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**VINH SON - SONG HINH HYDRO-POWER
JOINT STOCK COMPANY**

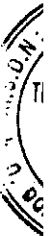
(Incorporated in the Socialist Republic of Vietnam)

**REVIEWED SEPARATE
FINANCIAL STATEMENTS**

For the period from 01 January 2013 to 30 June 2013

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STATEMENT OF THE BOARDS OF MANAGEMENT AND DIRECTORS

The Boards of Management and Directors of Vinh Son - Song Hinh Hydro-power Joint Stock Company ("the Company") presents this report together with the Company's separate financial statements for the period from 01 January 2013 to 30 June 2013.

THE BOARDS OF MANAGEMENT AND DIRECTORS

The members of the Boards of Management and Directors of the Company who held office during the period and at the date of this report are as follows:

Board of Management

Mr. Nguyen Van Thanh	Chairman
Mr. Vo Thanh Trung	Member
Mr. Nguyen Viet Thang	Member
Mr. Nguyen Hong Son	Member
Mr. Phan Hong Quan	Member

Board of Directors

Mr. Vo Thanh Trung	General Director
Mr. Hoang Anh Tuan	Deputy General Director
Mr. Duong Tan Tuong	Deputy General Director

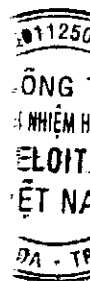
THE BOARDS OF MANAGEMENT AND DIRECTORS' STATEMENT OF RESPONSIBILITY

The Board of Management is entitled to the ultimate power to exercise all rights and obligations on behalf of the Company, except for the rights relating to the Board of Shareholders.

The Board of Directors of the Company is responsible for preparing the financial statements for the period from 01 January 2013 to 30 June 2013, which give a true and fair view of the financial position of the Company and of its results and cash flows for the period in accordance with Vietnamese accounting standards, accounting regime for enterprises and legal regulations relating to financial reporting. In preparing these separate financial statements, the Board of Directors is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting principles have been followed, subject to any material departures disclosed and explained in the separate financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- Design and implement an effective internal control system for the purpose of properly preparing and presenting the separate financial statements so as to minimise errors and frauds.

The Board of Directors is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the financial position of the Company and that the separate financial statements comply with Vietnamese accounting standards, accounting regime for enterprises and legal regulations relating to financial reporting. The Board of Directors is also responsible for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of frauds and other irregularities.

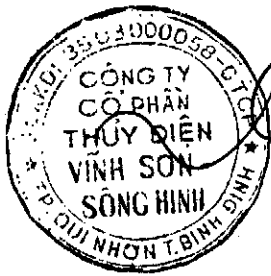


STATEMENT OF THE BOARDS OF MANAGEMENT AND DIRECTORS (Continued)

The Board of Directors confirms that the Company has complied with the above requirements in preparing these separate financial statements.

The Board of Management confirms that these separate financial statements for the period from 01 January 2013 to 30 June 2013 were read and approved by the Board of Management.

For and on behalf of the Boards of Management and Directors,



CHỦ TỊCH HĐQT

Nguyen Van Thanh
Chairman of the Board of Management

20 August 2013

Vo Thanh Trung
General Director



No.: 278/VNIA-HN-BC

REVIEW REPORT ON SEPARATE FINANCIAL STATEMENTS

**To: The Shareholders, the Boards of Management and Directors
Vinh Son - Song Hinh Hydro-power Joint Stock Company**

We have reviewed the accompanying balance sheet as at 30 June 2013, the related statements of income and cash flows for the period from 01 January 2013 to 30 June 2013 and the notes thereto (collectively referred to as the "separate financial statements") of Vinh Son - Song Hinh Hydro-power Joint Stock Company (the "Company") prepared on 20 August 2013, as set out from page 4 to page 26. The preparation of these separate financial statements is the responsibility of the Company's management. Our responsibility is to issue a review report on these separate financial statements based on our review.

Except as discussed below, we conducted our review in accordance with Vietnamese Standard on Auditing No. 910 - Engagements to review financial statements. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the separate financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

As stated in Note 18 of the Notes to the separate financial statements, at the date of this report, the Company and Vietnam Electricity have not reached a final agreement on the electricity prices for the period from January 2010 to June 2013. Revenue of the Company in this period was recorded based on temporary price and will be subject to adjustments upon agreement on unit price between the Company and Vietnam Electricity.

Based on our review, except for any effect of the aforementioned matter, nothing has come to our attention that causes us to believe that the accompanying separate financial statements do not give a true and fair view of, in all material respects, the financial position of the Company as at 30 June 2013 and the results of its operations and cash flows for the period from 01 January 2013 to 30 June 2013 in accordance with Vietnamese accounting standards, accounting regime for enterprises and legal regulations relating to financial reporting.



Dang Chi Dung
Deputy General Director
Audit Practising Registration Certificate
No. 0030-2013-001-1

**For and on behalf of
DELOITTE VIETNAM COMPANY LIMITED**

20 August 2013
Hanoi, S.R. Vietnam



Hoang Van Kien
Auditor
Audit Practising Registration Certificate
No. 1130-2013-001-1

VINH SON - SONG HINH HYDRO-POWER JOINT STOCK COMPANY

 21 Nguyen Hue Street, Quy Nhon City
 Binh Dinh Province, S.R. Vietnam

Separate Financial Statements

For the period from 01 January 2013 to 30 June 2013

BALANCE SHEET

As at 30 June 2013

FORM B 01-DN

Unit: VND

ASSETS	Codes	Notes	30/6/2013	31/12/2012
A. CURRENT ASSETS (100=110+120+130+140+150)	100		1,287,753,163,781	1,465,196,581,337
I. Cash and cash equivalents	110	5	625,842,702,056	639,705,515,200
1. Cash	111		24,792,702,056	13,088,515,200
2. Cash equivalents	112		601,050,000,000	626,617,000,000
II. Short-term financial investments	120	6	20,000,000,000	181,118,326,000
1. Short-term investments	121		20,000,000,000	181,118,326,000
III. Short-term receivables	130		588,598,644,280	598,518,199,045
1. Trade accounts receivable	131		148,617,831,610	143,299,041,484
2. Advances to suppliers	132	7	433,538,295,921	431,720,413,857
3. Other receivables	135		6,442,516,749	23,498,743,704
IV. Inventories	140	8	32,657,959,293	29,505,333,647
1. Inventories	141		40,623,648,803	37,471,023,157
2. Provision for devaluation of inventories	149		(7,965,689,510)	(7,965,689,510)
V. Other short-term assets	150		20,653,858,152	16,349,207,445
1. Short-term prepayments	151		-	41,320,000
2. VAT deductibles	152		19,995,360,917	15,956,389,711
3. Other short-term assets	158		658,497,235	351,497,734
B. NON-CURRENT ASSETS (200 = 220+250+260)	200		2,161,834,733,439	1,915,660,735,532
I. Tangible fixed assets	220		2,145,030,353,870	1,898,856,355,963
1. Tangible fixed assets	221	9	945,357,420,073	982,469,629,484
- Cost	222		2,954,216,373,039	2,955,141,550,617
- Accumulated depreciation	223		(2,008,858,952,966)	(1,972,671,921,133)
2. Construction in progress	230	10	1,199,672,933,797	916,386,726,479
II. Long-term financial investments	250		14,812,957,192	14,812,957,192
1. Investments in subsidiaries	251	11	5,000,000,000	5,000,000,000
2. Investments in associates	252	12	9,812,957,192	9,812,957,192
III. Other long-term assets	260		1,991,422,377	1,991,422,377
1. Deferred tax assets	262		1,991,422,377	1,991,422,377
TOTAL ASSETS (270 = 100 + 200)	270		3,449,587,897,220	3,380,857,316,869

The notes set out on pages 9 to 26 are an integral part of these separate financial statements

VINH SON - SONG HINH HYDRO-POWER JOINT STOCK COMPANY

21 Nguyen Hue Street, Quy Nhon City
Binh Dinh Province, S.R. Vietnam

Separate Financial Statements
For the period from 01 January 2013 to 30 June 2013

BALANCE SHEET (Continued)

As at 30 June 2013

FORM B 01-DN
Unit: VND

RESOURCES	Codes	Notes	30/6/2013	31/12/2012
A. LIABILITIES (300=310+330)	300		923,296,044,405	932,233,677,331
I. Current liabilities	310		727,368,021,168	720,357,142,474
1. Short-term loans and liabilities	311	13	648,150,600,197	591,015,250,928
2. Trade accounts payable	312		7,279,056,588	12,281,253,102
3. Advances from customers	313		1,055,829,000	1,055,829,000
4. Taxes and amounts payable to the State budget	314	14	58,870,281,075	67,124,254,795
5. Payables to employees	315		4,874,177,830	5,395,728,189
6. Accrued expenses	316		4,220,747,937	3,516,009,993
7. Other current payables	319	15	246,876,428	38,276,794,378
8. Bonus and welfare funds	323		2,670,452,113	1,692,022,089
II. Long-term liabilities	330		195,928,023,237	211,876,534,857
1. Long-term loans and liabilities	334	16	195,928,023,237	211,876,534,857
B. EQUITY (400=410+430)	400		2,526,291,852,815	2,448,623,639,538
I. Owners' equity	410		2,525,231,216,174	2,447,376,388,082
1. Charter capital	411	17	2,062,412,460,000	2,062,412,460,000
2. Treasury shares	414	17	(47,117,531,962)	(47,117,531,962)
3. Foreign exchange reserve	416		(9,010,935,300)	(7,338,762,414)
4. Investment and development fund	417		21,500,000,000	21,500,000,000
5. Financial reserve fund	418		26,880,000,000	26,880,000,000
6. Retained earnings	420	17	470,567,223,436	391,040,222,458
II. Other resources and funds	430		1,060,636,641	1,247,251,456
1. Funds for fixed assets acquisition	433		1,060,636,641	1,247,251,456
TOTAL RESOURCES (440 = 300+ 400)	440		3,449,587,897,220	3,380,857,316,869



Võ Thanh Trung
General Director

20 August 2013

Huynh Cong Ha
Chief Accountant

Le Van Chuong
Preparer

The notes set out on pages 9 to 26 are an integral part of these separate financial statements

VINH SON - SONG HINH HYDRO-POWER JOINT STOCK COMPANY

21 Nguyen Hue Street, Quy Nhon City
Binh Dinh Province, S.R. Vietnam

Separate Financial Statements
For the period from 01 January 2013 to 30 June 2013

INCOME STATEMENT

For the period from 01 January 2013 to 30 June 2013

FORM B 02-DN
Unit: VND

ITEMS	Codes	Notes	From 01/01/2013 to 30/6/2013	From 01/01/2012 to 30/6/2012
1. Net sales	10	18	104,678,131,795	193,886,355,955
2. Cost of sales	11	19	62,405,700,401	82,646,854,386
3. Gross profit from sales (20 = 10-11)	20		42,272,431,394	111,239,501,569
4. Financial income	21	21	70,463,810,344	43,256,525,718
5. Financial expenses	22	21	4,497,168,022	(7,088,303,472)
- In which: Interest expense	23		2,457,468,430	2,513,960,528
6. General and administration expenses	25		7,590,728,807	6,483,046,326
7. Operating profit (30 = 20+(21-22)-25)	30		100,648,344,909	155,101,284,433
8. Other income	31		77,272,727	84,837,803
9. Other expenses	32		-	50,890,400
10. Profit from other activities (40=31-32)	40		77,272,727	33,947,403
11. Accounting profit before tax (50=30+40)	50		100,725,617,636	155,135,231,836
12. Current corporate income tax expense	51	22	17,762,745,408	13,911,276,747
13. Net profit after corporate income tax (60=50-51)	60		82,962,872,228	141,223,955,089



Vo Thanh Trung
General Director

20 August 2013

Huynh Cong Ha
Chief Accountant

Le Van Chuong
Preparer

The notes set out on pages 9 to 26 are an integral part of these separate financial statements

CASH FLOW STATEMENT

For the period from 01 January 2013 to 30 June 2013

FORM B 03-DN

Unit: VND

ITEMS	Codes	From 01/01/2013 to 30/6/2013	From 01/01/2012 to 30/6/2012
I. CASH FLOWS FROM OPERATING ACTIVITIES			
1. Profit before tax	01	100,725,617,636	155,135,231,836
2. Adjustments for:		(28,657,383,996)	(2,079,019,077)
- Depreciation and amortisation	02	37,510,179,401	48,265,810,113
- Provisions	03	-	(9,602,264,000)
- Unrealized foreign exchange loss	04	1,888,778,517	-
- Gain from investing activities	05	(70,513,810,344)	(43,256,525,718)
- Interest expense	06	2,457,468,430	2,513,960,528
3. Operating profit before movements in working capital	08	72,068,233,640	153,056,212,759
- (Increased)/Decrease in receivables	09	(12,077,593,222)	17,396,604,983
- (Increase)/Decrease in inventories	10	(3,152,625,646)	(2,008,764,564)
- (Decrease)/Increased in accounts payable (not including accrued interest and corporate income tax payable)	11	4,237,593,551	(6,654,567,065)
- Decrease in prepaid expenses	12	132,356,031	-
- Interest paid	13	(2,478,008,548)	(6,150,660,551)
- Corporate income tax paid	14	(30,886,574,558)	(2,000,000,000)
- Other cash inflows	15	21,414,774	43,620,000
- Other cash outflows	16	(1,716,394,978)	(3,069,536,372)
Net cash from operating activities	20	26,148,401,044	150,612,909,190
II. CASH FLOWS FROM INVESTING ACTIVITIES			
1. Acquisition and construction of fixed assets	21	(286,172,692,070)	(244,346,250,326)
2. Proceeds from sales, disposal of fixed assets	22	50,000,000	-
3. Cash recovered from lending to other entities	24	130,433,000,000	252,500,000,000
4. Investment in subsidiary	26	75,460,529,500	-
5. Deposit interest earned, entrusted loan interest, dividends and profit received	27	40,485,491,136	29,872,043,664
Net cash (used in)/from investing activities	30	(39,743,671,434)	38,025,793,338
III. CASH FLOWS FROM FINANCING ACTIVITIES			
1. Proceeds from borrowings	33	584,704,293,639	312,672,159,910
2. Repayment of borrowings	34	(547,078,407,393)	(553,519,390,829)
3. Dividends and profits paid	36	(37,893,429,000)	-
Net cash used in financing activities	40	(267,542,754)	(240,847,230,919)
Net (decrease) in cash	50	(13,862,813,144)	(52,208,528,391)
Cash and cash equivalents at the beginning of the period	60	639,705,515,200	476,889,834,445
Cash and cash equivalents at the end of the period	70	625,842,702,056	424,681,306,054

The notes set out on pages 9 to 26 are an integral part of these separate financial statements

CASH FLOW STATEMENT (Continued)
For the period from 01 January 2013 to 30 June 2013

Supplementary non-cash disclosures

Cash outflows for purchases and construction of fixed assets during the period include an amount of VND 5,001,935,084, representing an addition in fixed assets in the previous year that has been paid in this period, and exclude an amount of VND 2,854,292,988 representing advances to contractors in the previous year related to constructions inspected and accepted in this period. Consequently, changes in accounts payable and change in receivables have been adjusted by the same amount.



Vo Thanh Trung
General Director

20 August 2013

Huynh Cong Ha
Chief Accountant

Le Van Chuong
Preparer

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

FORM B 09-DN

These notes are an integral part of and should be read in conjunction with the accompanying separate financial statements

1. GENERAL INFORMATION

Structure of ownership

Vinh Son - Song Hinh Hydro-power Joint Stock Company was incorporated in Vietnam as a joint stock company which was converted from Vinh Son - Song Hinh Hydro-power Plant, a State-owned enterprise ("the Plant"). Previously, the Plant was a dependent accounting unit the management of Vietnam Electricity ("EVN").

According to Decision No. 219/QD-TTg dated 28 October 2003 issued by the Prime Minister approving the general plan for renovation of State-owned Enterprises under Vietnam Electricity in the period from 2003 to 2005 and Decision No. 2992/QD-TCCB of the Ministry of Industry on equitization of Vinh Son - Song Hinh Hydro-power Plant, the Plant is responsible for proceeding equitization in 2004. On 2 December 2004, the Ministry of Industry issued Decision No. 151/2004/QD-BCN on converting Vinh Son - Song Hinh Hydro-power Plant into Vinh Son - Song Hinh Hydro-power Joint Stock Company.

On 04 May 2005, the Plant officially started operating as a joint stock company and under the name of Vinh Son - Song Hinh Hydro-power Joint Stock Company according to the Company's Business Registration Certificate No. 3503000058 issued by the Department of Planning and Investment of Binh Dinh Province on 04 May 2005, as amended.

The Company was approved to trade securities in Hanoi Stock Trading Center in accordance with Decision No. 01/QD-TTGDHN. On 28 June 2006, the Company's stocks were officially permitted to be listed in Ho Chi Minh City Stock Exchange in accordance with Decision No. 54/UBCK-GDNY issued by the State Securities Commission.

The number of employees of the Company as at 30 June 2013 was 158 (31 December 2012: 158).

Operating industry and principal activities

The principal activities of the Company are to generate electricity (operating two hydro-power plants including Vinh Son hydro-power plant and Song Hinh hydro-power plant). The entire output is sold to Vietnam Electricity.

2. ACCOUNTING CONVENTION AND FINANCIAL YEAR

Accounting convention

The accompanying separate financial statements, expressed in Vietnam Dong (VND), are prepared under the historical cost convention and in accordance with Vietnamese accounting standards, accounting regime for enterprises and legal regulations relating to financial reporting.

Financial year

The Company's financial year begins on 01 January and ends on 31 December. These interim separate financial statements have been prepared for the period from 01 January 2013 to 30 June 2013.

3. ADOPTION OF NEW ACCOUNTING GUIDANCE

New guidance on management, usage and depreciation of fixed assets

On 25 April 2013, the Ministry of Finance issued Circular No. 45/2013/TT-BTC ("Circular 45") guiding the regime of management, usage and depreciation of fixed assets. This Circular supersedes Circular No. 203/2009/TT-BTC ("Circular 203") dated 20 October 2009 of the Ministry of Finance guiding the regime of management, usage and depreciation of fixed assets. Circular 45 is effective from 10 June 2013 and is applied from financial year 2013 onwards. According to the Board of Directors' assessment, Circular 45 does not have material effect on the Company's separate financial statements for the 6-month period ended 30 June 2013.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

These notes are an integral part of and should be read in conjunction with the accompanying separate financial statements

3. ADOPTION OF NEW ACCOUNTING GUIDANCE (Continued)

New guidance on provision for impairment of long-term investments into other entities

On 28 June 2013, the Ministry of Finance issued Circular No. 89/2013/TT-BTC ("Circular 89") amending and supplementing Circular No. 228/2009/TT-BTC ("Circular 228") dated 07 December 2009 of the Ministry of Finance guiding the appropriation and use of provisions for devaluation of inventories, losses of financial investments, bad debts and warranty for products, goods and construction and installation works at enterprises. Circular 89 shall be effective starting from 26 July 2013. The Board of Directors of the Company is considering the extent of impact of adopting Circular 89 on the Company's separate financial statements for future accounting periods.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies, which have been adopted by the Company in the preparation of these separate financial statements, are as follows:

Estimates

The preparation of separate financial statements in conformity with Vietnamese accounting standards, accounting regime for enterprises and legal regulations relating to financial reporting requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the separate financial statements and the reported amounts of revenues and expenses during the reporting period. Although these accounting estimates are based on the management's best knowledge, actual results may differ from those estimates.

Financial instruments

Initial recognition

Financial assets

At the date of initial recognition, financial assets are recognized at cost plus transaction costs that are directly attributable to the acquisition of the financial assets. Financial assets of the Company comprise cash and cash equivalents, trade receivables and other receivables, and financial investments.

Financial liabilities

At the date of initial recognition, financial liabilities are recognized at cost plus transaction costs that are directly attributable to the issue of the financial liabilities. Financial liabilities of the Company comprise trade and other payables, accruals and borrowings.

Subsequent measurement after initial recognition

Currently, there are no requirements for the subsequent measurement of the financial instruments after initial recognition.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Provision for doubtful debts

Provision for doubtful debts is made for receivables that are overdue, or when the debtor is in dissolution, in bankruptcy, or is experiencing similar difficulties and so may be unable to repay the debt.

VINH SON - SONG HINH HYDRO-POWER JOINT STOCK COMPANY21 Nguyen Hue Street, Quy Nhon City
Binh Dinh Province, S.R. Vietnam**Separate Financial Statements**

For the period from 01 January 2013 to 30 June 2013

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)**FORM B 09-DN***These notes are an integral part of and should be read in conjunction with the accompanying separate financial statements***4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****Inventories**

Inventories are stated at the lower of cost and net realisable value. Costs comprise direct materials and where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

The evaluation of necessary provision for inventory obsolescence follows current prevailing accounting regulations, which allow provisions to be made for obsolete, damaged, or sub-standard inventories and for those which have costs higher than net realisable values as at the balance sheet date.

The Company's inventories mainly include materials and spare parts for electricity generators in Vinh Son hydro-power plant and Song Hinh hydro-power plant. These specialised materials and spare parts are used to replace synchronous facilities of generators and have been stored since the installation of these generators (in Vinh Son hydro-power plant since 1995 and in Song Hinh hydro-power plant since 2000). Provision for devaluation of these inventories has been made since 2007 based on accounting estimates for devalued materials.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of purchased tangible fixed assets comprises their purchase prices and any directly attributable costs of bringing the assets to their working condition and location for their intended use.

The costs of self-constructed or manufactured assets are the actual construction or manufacturing cost plus installation and test running costs.

Tangible fixed assets are depreciated using the straight-line method over the following estimated useful lives as follows:

	From 01/01/2013 to 30/6/2013
Assets	(Years)
Buildings and structures	20 - 50
Machinery and equipment	8 - 10
Office equipment	5 - 10
Motor vehicles	5 - 10

Construction in progress

Properties in the course of construction for production, rental or administrative purposes, or for the purposes not yet determined, are carried at cost. Cost includes professional fees, and for qualifying assets, borrowing costs dealt with in accordance with the Company's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

These notes are an integral part of and should be read in conjunction with the accompanying separate financial statements

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments in securities

Investments in securities are recognised on transaction dates and are initially measured at cost including directly attributable transaction costs.

At the subsequent reporting dates, investments in securities are measured at cost, less diminution in value of investments in securities.

Provision for diminution in value of investments in securities is made in accordance with current prevailing accounting regulations which allow provision to be made for freely traded securities whose book value is higher than market price as at the balance sheet date.

Investment in subsidiaries

Investments in a subsidiary are investments in the entity controlled by the Company. Control is achieved where the Company has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities. Investments in a subsidiary is accounted under cost method.

Investments in associates

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies. Investments in associates are stated at cost.

Long-term prepayments

Other types of long-term prepayments comprise small tools, supplies and spare parts issued for consumption which are expected to provide future economic benefits to the Company for more than one year. These expenditures have been capitalised as long-term prepayments, and are allocated to income over the period of two years in accordance with the current prevailing accounting regulations.

Revenue recognition

Revenue from the sale of goods is recognised when all five (5) following conditions are satisfied:

- (a) the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- (b) the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- (c) the amount of revenue can be measured reliably;
- (d) it is probable that the economic benefits associated with the transaction will flow to the Company;
and
- (e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from the sale of electricity is recognised on a monthly basis upon certification by EVN on the volume of electricity transmitted via the national electricity grid regardless of cash being received or not.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the applicable interest rate. Dividend income from investments is recognised when the Company's right to receive payments has been established.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

These notes are an integral part of and should be read in conjunction with the accompanying separate financial statements

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**Foreign currencies**

Transactions arising in foreign currencies are translated at exchange rates ruling at the transaction date. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rates of exchange prevailing on the balance sheet date. Exchange differences arising from payment or revaluation of these accounts dominated in foreign currencies, relating to construction activities are recorded under the owner's equity section in the balance sheet. The Company's construction activities in the year mainly include those of a new Hydro-power Plant namely Thuong Kon Tum. According to the Company's commitment with local authority, after Thuong Kon Tum Hydro-power plant is completed and starts generating electricity, a subsidiary of the Company will be established (namely Thuong Kon Tum Hydro-power One member Co., Ltd.) to receive and operate the plant. The balance of foreign exchange reserve item in the balance sheet will be transferred to this subsidiary when the plant is completed and commences operation. Foreign exchange differences other than those relating to the Company's construction activities are recognised in the income statement.

Borrowings costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the cost of those assets.

All other borrowing costs are recognised in the income statement when incurred.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other periods (including loss carried forward, if any) and it further excludes items that are never taxable or deductible.

Deferred tax is recognised on significant differences between carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit and is accounted for using balance sheet liability method. Deferred tax liabilities are generally recognised for all temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the Company intends to settle its current tax assets and liabilities on a net basis.

The determination of the tax currently payable is based on the current interpretation of tax regulations. However, these regulations are subject to periodic variation and their ultimate determination depends on the results of the tax authorities' examinations.

Other taxes are paid in accordance with the prevailing tax laws in Vietnam.

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5. CASH AND CASH EQUIVALENTS

	<u>30/6/2013</u>	<u>31/12/2012</u>
	VND	VND
Cash on hand	335,256,032	363,279,776
Cash in bank	24,457,446,024	12,725,235,424
Cash equivalents (i)	601,050,000,000	626,617,000,000
	<u>625,842,702,056</u>	<u>639,705,515,200</u>

- (i) As presented in Note 13 and Note 16, the Company has mortgaged its deposits of VND 487.05 billion in total to secure loans.

6. SHORT-TERM FINANCIAL INVESTMENTS

	<u>30/6/2013</u>	<u>31/12/2012</u>
	VND	VND
Short-term investments in securities (i)	-	30,685,326,000
Other short-term investments include:	20,000,000,000	150,433,000,000
- Over three-month deposits (ii)	20,000,000,000	50,433,000,000
- Loan to Electricity of Vietnam (EVN) (iii)	-	100,000,000,000
	<u>20,000,000,000</u>	<u>181,118,326,000</u>

- (i) Represent an investment in Pha Lai Thermal Power Joint Stock Company. All the shares of this company owned by the Company have been sold in the first 6 months of 2013.

- (ii) As presented in Note 16, a deposit of VND 20 billion had been used to mortgage for loan

- (iii) Represents the loan to Vietnam Electricity (EVN) under loan contracts expiring on 25 August 2011 with the amount of VND 100 billion which has been fully settled in January 2013.

7. ADVANCES TO SUPPLIERS

Advances to suppliers as at 30 June 2013 mainly include VND 262,202,244,614, representing an advance to Hydrochina Huadong - CR18G consortium to design and construct the second stage power line of Thuong Kon Tum Hydro-power plant Project and advances mainly to contractors for construction work items of Thuong Kon Tum Hydro-power plant Project.

8. INVENTORIES

	<u>30/6/2013</u>	<u>31/12/2012</u>
	VND	VND
Raw materials	39,750,643,573	37,095,930,654
Work in progress	873,005,230	375,092,503
	<u>40,623,648,803</u>	<u>37,471,023,157</u>
Provision for devaluation of inventories	(7,965,689,510)	(7,965,689,510)
Net realisable value	<u>32,657,959,293</u>	<u>29,505,333,647</u>

Provision for devaluation of inventories is made for materials and spare parts for electricity generators in Vinh Son hydro-power plant and Song Hinh hydro-power plant. These specialised materials and spare parts are used to replace synchronous generators and have been stored since the installation of these generators (in Vinh Son hydro-power plant since 1995 and in Song Hinh hydro-power plant since 2000). Provision for devaluation of these inventories has been made based on accounting estimates for devalued materials.

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9. TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Motor vehicles	Office equipment	Total
	'000VND	'000VND	'000VND	'000VND	'000VND
COST					
As at 01/01/2013	2,055,168,392	865,922,229	26,460,848	7,590,081	2,955,141,550
Additions	-	-	-	738,843	738,843
Disposals	-	-	(400,000)	-	(400,000)
Reclassification	(63,521)	(320,403)	(97,356)	(782,740)	(1,264,020)
As at 30/6/2013	<u>2,055,104,871</u>	<u>865,601,826</u>	<u>25,963,492</u>	<u>7,546,184</u>	<u>2,954,216,373</u>
ACCUMULATED DEPRECIATION					
As at 01/01/2013	1,115,601,090	833,519,759	21,483,676	2,067,396	1,972,671,921
Charge for the period	34,195,451	2,748,367	445,207	121,154	37,510,179
Others increased	-	-	203,448	46,389	249,837
Disposals	-	-	(400,000)	-	(400,000)
Reclassification	(63,521)	(274,206)	(96,939)	(738,318)	(1,172,984)
As at 30/6/2013	<u>1,149,733,020</u>	<u>835,993,920</u>	<u>21,635,392</u>	<u>1,496,621</u>	<u>2,008,858,953</u>
NET BOOK VALUE					
As at 30/6/2013	<u>905,371,851</u>	<u>29,607,906</u>	<u>4,328,100</u>	<u>6,049,563</u>	<u>945,357,420</u>
As at 31/12/2012	<u>939,567,302</u>	<u>32,402,470</u>	<u>4,977,172</u>	<u>5,522,685</u>	<u>982,469,629</u>

As stated in Note 16, under Mortgage Contract No. 01/2006/HDTCTS-TL dated 12 April 2006, the Company has pledged its assets in Song Hinh hydro-power plant with the net book value of VND 339,128,312,016 as at 30 June 2013 (31 December 2012: VND 351,011,781,600) to secure the loans from Phu Yen Development Fund, currently known as Phu Yen Branch of Vietnam Development Bank.

The cost of the Company's buildings and structures, machinery and equipment, motor vehicles and office equipment as at 30 June 2013 includes VND 859,704,705,633 (31 December 2012: VND 860,757,681,755) of assets which have been fully depreciated but are still in use.

10. CONSTRUCTION IN PROGRESS

Construction in progress includes:

	30/6/2013	31/12/2012
	VND	VND
Acquisition of fixed assets	8,196,815,250	8,196,815,250
Extraordinary repairs	725,278,064	-
Construction in progress	1,190,750,840,483	908,189,911,229
Including:		
<i>Thuong Kon Tum Hydro-power project (i)</i>	1,097,470,198,283	819,469,844,497
<i>Vinh Son 2&3 Hydro-power projects (ii)</i>	90,010,442,742	86,155,898,037
<i>Others</i>	3,270,199,458	2,564,168,695
	<u>1,199,672,933,797</u>	<u>916,386,726,479</u>

In the period, interest expenses capitalized into construction in progress amounted to VND 27,084,220,865.

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- (i) Thuong Kon Tum hydro-power plant project is carried out on the same hydro-power terrace of Se San river. The construction includes reservoir and main system on Dak Nghe tributary in Se San river basin lying in Dak Koi Commune, Kon Ray District and Dak Tang Commune, Kongplong District, Kon Tum Province, and a power plant locating on Dak Lo river, Dak Tang and Ngoc Tem Communes, Kongplong District lying in Tra Khuc River Basin, Quang Ngai Province. The project was approved in Official letter No. 1774/TTg-CN dated 01 November 2006 issued by the Prime Minister. The previous investor, EVN has transferred the project to the Company in accordance with Official Letter No. 32 EVN/HDQT dated 13 January 2006 issued by EVN.
- (ii) Vinh Son 2&3 Hydro-power plant project was granted Investment Certificate dated 07 November 2007 issued by Binh Dinh People's Committee.

11. INVESTMENTS IN SUBSIDIARIES

The balance of investments in subsidiaries as at 30 June 2013 represents the investment in VSH Consulting and Technical Service One Member Company Limited.

<u>Name of subsidiary</u>	<u>Place of incorporation and operation</u>	<u>Proportion of ownership interest</u>	<u>Proportion of voting power held</u>	<u>Principal activities</u>
VSH Consulting and Technical Service One Member Company	Quy Nhon City, Binh Dinh Province	100%	100%	Consulting and technical services

12. INVESTMENTS IN ASSOCIATES

The balance of investments in associates as at 30 June 2013 represents the investment in Binh Dinh Tourist Joint Stock Company.

<u>Name of associate</u>	<u>Place of incorporation and operation</u>	<u>Proportion of ownership interest</u>	<u>Proportion of voting power held</u>	<u>Principal activities</u>
Binh Dinh Tourist Joint Stock Company	Quy Nhon City, Binh Dinh Province	49.72%	49.72%	Tourism, hospitality, etc.

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13. SHORT-TERM LOANS AND LIABILITIES

	<u>30/6/2013</u>	<u>31/12/2012</u>
	VND	VND
Short-term borrowings		
Military Commercial Joint Stock Bank - Binh Dinh Branch	14,057,913,879	5,612,783,429
Vietnam Joint Stock Commercial Bank for Industry and Trade - Binh Dinh Branch	15,000,000,000	15,000,000,000
Nam A Commercial Joint Stock Bank - Quy Nhon Branch	201,779,031,079	230,732,272,872
Ocean Commercial Joint Stock Bank - Quy Nhon Branch	67,688,564,350	66,413,226,350
Bank for Investment and Development of Vietnam JSC - Binh Dinh Branch	126,326,315,557	69,689,758,000
Vietnam International Commercial Joint Stock Bank - Quy Nhon Branch	125,706,466,113	109,382,822,227
Vietnam Maritime Commercial Joint Stock Bank - Binh Dinh Branch	9,800,000,000	8,665,192,300
Ho Chi Minh City Development Joint Stock Commercial Bank - Hiep Phu Branch	19,774,855,433	19,551,244,650
Asia Commercial Joint Stock Bank - Binh Dinh Branch	-	20,000,000,000
Vietnam Prosperity Joint Stock Bank - Binh Dinh Branch	5,000,000,000	-
Vietnam Technological and Commercial Joint Stock Bank - Quy Nhon Branch	7,712,829,448	-
Joint Stock Commercial Bank of Foreign Trade of Vietnam - Phu Tai Branch	9,431,094,171	-
Current portion of long-term loans		
Vietnam Development Bank- Phu Yen Branch	25,012,065,687	24,764,751,100
Vietnam International Commercial Joint Stock Bank - Quy Nhon Branch	20,861,464,480	21,203,200,000
	<u>648,150,600,197</u>	<u>591,015,250,928</u>

Short-term borrowing represent loans from commercial banks, which will fall due within one year from date of withdrawal. Loans can be withdrawn in VND and USD to supplement working capital. The interest rate ranges from 3.6% per annum to 5% per annum for loans in USD and from 8.5% per annum to 11.5% per annum for loans in VND. Loans are secured by deposit contracts with the amount of VND 467.05 billion.

14. TAXES AND AMOUNTS PAYABLE TO THE STATE BUDGET

	<u>30/6/2013</u>	<u>31/12/2012</u>
	VND	VND
Corporate income tax	16,689,797,722	29,813,626,872
Natural resources tax	1,047,676,895	632,400,728
Environment protection fee	40,974,836,580	35,015,880,480
Others	157,969,878	1,662,346,715
	<u>58,870,281,075</u>	<u>67,124,254,795</u>

In 2012, Binh Dinh tax authority was inspected company's value added tax and corporate income tax declaration for the period form 2007 - 2011. At the date of this report, Binh Dinh tax authority has not been conclusion.

15. OTHER CURRENT PAYABLES

	<u>30/6/2013</u>	<u>31/12/2012</u>
	VND	VND
Dividends payable	139,925,500	38,033,354,500
Other payables	106,950,928	243,439,878
	<u>246,876,428</u>	<u>38,276,794,378</u>

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	<u>30/6/2013</u>	<u>31/12/2012</u>
	VND	VND
Vietnam Development Bank - Phu Yen Branch (i)	166,008,823,237	176,749,734,857
Vietnam International Commercial Joint Stock Bank - Quy Nhon Branch (ii)	10,419,200,000	15,626,800,000
Asia Commercial Joint Stock Bank - Binh Dinh Branch (iii)	19,500,000,000	19,500,000,000
	<u>195,928,023,237</u>	<u>211,876,534,857</u>

- (i) The loan in foreign currency (USD) was transferred by the Company from Vinh Son - Song Hinh hydro-power plant, a state-owned enterprise (the Plant), upon equitisation.

On 22 November 2005, the Company signed an ODA credit contract No. 01/TDNN with Development Fund, Phu Yen Branch, currently the Vietnam Development Bank - Phu Yen Branch, to receive loan to invest into Song Hinh Hydro-Power Plant Project including:

- The interest-free loan from Northern Development Funds (NDF) in the amount of USD 8,378,301.48, subject to the management fee of 0.2% p.a and service fee of 0.75% p.a of the loan balance. Principal is repayable twice a year on every 31 March and 30 September in 30 years (from 2005 to 2035). Each installment amounts to USD 83,783.01 for the period from 2005 to 2014 and USD 167,566.02 for the remaining years. The first repayment is on 01 December 2005 and the last repayment is on 31 March 2035. Overdue interest rate is 3% p.a.
- The loan from Northern Investment Bank (NIB) in the amount of USD 10,725,187.27, bearing interest rate of LIBOR plus margin rate, the specific rate will be periodically informed by NIB. The management fee is 0.2% p.a of the loan balance. Principal is equally repayable twice a year on every 31 March and 30 September in 10 years (from 2005 to 2015) in equal installments of USD 510,723.21 each. The first repayment is on 01 June 2005 and the last repayment is on 31 March 2015. Overdue interest rate is 9% per year.

The Company has mortgaged its assets of Song Hinh Hydropower Plant with the net book value of VND 339,128,312,016 as at 30 June 2013 to secure the loans under Contract No. 01/2006/HDTCTS-TL dated 12 April 2006.

- (ii) Loans from Vietnam International Commercial Joint Stock Bank ("VIB") - Quy Nhon Branch include:

- The loan under Credit Contract No. 0018/HDTD2-VIB412.10 dated 8 June 2010 with the 60-month term and credit line of VND 52,096,000,000; interest rate is adjusted every 6 months and equal to VIB's interest rate applied for VND inter-fund transfer with the 6-month term plus minimum margin rate of 1.8% p.a., and subject to VIB's interest rate policy from the time to time. The loan is unsecured.
- The loan under Credit Contract No. 0022/HDTD2-VIB412.10 dated 27 September 2010 signed with Asia Commercial Joint Stock Bank - Binh Dinh Branch with the 36-month term and credit line of VND 40,000,000,000; interest rate is equal to VIB's interest rate applied for business loan plus minimum margin rate of 1.8% p.a. Principal is repaid every six months; the first repayment was on 06 March 2011. This loan is secured by the Company's deposits at VIB.

- (iii) The loan under the credit contract No. BDL.DN.02231210 dated 26 December 2010 signed with Asia Commercial Joint Stock Bank - Binh Dinh Branch with credit line of VND 262,000,000,000, loan term of 120 months and grace period of 36 months from the first disbursement. Interest rate is fixed for each month and specified for each withdrawal at the rate of 12-month savings with interest paid in arrears plus 3.1% p.a. This loan is secured by the deposit contract of VND 20,000,000,000.

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16. LONG-TERM LOANS AND LIABILITIES (Continued)
Long-term loans are repayable as follows:

	30/6/2013	31/12/2012
	VND	VND
On demand or within one year	45,873,530,166	45,967,951,100
In the second year	41,093,725,087	39,083,951,101
In the third to fifth year inclusive	32,849,512,780	48,487,329,030
After five years	121,984,785,370	124,305,254,726
	<u>241,801,553,403</u>	<u>257,844,485,957</u>
Less: Amount due for settlement within 12 months (shown under current portion of long-term loans)	45,873,530,166	45,967,951,100
Amount due for settlement after 12 months	<u>195,928,023,237</u>	<u>211,876,534,857</u>

17. OWNERS' EQUITY
Movements in owners' equity

	Charter capital	Treasury shares	Retained earnings
	VND	VND	VND
Balance at 01/01/2012	2,062,412,460,000	(47,117,531,962)	284,992,530,271
Profit for the year	-	-	233,791,995,287
Dividends paid	-	-	(121,344,747,600)
Allocation to bonus & welfare funds	-	-	(5,742,055,500)
Others	-	-	(657,500,000)
Balance at 01/01/2013	<u>2,062,412,460,000</u>	<u>(47,117,531,962)</u>	<u>391,040,222,458</u>
Profit for the period	-	-	82,962,872,228
Bonus & welfare funds distribution (i)	-	-	(2,648,371,250)
Others	-	-	(787,500,000)
Balance at 30/6/2013	<u>2,062,412,460,000</u>	<u>(47,117,531,962)</u>	<u>470,567,223,436</u>

- (i) Represents the temporary distribution to bonus and welfare funds for 2013 under Resolution No. 78/2013/NQ-VSH-HDQT dated 22 January 2013 of the Board of Management.

The distribution will be adjusted upon approval of the Board of Shareholders.

Capital contribution structure

	30/6/2013		31/12/2012	
	%	VND	%	VND
The Electricity of Vietnam (EVN)	30.55	630,169,054,175	30.55	630,169,054,175
State Capital Investment Corporation (SCIC)	24.00	494,978,961,600	24.00	494,978,961,600
VIAC (No.1) Limited Partnership	6.95	143,360,800,000	9.62	198,474,800,000
Other shareholders	38.50	793,903,644,225	35.83	738,789,644,225
	<u>100.00</u>	<u>2,062,412,460,000</u>	<u>100.00</u>	<u>2,062,412,460,000</u>

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17. OWNERS' EQUITY (Continued)

Shares

	<u>30/6/2013</u>	<u>31/12/2012</u>
- Number of shares issued to public		
Ordinary shares	206,241,246	206,241,246
Preferred shares	-	-
- Number of treasury shares		
Ordinary shares	4,000,000	4,000,000
Preferred shares	-	-
- Number of outstanding shares in circulation		
Ordinary shares	202,241,246	202,241,246
Preferred shares	-	-

The par value of an ordinary share is VND 10,000.

18. NET SALES

	<u>From 01/01/2013 to 30/6/2013</u>	<u>From 01/01/2012 to 30/6/2012</u>
	VND	VND
Sales of electricity (*)	104,601,131,795	192,943,541,410
Sales of other services	77,000,000	942,814,545
	<u>104,678,131,795</u>	<u>193,886,355,955</u>

(*) Up to the date of these financial statements, the Company and Vietnam Electricity (EVN) have not reached a final agreement on the electricity prices for the period from January 2010 to June 2013. The Company has recorded revenue from electricity in 2010 and the first 11 months of 2011 based on the unit price calculated at 90% of that of 2009. Revenue for December 2011 was recorded based on the unit price calculated at 76% of that of 2009. Revenue for 2012 and for the first 6 months of 2013 were recorded based on the unit price of VND 382/kwh and VND 351/kwh respectively.

19. COST OF SALES

	<u>From 01/01/2013 to 30/6/2013</u>	<u>From 01/01/2012 to 30/6/2012</u>
	VND	VND
Cost of electricity sold	62,405,700,401	82,646,854,386
Cost of other sales	-	-
	<u>62,405,700,401</u>	<u>82,646,854,386</u>

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20. PRODUCTION COST BY NATURE

	<u>From 01/01/2013</u> <u>to 30/6/2013</u>	<u>From 01/01/2012</u> <u>to 30/6/2012</u>
	VND	VND
Raw materials and consumables	1,305,921,881	1,457,729,839
Labour	11,335,332,999	9,231,100,693
Depreciation and amortisation	37,510,179,401	48,265,810,113
Out-sourced services	1,725,162,769	1,115,453,649
Other expenses	18,617,744,885	29,152,246,828
	<u>70,494,341,935</u>	<u>89,222,341,122</u>

21. NET PROFIT FROM FINANCIAL ACTIVITIES

	<u>From 01/01/2013</u> <u>to 30/6/2013</u>	<u>From 01/01/2012</u> <u>to 30/6/2012</u>
	VND	VND
Financial income		
Interest income from bank deposits and trust account	24,718,673,428	42,125,120,111
Dividends distributed	969,933,416	1,131,405,607
Gains from selling shares	44,775,203,500	-
	<u>70,463,810,344</u>	<u>43,256,525,718</u>
Financial expenses		
Interest expense	2,457,468,430	2,513,960,528
Expense for selling shares	150,921,075	-
Unrealised foreign exchange losses	1,888,778,517	-
Provision/(recovery) for diminution in value of investments		(9,602,264,000)
	<u>4,497,168,022</u>	<u>(7,088,303,472)</u>
Profit from financial activities	<u>65,966,642,322</u>	<u>50,344,829,190</u>

22. CORPORATE INCOME TAX

The Company has temporarily recognized corporate income tax expenses of VND 17,762,745,408 for the first 6 months of 2013. This amount will be adjusted when the Company's corporate income tax obligations for the entire year 2013.

23. COMMITMENTS

On 17 September 2010, the Company signed Contract No. 786/2010/HD-VSH-LD with a group of contractors, namely Construction Joint Stock Company No. 47, Tien Dung Investment Construction and Trading Limited Company and Power Engineering Consulting Joint Stock Company 1 for design, equipment supply and installation, and construction of the pressure line of Thuong Kon Tum Hydro-power plant Project with the contract value of VND 505,583,654,488. As at 30 June 2013, the completed works of this contract amounted about VND 153.4 billion.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)**FORM B 09-DN**

These notes are an integral part of and should be read in conjunction with the accompanying separate financial statements

23. COMMITMENTS (Continued)

On 20 October 2010, the Company signed Contract No. 885/2010/HD-VSH-TH with the group of contractors namely Hydrochina Huadong - CR18G for designing and constructing the second stage of power line of Thuong Kon Tum Hydro-power plant Project and Contract No. 886/2010/HD-VSH-TH with these contractors for designing and constructing the water tunnel (from Km0+270 to Km3+000) of the same Project with the value of VND 1,324,037,315,815 and USD 25,000,000. The Company signed Addendum to contract No. 930/2011/BSHD-VSH-HHCR-18G on 12 October 2011 as an amendment to Contract No. 886/2010/HD-VSH-TH for implementing the second stage of construction and reinforcement of the inside and outside of the water tunnel (from Km0+000 to Km0+270); Addendum to Contract No. 827/2012/PLHD-VSH-TH on 17 August 2012 for constructing electricity distribution station and Addendum to Contract No. 317/2013/HD-VSH-TH on 8 April 2013 for moving the plant towards the upstream with the value of VND 6,723,438,229, VND 27,035,830,000 and 50,456,430,300, respectively. The completed works of these contracts amounted to about VND 305 billion up to 30 June 2013.

On 15 August 2012, the Company signed Contract No. 817/2012/HD-VSH-AH with Andritz Hydro GmbH (Republic of Austria) for supplying electromechanical equipment and technical services for Thuong Kon Tum hydro-power project with the amount of USD 35,489,858. Up to 30 June 2013, the Company has advanced the contractor VND 100 billion.

On 28 March 2013, the Company signed an export facility agreement with Raiffeisenlandesbank Oberosterreich Aktiengesellschaft (Republic of Austria) with the value of USD 27,100,933.35 and the amount in USD equivalent to EUR 3,000,000. The loan is used to cover 85% of the payment obligations of the Company under the aforementioned contract with Andritz Hydro GmbH (Republic of Austria). Up to the end of the reporting period, the loan has not been disbursed.

24. FINANCIAL INSTRUMENTS**Capital risk management**

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of net debt (borrowings disclosed in Note 13 and Note 16 offset by cash and cash equivalents) and shareholders' equity (comprising capital, reserves and retained earnings).

Gearing ratio

The gearing ratio of the Company as at the balance sheet date was as follows:

	<u>30/6/2013</u>	<u>31/12/2012</u>
	VND	VND
Borrowings	844,078,623,434	802,891,785,785
Cash and cash equivalents	625,842,702,056	639,705,515,200
Net debt	218,235,921,378	163,186,270,585
Owners' capital	<u>2,525,231,216,174</u>	<u>2,447,376,388,082</u>
Net debt to owners' equity ratio	<u>0.09</u>	<u>0.07</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

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These notes are an integral part of and should be read in conjunction with the accompanying separate financial statements

24. FINANCIAL INSTRUMENTS (Continued)

Significant accounting policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the bases of measurement, and the bases for recognition of income and expenses) for each class of financial asset, financial liability and equity instrument are disclosed in Note 4.

Categories of financial instruments

	Carrying amounts	
	30/6/2013	31/12/2012
	VND	VND
Financial assets		
Cash and cash equivalents	625,842,702,056	639,705,515,200
Trade and other receivables	155,060,348,359	166,797,785,188
Short-term investments	20,000,000,000	181,118,326,000
Total	800,903,050,415	987,621,626,388
Financial liabilities		
Borrowings	844,078,623,434	802,891,785,785
Trade and other payables	7,525,933,016	50,558,047,480
Accruals	4,220,747,937	3,516,009,993
Total	855,825,304,387	856,965,843,258

The Company has not assessed fair value of its financial assets and liabilities as at the balance date since there are no comprehensive guidance under Circular No. 210/2009/TT-BTC issued by the Ministry of Finance on 06 November 2009 ("Circular 210") and other relevant prevailing regulations to determine fair value of these financial assets and liabilities. While Circular 210 refers to the application of International Financial Reporting Standards ("IFRS") on presentation and disclosures of financial instruments, it did not adopt the equivalent guidance for the recognition and measurement of financial instruments, including application of fair value, in accordance with IFRS.

Financial risk management objectives

The Company has set up risk management system to identify and assess the risks exposed by the Company and designed control policies and procedures to manage those risks at an acceptable level. Risk management system is reviewed on a regular basis to reflect changes in market conditions and the Company's operations.

Financial risks include market risk (including foreign currency risk, interest rate risk and price risk), credit risk and liquidity risk.

Market risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

Foreign currency risk management

The Company undertakes certain transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

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These notes are an integral part of and should be read in conjunction with the accompanying separate financial statements

24. FINANCIAL INSTRUMENTS (Continued)

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Liabilities		Assets	
	30/6/2013	31/12/2012	30/6/2013	31/12/2012
	VND	VND	VND	VND
US Dollars (USD)	287,746,814,110	296,581,927,897	-	-

Foreign currency sensitivity

The Company is mainly exposed to United States Dollar.

5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. For a 5% increase/decrease in United States Dollar against Vietnam Dong, the profit before tax in the period and the balance of foreign exchange reserve in the balance sheet as at 30 June 2013 would decrease/increase by VND 9.55 billion and VND 4.83 billion respectively.

Interest rate risk management

The Company has significant interest rate risks arising from interest bearing loans which are arranged. The risk is managed by the Company by maintaining an appropriate level of borrowings and analyzing market competition to enjoy favorable interest rates from appropriate lenders.

Interest rate sensitivity

The loan's sensitivity to interest rate change may arise at an appropriate level. Assuming all other variables were held constant, if interest rates applicable to floating interest bearing loans had been 2% higher/lower, the Company's interest expense (including interest expense recognized in the income statement and interest expense capitalized in construction in progress) for the period from 01 January 2013 to 30 June 2013 would have increased/decreased by VND 7.98 billion.

Commodity price risk management

The Company purchases materials, commodities from local and foreign suppliers for business purpose. Therefore, the Company is exposed to the risk of changes in selling prices of materials, commodities.

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. At 30 June 2013, there is a significant receivables amount of VND 148,617,831,610 due from Vietnam Electricity (a related party). The Board of Directors assessed the credit risk concentration at low level.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

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These notes are an integral part of and should be read in conjunction with the accompanying separate financial statements

24. FINANCIAL INSTRUMENTS (Continued)

Liquidity risk management

The purpose of liquidity risk management is to ensure the availability of funds to meet present and future financial obligations. Liquidity is also managed by ensuring that the excess of maturing liabilities over maturing assets in any period is kept to manageable levels relative to the amount of funds that the Company believes can generate within that period. The Company policy is to regularly monitor current and expected liquidity requirements to ensure that the Company maintains sufficient reserves of cash, borrowings and adequate committed funding from its shareholders to meet its liquidity requirements in the short and longer term.

The following table details the Company's remaining contractual maturity for its non-derivative financial assets and financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial assets and undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

	Less than 1 year	More than 1 year	Total
	VND	VND	VND
30/6/2013			
Cash and cash equivalents	625,842,702,056	-	625,842,702,056
Trade and other receivables	155,060,348,359	-	155,060,348,359
Short-term investments	20,000,000,000	-	20,000,000,000
Total	800,903,050,415	-	800,903,050,415
30/6/2013			
Trade and other payables	7,525,933,016	-	7,525,933,016
Accruals	4,220,747,937	-	4,220,747,937
Borrowings	648,150,600,197	195,928,023,237	844,078,623,434
Total	659,897,281,150	195,928,023,237	855,825,304,387
Net liquidity gap	141,005,769,265	(195,928,023,237)	(54,922,253,972)
	Less than 1 year	More than 1 year	Total
	VND	VND	VND
31/12/2012			
Cash and cash equivalents	639,705,515,200	-	639,705,515,200
Trade and other receivables	166,797,785,188	-	166,797,785,188
Short-term investments	181,118,326,000	-	181,118,326,000
Total	987,621,626,388	-	987,621,626,388
31/12/2012			
Trade and other payables	50,558,047,480	-	50,558,047,480
Accruals	3,516,009,993	-	3,516,009,993
Borrowings	591,015,250,928	211,876,534,857	802,891,785,785
Total	645,089,308,401	211,876,534,857	856,965,843,258
Net liquidity gap	342,532,317,987	(211,876,534,857)	130,655,783,130

The management assessed the liquidity risk concentration at low level. The management believes that the Company will be able to generate sufficient funds to meet its financial obligations as and when they fall due.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

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These notes are an integral part of and should be read in conjunction with the accompanying separate financial statements

25. SUBSEQUENT EVENTS

During the period from 2 July 2013 to 19 July 2013, the Company managed to sell 4 million treasury shares at the average price of VND 13,363 per share for VND 53.45 billion. After that, the Company no longer holds treasury shares.

26. COMPARATIVE FIGURES

Comparative figures of the balance sheet are those of the Company's audited separate financial statements for the year ended 31 December 2012. Comparative figures of the income statement, cash flows statement and related notes are those of the Company's reviewed separate financial statements for the period from 01 January 2012 to 30 June 2012.



Võ Thanh Trung
General Director

20 August 2013

Huynh Cong Ha
Chief Accountant

Le Van Chuong
Preparer