CURRENT ASSETS	100		118.826.368.093	123.016.388.654
I. Cash and cash equivalents	110	V.1	18.902.013.441	25.256.467.922
1. Cash	111		18.902.013.441	20.256.467.922
2. Cash equivalents	112		-	5.000.000.000
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		94.774.684.625	80.986.712.993
1. Short-term trade receivables	131	V.3a	78.821.126.712	75.613.294.847
2. Short-term prepayments to suppliers	132	V.4	5.751.169.070	6.191.618.297
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	17.171.176.112	11.469.451.118
7. Allowance for short-term doubtful debts	137	V.6	(6.968.787.269)	(12.287.651.269)
8. Deficit assets for treatment	139		-	-
IV. Inventories	140		5.149.670.027	16.773.207.739
1. Inventories	141	V.7	5.149.670.027	16.773.207.739
2. Allowance for inventories	149		-	-
V. Other current assets	150		-	-
1. Short-term prepaid expenses	151		-	-
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 - Vietnam

INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ending 31 December 2017

Interim balance sheet (cont.)

ITEMS	Code	Note	Ending balance	Beginning balance
B- NON-CURRENT ASSETS	200		141.117.956.101	134.048.340.285
I. Long-term receivables	210		1.898.192.121	1.898.192.121
1. Long-term trade receivables	211	V.3b	1.828.192.121	1.828.192.121
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		27.305.349.069	23.826.289.846
1. Tangible fixed assets	221	V.9	11.530.499.983	8.880.707.842
- <i>Historical cost</i>	222		37.696.162.952	34.157.773.536
- <i>Accumulated depreciation</i>	223		(26.165.662.969)	(25.277.065.694)
2. Financial leased assets	224		-	-
- <i>Historical cost</i>	225		-	-
- <i>Accumulated depreciation</i>	226		-	-
3. Intangible fixed assets	227	V.10	15.774.849.086	14.945.582.004
- <i>Initial cost</i>	228		19.864.444.411	18.828.157.411
- <i>Accumulated amortization</i>	229		(4.089.595.325)	(3.882.575.407)
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		110.941.640.000	106.541.640.000
1. Investments in subsidiaries	251		-	-
2. Investments in joint ventures and associates	252	V.2a	108.850.000.000	104.450.000.000
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		972.774.911	1.782.218.318
1. Long-term prepaid expenses	261	V.8	972.774.911	1.782.218.318
2. Deferred income tax assets	262		-	-
Long-term components and spare parts and				
3. accessories	263		-	-
4. Other non-current assets	268		-	-
TOTAL ASSETS	270		259.944.324.194	257.064.728.939

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ending 31 December 2017

Interim balance sheet (cont.)

ITEMS	Code	Note	Ending balance	Beginning balance
C - LIABILITIES	300		78.477.321.247	76.054.242.808
I. Current liabilities	310		78.477.321.247	76.054.242.808
1. Short-term trade payables	311	V.11	8.032.857.730	9.007.430.317
2. Short-term advances from customers	312	V.12	45.770.037.583	46.252.826.690
3. Taxes and other obligations payable to State Budget	313	V.13	5.899.737.373	4.081.537.493
4. Payables to employees	314	V.14	11.951.701.609	9.356.201.560
5. Short-term accrued expenses	315		-	730.936.000
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	3.832.377.871	3.646.081.508
10. Short-term borrowings and financial leases	320	V.16	-	-
11. Provisions for short-term payables	321		-	-
12. Bonus and welfare funds	322	V.17	2.990.609.081	2.979.229.240
13. Price stabilization fund	323		-	-
14. Trading Government bonds	324		-	-
II. Long-term liabilities	330		-	-
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		-	-
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

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

INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ending 31 December 2017

Interim balance sheet (cont.)

ITEMS	Code	Note	Ending balance	Beginning balance
D - OWNER'S EQUITY	400		181.467.002.947	181.010.486.131
I. Owner's equity	410		181.467.002.947	181.010.486.131
1. Capital	411	V.18	145.996.140.000	145.996.140.000
- Ordinary shares carrying voting rights	411a		145.996.140.000	145.996.140.000
- Preferred shares	411b		-	-
2. Share premiums	412	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	23.525.867.533	23.069.350.717
- Retained earnings accumulated to the end of the previous period	421a		15.988.600.100	23.069.350.717
- Retained earnings of the current period	421b		7.537.267.433	-
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		259.944.324.194	257.064.728.939

Khanh Hoa, 1 August 2017

Phạm Minh Sơn
General DirectorTran Le Thanh Binh
PreparerVu Thanh Danh
Chief Accountant

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ending 31 December 2017

INTERIM INCOME STATEMENT

(Full form)

For the first 6 months of the fiscal year ending 31 December 2017

Unit: VND

ITEMS	Code	Note	Accumulated from the beginning of the year to the end of current period	
			Current year	Previous year
1. Sales	01	VI.1	99.614.755.378	70.012.600.894
2. Sales deductions	02		-	-
3. Net sales	10		99.614.755.378	70.012.600.894
4. Cost of sales	11	VI.2	75.653.996.292	46.330.598.831
5. Gross profit	20		23.960.759.086	23.682.002.063
6. Financial income	21	VI.3	74.699.834	199.185.675
7. Financial expenses	22	VI.4	18.752.276	129.932.897
In which: Loan interest expenses	23		16.664.577	129.224.332
8. Selling expenses	25		-	-
9. General and administration expenses	26	VI.5	14.547.461.728	17.808.633.483
10. Net operating profit	30		9.469.244.916	5.942.621.358
11. Other income	31	VI.6	-	52.205.000
12. Other expenses	32	VI.7	47.660.625	-
13. Other profit/ (loss)	40		(47.660.625)	52.205.000
14. Total accounting profit before tax	50		9.421.584.291	5.994.826.358
15. Current income tax	51	V.13	1.884.316.858	1.198.965.272
16. Deferred income tax	52		-	-
17. Profit after tax	60		<u>7.537.267.433</u>	<u>4.795.861.086</u>
18. Earning per share	70	VI.8	<u>519</u>	<u>330</u>
19. Diluted earning per share	71	VI.8	<u>519</u>	<u>330</u>



Tran Le Thanh Binh

Tran Le Thanh Binh
Preparer

Vu Thanh Danh

Vu Thanh Danh
Chief Accountant

Pham Minh Son
General Director

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ending 31 December 2017

INTERIM CASH FLOW STATEMENT

(Full form)

(Indirect method)

For the first 6 months of the fiscal year ending 31 December 2017

Unit: VND

ITEMS	Code	Note	Accumulated from the beginning of the year to the end of current period	
			Current year	Previous year
I. Cash flows from operating activities				
1. Profit before tax	01		9.421.584.291	5.994.826.358
2. Adjustments				
- Depreciation of fixed assets and investment properties	02	V.9; V.10	1.095.617.193	879.483.079
- Provisions	03	V.6	(5.318.864.000)	-
- Gain/ (loss) from exchange difference due to revaluation of monetary items in foreign currencies	04	VI.3	(3.789.250)	-
- Gain/ (loss) from investing activities	05	VI.3	(68.280.115)	(182.346.665)
- Interest expenses	06	VI.4	16.664.577	129.224.332
- Other adjustments	07		-	-
3. Operating profit before changes of working capital	08		5.142.932.696	6.821.187.104
- Increase/(decrease) of receivables	09		(8.469.107.632)	(17.556.585.087)
- Increase/(decrease) of inventories	10	V.7	11.623.537.712	2.662.564.352
- Increase/(decrease) of payables	11		1.359.311.282	6.449.633.198
- Increase/ (decrease) of prepaid expenses	12	V.8	809.443.407	(75.722.684)
- Increase/(decrease) of securities trading	13		-	-
- Interests paid	14	VI.4	(16.664.577)	(41.458.332)
- Corporate income tax paid	15	V.13	(1.271.664.342)	(1.758.942.464)
- Other cash inflows	16	V.17	6.000.000	10.000.000
- Other cash outflows	17	V.17	(1.261.334.376)	(3.261.579.000)
Net cash flows from operating activities	20		7.922.454.170	(6.750.902.913)
II. Cash flows from investing activities				
1. Purchases and construction of fixed assets and other long-term assets	21		(4.144.536.816)	(229.718.955)
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	V.2a	(4.400.000.000)	-
6. Withdrawals of investments in other entities	26		-	-
7. Interest earned, dividends and profits received	27	VI.3	68.280.115	182.346.665
Net cash flows from investing activities	30		(8.476.256.701)	(47.372.290)

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ending 31 December 2017

Interim cash flow statement (cont.)

ITEMS	Code	Note	Accumulated from the beginning of the year to the end of current period	
			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.16	9.508.360.000	20.000.000.000
4. Repayment for loan principal	34	V.16	(9.508.360.000)	(20.000.000.000)
5. Payments for financial leased assets	35		-	-
6. Dividends and profit paid to the owners	36	V.15; V.18	(5.804.441.200)	(7.255.551.500)
Net cash flows from financing activities	40		(5.804.441.200)	(7.255.551.500)
Net cash flows during the period	50		(6.358.243.731)	(14.053.826.703)
Beginning cash and cash equivalents	60	V.1	25.256.467.922	22.446.436.893
Effects of fluctuations in foreign exchange rates	61	VI.3	3.789.250	-
Ending cash and cash equivalents	70	V.1	18.902.013.441	8.392.610.190

Khanh Hoa, 1 August 2017

Phạm Minh Sơn
General Director

Tran Le Thanh Binh
Preparer

Vu Thanh Danh
Chief Accountant

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ending 31 December 2017

NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ending 31 December 2017

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 business activities

The Company’s principal business activities are 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

Sales from service provision of the first 6 months of the year ended 2017 increase more than 42,28% equivalent to VND 29,6 billion in comparison with those of the first 6 months of the year ended 2016 due to the growth of sales from surveying power works.

6. Structure of the Company

Joint ventures and associates

Name of the Company	Address	Principle business activities	Capital contribution rate	Possessing rate	Voting rate
Buon Don Hydroelectricity Joint Stock Company	Floor 7, Dien Bien Hotel, 1 Ngo Quyen, Thang Loi Ward, Buon Ma Thuot City, Dak Lak Province	Trading electricity	31%	31%	31%
Son Giang Power Joint Stock Company	No. 67 Pham Ngoc Thach, Ward 9, Tuy Hoa City, Phu Yen Province, Vietnam	Trading electricity	30%	30%	30%

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	28B Dang Tat - 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.

8. Employees

As of the balance sheet date, there have been 457 employees working for the Company (at the beginning of the year: 464 employees).

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ending 31 December 2017

Notes to the Interim Financial Statements (cont.)

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.

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.

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ending 31 December 2017

Notes to the Interim Financial Statements (cont.)

- 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.
- 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.

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ending 31 December 2017

Notes to the Interim Financial Statements (cont.)

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.

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ending 31 December 2017

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" as at the balance sheet date.

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" as at the balance sheet date.

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 estimated loss.

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ending 31 December 2017

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.

Stock-out 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, computer software, vehicle. These prepaid expenses are allocated over the prepayment period or period of corresponding economic benefits generated from these expenses.

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. 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 in 2 years.

Vehicle

Vehicle of which 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.

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ending 31 December 2017

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 period.

The Company's intangible fixed assets include:

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. 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:

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ending 31 December 2017

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.

The payables and accrued expenses are classified as short-term and long-term items in the Interim Balance Sheet on the basis of their 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.

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

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ending 31 December 2017

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.

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ending 31 December 2017

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 expenses 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.

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ending 31 December 2017

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.

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ending 31 December 2017

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.

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	152.019.696	52.895.000
Demand deposits in bank	18.749.993.745	20.203.572.922
Cash equivalents (<i>time deposits of which the principal maturity is under 3 months</i>)	-	5.000.000.000
Total	<u><u>18.902.013.441</u></u>	<u><u>25.256.467.922</u></u>

2. Financial investments

The financial investments of the Company include investments into joint ventures, associates and investment into other entities. Information on financial investments of the Company is as follows:

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ending 31 December 2017

Notes to the Interim Financial Statements (cont.)

2a. Investments into associates, joint ventures

	<u>Ending balance</u>	<u>Beginning balance</u>
Buon Don Hydroelectricity Joint Stock Company ⁽ⁱ⁾	103.850.000.000	103.850.000.000
Son Giang Power Joint Stock Company ⁽ⁱⁱ⁾	5.000.000.000	600.000.000
Total	<u>108.850.000.000</u>	<u>104.450.000.000</u>

- (i) 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. During the period, the Company has paid dividends by 1.401.975 shares. As of the balance sheet date, the Company has held 11.786.975 shares equivalent to 31% of charter capital of Buon Don Hydroelectricity Joint Stock (beginning balance was 10.385.00 shares equivalent to 31% of charter capital).
- (ii) Pursuant to Business Registration Certificate No. 4401028708 dated 22 November 2016 of Son Giang Power Joint Stock Company granted by Department of Planning and Investment of Phu Yen Province, the Company has invested into Son Giang Power Joint Stock Company at amount of VND 15.000.000.000 equivalent to 30% of charter capital. During the period, the Company has additionally invested VND 4.400.000.000. As of the balance sheet date, the Company has invested VND 5.000.000.000.

Fair value

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

Situation of the associates' operations

Associates are operating in normal condition, there are no material changes in comparison with those of previous year.

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

Transactions with associates

During the period, the Company has had transaction of capital contribution into Son Giang Power Joint Stock Company - associate - with amount of VND 4.400.000.000 and is paid dividends by 1.401.975 shares from Buon Don Hydroelectricity Joint Stock Company (there were no transactions of the same period of previous year).

2b. Capital contribution into other entities

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

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ending 31 December 2017

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>	11.029.343.861	11.029.343.861
Son Giang Power Joint Stock Company	8.302.760.000	8.302.760.000
Power Engineering Consulting Joint Stock Company 2	1.611.251.205	1.611.251.205
Buon Don Hydroelectricity Joint Stock Company	974.266.502	974.266.502
Power Engineering Consulting Joint Stock Company 1	141.066.154	141.066.154
<i>Receivables from other customers</i>	67.791.782.851	64.583.950.986
Trung Nam Hydropower Joint Stock Company	5.364.180.169	5.664.180.169
Other customers	62.427.602.682	58.919.770.817
Total	<u>78.821.126.712</u>	<u>75.613.294.847</u>

3b. Long-term trade receivables

	<u>Ending balance</u>	<u>Beginning balance</u>
<i>Receivables from other customers</i>	1.828.192.121	1.828.192.121
Nho Que Power Development and Investment JSC	1.532.762.821	1.532.762.821
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>1.828.192.121</u>	<u>1.828.192.121</u>

4. Short-term prepayments to suppliers

	<u>Ending balance</u>	<u>Beginning balance</u>
<i>Prepayments to related parties</i>	1.691.117.279	1.122.997.242
Power Engineering Consulting Joint Stock Company 1	1.691.117.279	1.122.997.242
<i>Prepayment to other suppliers</i>	4.060.051.791	5.068.621.055
Map Geodesy Co., Ltd.	709.166.000	91.425.000
Lilama 69-1 Joint Stock Company	615.000.000	-
HTC Trading and Construction Consulting Co., Ltd.	-	1.864.611.600
Other suppliers	2.735.885.791	3.112.584.455
Total	<u>5.751.169.070</u>	<u>6.191.618.297</u>

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ending 31 December 2017

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	8.308.000.000	-	8.308.000.000	-
Buon Don Hydroelectricity Joint Stock Company - dividends and profit shared	8.308.000.000	-	8.308.000.000	-
Receivables from other organizations and individuals	8.863.176.112	-	3.161.451.118	-
Advances to employees	8.443.548.906	-	2.754.421.947	-
Re-collection of employees	33.000.000	-	42.500.000	-
Social insurance	-	-	22.322.000	-
Others	386.627.206	-	342.207.171	-
Total	17.171.176.112	-	11.469.451.118	-

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		Beginning balance	
		Original costs	Recoverable amount	Original costs	Recoverable amount
Other organizations and individuals					
Nho Que Hydroelectricity JSC 1	2008 2009 2010	6.037.929.873	4.830.343.898	2008 2009 2010	6.037.929.873 4.830.343.898
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
Nhan Luat Energy JSC	2009	3.054.527.900	1.527.263.950	2009	3.054.527.900 1.527.263.950
La Ngau Hydroelectricity JSC	2007 2008	2.481.247.709	1.760.255.309	2007 2008	2.481.247.709 1.760.255.309
Vietnam Electricity Construction JSC	2007	62.621.336	62.621.336	2007	62.621.336 62.621.336
Duc Long Gia Lai Group JSC		-	-	2010 2011	5.318.864.000 -
Others	1999 - 2013	2.460.082.057	851.813.781	1999 - 2013	2.460.082.057 851.813.781
Total		20.016.401.697	13.047.614.428		25.335.265.697 13.047.614.428

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ending 31 December 2017

Notes to the Interim Financial Statements (cont.)

Fluctuations in allowances for doubtful debts are as follows:

	Accumulated from the beginning of the year to the end of current period	
	Current year	Previous year
Beginning balance	12.287.651.269	11.740.310.069
Written off	(5.318.864.000)	-
Ending balance	6.968.787.269	11.740.310.069

7. Inventories

	Ending balance		Beginning balance	
	Original costs	Allowance	Original costs	Allowance
Materials and supplies	499.769.444	-	457.514.549	-
Tools	83.059.771	-	8.453.608	-
Work in progress	4.566.840.812	-	16.307.239.582	-
Total	5.149.670.027	-	16.773.207.739	-

8. Long-term prepaid expenses

	Ending balance	Beginning balance
Tools	862.926.158	1.522.260.347
Other long-term expenses	109.848.753	259.957.971
Total	972.774.911	1.782.218.318

9. Tangible fixed assets

	Buildings and structures	Machinery and equipment	Vehicles	Office equipment	Total
Historical costs					
Beginning balance	10.104.595.287	10.314.130.755	12.541.821.147	1.197.226.347	34.157.773.536
Purchase during the period	-	3.017.876.689	348.840.000	171.672.727	3.538.389.416
Ending balance	10.104.595.287	13.332.007.444	12.890.661.147	1.368.899.074	37.696.162.952
<i>In which:</i>					
Assets fully depreciated but still in use	773.606.927	7.837.767.082	9.908.142.964	838.752.339	19.358.269.312
Assets waiting for liquidation	-	-	-	-	-
Depreciation					
Beginning balance	4.775.794.463	8.320.444.332	11.209.988.977	970.837.922	25.277.065.694
Depreciation	225.160.596	371.560.945	245.265.021	46.610.713	888.597.275
Ending balance	5.000.955.059	8.692.005.277	11.455.253.998	1.017.448.635	26.165.662.969
Net book value					
Beginning balance	5.328.800.824	1.993.686.423	1.331.832.170	226.388.425	8.880.707.842
Ending balance	5.103.640.228	4.640.002.167	1.435.407.149	351.450.439	11.530.499.983

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ending 31 December 2017

Notes to the Interim Financial Statements (cont.)

	<u>Buildings and structures</u>	<u>Machinery and equipment</u>	<u>Vehicles</u>	<u>Office equipment</u>	<u>Total</u>
<i>In which:</i>					
Assets temporarily not in use	-	-	-	-	-
Assets waiting for liquidation	-	-	-	-	-

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	2.270.694.411	18.828.157.411
Purchase during the period	-	-	1.036.287.000	1.036.287.000
Ending balance	7.093.957.000	9.463.506.000	3.306.981.411	19.864.444.411

In which:

Assets fully depreciated but still being in use	-	-	2.107.552.255	2.107.552.255
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Amortization

Beginning balance	-	1.676.425.305	2.206.150.102	3.882.575.407
Amortization during the period	-	99.752.400	107.267.518	207.019.918
Ending balance	-	1.776.177.705	2.313.417.620	4.089.595.325

Net book value

Beginning balance	7.093.957.000	7.787.080.695	64.544.309	14.945.582.004
Ending balance	7.093.957.000	7.687.328.295	993.563.791	15.774.849.086

In which:

Assets temporarily not yet used	-	-	-	-
Assets waiting for liquidation	-	-	-	-

11. Short-term trade payables

	<u>Ending balance</u>	<u>Beginning balance</u>
Payables to related parties	983.545.000	983.545.000
Power Engineering Consulting JSC 1	983.545.000	983.545.000
Payables to other suppliers	8.023.885.317	8.023.885.317
Sea Research and Sea Map Measure Team	917.730.264	917.730.264
Other suppliers	6.131.582.466	7.106.155.053
Total	8.032.857.730	9.007.430.317

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ending 31 December 2017

Notes to the Interim Financial Statements (cont.)**12. Short-term advances from customers**

	<u>Ending balance</u>	<u>Beginning balance</u>
<i>Advances from other customers</i>	45.770.037.583	46.252.826.690
Central Power Project Management Board	6.929.093.969	11.666.723.079
Southern Electricity Project Management Board	8.708.208.681	9.832.704.819
Trung Son Hydropower One Member Co., Ltd (ATS)	1.516.550.066	2.770.675.756
Others	28.616.184.867	21.982.723.036
Total	<u>45.770.037.583</u>	<u>46.252.826.690</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	3.200.220.834	8.325.359.866	(6.940.907.512)	4.584.673.188
VAT on imports	-	174.337.509	(174.337.509)	-
Corporate income tax	633.012.669	1.884.316.858	(1.271.664.342)	1.245.665.185
Personal income tax	248.303.990	946.512.880	(1.125.417.870)	69.399.000
Taxes on using non-agricultural land	-	3.123.300	(3.123.300)	-
Other taxes	-	63.207.843	(63.207.843)	-
Total	<u>4.081.537.493</u>	<u>11.396.858.256</u>	<u>(9.578.658.376)</u>	<u>5.899.737.373</u>

Value Added Tax (VAT)

The Company has paid VAT 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%.

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

	Accumulated from the beginning of the year to the end of current period	
	<u>Current year</u>	<u>Previous year</u>
Total accounting profit before tax	9.421.584.291	5.994.826.358
Increases/(decreases) of accounting profit to determine profit subject to corporate income tax		
- Increases	-	-
- Decreases	-	-
Taxable income	9.421.584.291	5.994.826.358
Corporate income tax rate	20%	20%
Corporate income tax payable	<u>1.884.316.858</u>	<u>1.198.965.272</u>

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 financial statements can be changed upon the inspection of tax authorities.

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ending 31 December 2017

Notes to the Interim Financial Statements (cont.)***Taxes on using non-agricultural land***

Taxes on using non-agricultural land are paid in line with notice of tax agency.

Other taxes

The Company has declared and paid these taxes in line with regulation.

14. Payable to employees

Salary fund during the period is determined in line with Decision No. 63A/QĐ-HĐQT dated 22 March 2017 of the Chairman of the Board of Management.

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>	1.659.879.935	1.659.879.935
Payable for EVN	1.659.879.935	1.659.879.935
<i>Payables to other organizations and individuals</i>	2.172.497.936	1.986.201.573
Trade Union's Expenditure	1.679.658.299	1.714.909.889
Social insurance	185.433.429	-
Payable for equitization	2.100.000	2.100.000
Dividends and profit payable	93.749.600	84.154.400
Interest on convertible bonds	48.118.000	48.118.000
Other payables	163.438.608	136.919.284
Total	<u>3.832.377.871</u>	<u>3.646.081.508</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 other organizations and individuals</i>	-	-
Short-term borrowings from BIDV - Khanh Hoa Branch	-	-
Total	<u>-</u>	<u>-</u>

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

Beginning balance	-
Increase	9.508.360.000
Amount already paid	(9.508.360.000)
Ending balance	<u>-</u>

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	469.426.962	895.538.217	6.000.000	(589.500.000)	781.465.179
Welfare fund	2.266.151.278	-	-	(445.844.376)	1.820.306.902
Bonus fund for the Executive Officers	243.651.000	371.176.000	-	(225.990.000)	388.837.000
Total	<u>2.979.229.240</u>	<u>1.266.714.217</u>	<u>6.000.000</u>	<u>(1.261.334.376)</u>	<u>2.990.609.081</u>

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ending 31 December 2017

Notes to the Interim Financial Statements (cont.)

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:

	As in Business Registration Certificate		Charter capital already contributed (VND)	Charter capital to be contributed (VND)
	VND	Rate (%)		
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

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

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

18d. Profit distribution

During the year, the Company has distributed profit of the year 2016 in line with Resolution of 2017 shareholders' meeting dated 25 April 2017 as follows:

	VND
• Temporarily sharing dividends from profit of the year 2016	: 5.814.036.400
• Extraction for bonus and welfare fund	: 895.538.217
• Bonus fund for the Executive Officers	: 371.176.000

Pursuant to Resolution of 2017 shareholders' meeting dated 25 April 2017, the Company has decided to share dividends of the year 2016 to shareholders at amount of VND 21.802.636.500. During the period, based on Resolution of the Board of Management, the Company has paid dividends to shareholders at amount of VND 5.814.036.400.

19. Off-balance sheet items

19a. Foreign currencies

As of the balance date, cash comprise USD 117,023.83 (Beginning balance was USD 17,389.84).

19b. Treated doubtful debts

	Ending balance		Beginning balance		Reasons for writing off
	Original currency	VND	Original currency	VND	
Other customers	-	13.753.924.390	-	8.435.060.390	Unable recovery
Total		13.753.924.390		8.435.060.390	

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ending 31 December 2017

Notes to the Interim Financial Statements (cont.)**VI. ADDITIONAL INFORMATION ON THE ITEMS OF THE INTERIM INCOME STATEMENT****1. Sales****1a. Gross sales**

	Accumulated from the beginning of the year to the end of current period	
	<u>Current year</u>	<u>Previous year</u>
Survey	61.423.517.036	29.269.610.820
Design	38.191.238.342	40.742.990.074
Total	<u>99.614.755.378</u>	<u>70.012.600.894</u>

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.2a, 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 to the end of current period	
	<u>Current year</u>	<u>Previous year</u>
Power Engineering Consulting Joint Stock Company 2	-	5.319.740.201

2. Costs of goods sold

	Accumulated from the beginning of the year to the end of current period	
	<u>Current year</u>	<u>Previous year</u>
Costs of survey	42.951.014.572	18.888.725.052
Costs of design	32.702.981.720	27.441.873.779
Total	<u>75.653.996.292</u>	<u>46.330.598.831</u>

3. Financial income

	Accumulated from the beginning of the year to the end of current period	
	<u>Current year</u>	<u>Previous year</u>
Gains from bank deposits	68.280.115	198.096.117
Gains from foreign exchange difference	2.630.469	1.089.558
Gains from foreign exchange difference due to revaluation of monetary items in foreign currencies	3.789.250	-
Total	<u>74.699.834</u>	<u>199.185.675</u>

4. Financial expenses

	Accumulated from the beginning of the year to the end of current period	
	<u>Current year</u>	<u>Previous year</u>
Loan interest expenses	16.664.577	129.224.332
Loss from foreign exchange difference	2.087.699	708.565
Total	<u>18.752.276</u>	<u>129.932.897</u>

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ending 31 December 2017

Notes to the Interim Financial Statements (cont.)**5. General and administration expenses**

	Accumulated from the beginning of the year to the end of current period	
	Current year	Previous year
Expenses for employees	8.552.991.056	6.972.894.035
Office equipment and stationery	195.669.103	277.365.100
Depreciation of fixed assets	37.263.690	33.900.548
Taxes, fees and legal fees	38.889.966	39.289.966
External service rendered	528.712.687	506.222.346
Other expenses	5.193.935.226	9.978.961.488
Total	14.547.461.728	17.808.633.483

6. Other income

	Accumulated from the beginning of the year to the end of current period	
	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 to the end of current period	
	Current year	Previous year
Fines due to contract violation	47.660.625	-
Total	47.660.625	-

8. Earning per shares**8a. Basic/dillute earning per shares**

	Accumulated from the beginning of the year to the end of current period	
	Current year	Previous year
Accounting profit after corporate income tax	7.537.267.433	4.795.861.086
Increase/(decrease) of accounting profit to determine profit attribute shareholders owned ordinary shares	-	-
Profit used to calculate basic/diluted earnings per share	7.537.267.433	4.795.861.086
Average outstanding ordinary shares during the year	14.535.091	14.535.091
Basic/diluted earning per share	519	330

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.

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ending 31 December 2017

Notes to the Interim Financial Statements (cont.)

9. Operating expenses

	Accumulated from the beginning of the year to the end of current period	
	Current year	Previous year
Materials and supplies	4.791.435.015	4.011.318.906
Labors	47.516.616.976	38.738.799.051
Depreciation of fixed assets	1.095.617.193	879.483.079
External service rendered	14.554.431.969	3.836.198.098
Other expenses	10.502.958.097	14.032.735.106
Total	78.461.059.250	61.498.534.240

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.

Capital contribution commitment

Pursuant to Business Registration Certificate No. 4401028708 dated 22 November 2016 of Son Giang Power Joint Stock Company granted by Department of Planning and Investment of Phu Yen Province, the Company has invested into Son Giang Power Joint Stock Company at amount of VND 15.000.000.000 equivalent to 30% of charter capital. During the period, the Company has additionally invested VND 4.400.000.000. As of the balance sheet date, the Company has invested VND 5.000.000.000.

2. Balances and transactions with related parties

Related parties with the Company 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.

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ending 31 December 2017

Notes to the Interim Financial Statements (cont.)

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 2017 annual general shareholders' meeting, remuneration of the Board of Management and the Board of Control in the first 6 months of the year ended 2017 is VND 227.000.000 (in the first 6 months of the year ended 2016: VND 265.200.000).
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 2017 is VND 1.251.409.826 (in the first 6 months of the year ended 2016: VND 1.179.972.528).

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)	Shareholder possessing 71,56% shares (see Note V.18)
Power Engineering Consulting Joint Stock Company 2	The Group
Power Engineering Consulting Joint Stock Company 1	The Group
Buon Don Hydroelectricity Joint Stock Company	Associate
Son Giang Power Joint Stock Company	Associate

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:

	Accumulated from the beginning of the year to the end of current period	
	Current year	Previous year
<i>Electricity of Vietnam (EVN)</i>		
Payment of dividends	4.179.137.600	5.223.922.000
Loan interest expenses	-	87.766.000
<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	-	3.477.200.221

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ending 31 December 2017

Notes to the Interim Financial Statements (cont.)

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.15.

Receivables from 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 only business activity of the Company is to provide survey and design consulting 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.

a. Credit risk

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

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

Receivable from customers

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

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

Bank deposits

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

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:

	<u>Not yet overdue or not impaired</u>	<u>Not yet overdue but already devaluated</u>	<u>Already overdue but not yet devaluated</u>	<u>Already overdue and/ (or) devaluated</u>	<u>Total</u>
Ending balance					
Cash and equivalents	18.902.013.441	-	-	-	18.902.013.441
Receivable customers	60.632.917.136	-	-	20.016.401.697	80.649.318.833
Other receivables	8.764.627.206	-	-	-	8.764.627.206
Financial assets available for sale	2.091.640.000	-	-	-	2.091.640.000
Total	90.391.197.783	-	-	20.016.401.697	110.407.599.480

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ending 31 December 2017

Notes to the Interim Financial Statements (cont.)

	<u>Not yet overdue or not impaired</u>	<u>Not yet overdue but already devaluated</u>	<u>Already overdue but not yet devaluated</u>	<u>Already overdue and/ (or) devaluated</u>	<u>Total</u>
Beginning balance					
Cash and cash equivalents	25.256.467.922	-	-	-	25.256.467.922
Receivable from customers	52.106.221.271	-	-	25.335.265.697	77.441.486.968
Other receivables	8.720.207.171	-	-	-	8.720.207.171
Financial assets available for sale	2.091.640.000	-	-	-	2.091.640.000
Total	<u>88.174.536.364</u>	<u>-</u>	<u>-</u>	<u>25.335.265.697</u>	<u>113.509.802.061</u>

b. 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:

	Less than 01 year	
	<u>Ending balance</u>	<u>Beginning balance</u>
Trade payables	8.032.857.730	9.007.430.317
Other payables	1.967.286.143	1.931.171.619
Total	<u>10.000.143.873</u>	<u>10.938.601.936</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.

c. 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 2017 and 31 December 2016 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.

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ending 31 December 2017

Notes to the Interim Financial Statements (cont.)

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.

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 previous period will decrease/increase by VND 0 (the same period of previous year: decreased/increased by VND 60.000.000).

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 derivative to avoid material price risk.

d. 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 2017 and 31 December 2016.

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	18.902.013.441	-	25.256.467.922	-
Receivables from customers	60.632.917.136	(6.968.787.269)	52.106.221.271	(12.287.651.269)
Other receivables	8.764.627.206	-	8.720.207.171	-
Available-for-sale financial assets	2.091.640.000	-	2.091.640.000	-
Total	90.391.197.783	(6.968.787.269)	88.174.536.364	(12.287.651.269)

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ending 31 December 2017

Notes to the Interim Financial Statements (cont.)

Financial liabilities

Carrying values of financial liabilities are as follows:

	<u>Ending balance</u>	<u>Beginning balance</u>
Trade payables	8.032.857.730	9.007.430.317
Other payables	1.967.286.143	1.931.171.619
Total	<u>10.000.143.873</u>	<u>10.938.601.936</u>

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.

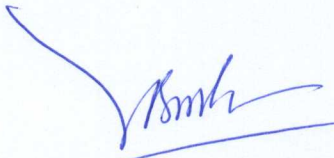
The Company has applied the following method and assumption to estimate the fair values of financial assets and financial liabilities:

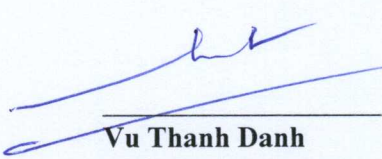
- Fair values of cash and cash equivalents, trade receivables, other receivables, borrowings, trade payables and other current liabilities are equivalent to their carrying values (already excluded estimation of doubtful debts) since these instruments have short-term periods.
- Fair values of held-to-maturity 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.


Tran Le Thanh Binh
Preparer


Vu Thanh Danh
Chief Accountant


Pham Minh Son
General Director

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

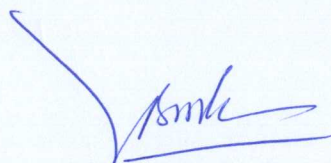
INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ending 31 December 2017

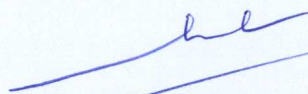
Appendix: statement of fluctuation in owner's equity

Unit: VND

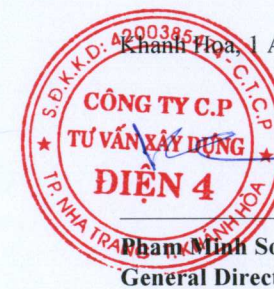
	<u>Capital</u>	<u>Share premiums</u>	<u>Treasury stocks</u>	<u>Business promotion fund</u>	<u>Other funds</u>	<u>Retained earnings</u>	<u>Total</u>
Beginning balance of previous year	145.996.140.000	(15.784.110.000)	(745.850.060)	26.753.260.607	1.721.694.867	22.545.879.288	180.487.014.702
Profit in the previous period	-	-	-	-	-	4.795.861.086	4.795.861.086
Extraction for funds in the previous period	-	-	-	-	-	(743.242.788)	(743.242.788)
Sharing 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	19.330.952.086	177.272.087.500
Beginning balance in current period	145.996.140.000	(15.784.110.000)	(745.850.060)	26.753.260.607	1.721.694.867	23.069.350.717	181.010.486.131
Profit in current period	-	-	-	-	-	7.537.267.433	7.537.267.433
Extraction for funds in current period	-	-	-	-	-	(1.266.714.217)	(1.266.714.217)
Sharing dividends from retained earnings of previous year	-	-	-	-	-	(5.814.036.400)	(5.814.036.400)
Ending balance of current period	145.996.140.000	(15.784.110.000)	(745.850.060)	26.753.260.607	1.721.694.867	23.525.867.533	181.467.002.947



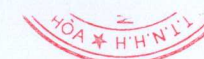
Tran Le Thanh Binh
Preparer



Vu Thanh Danh
Chief Accountant



Phan Minh Son
General Director



Khanh Hoa, 1 August 2017

