

**PETRO VIETNAM - NHON TRACH 2 POWER
JOINT STOCK COMPANY**

(Incorporated in the Socialist Republic of Vietnam)

AUDITED FINANCIAL STATEMENTS

For the year ended 31 December 2014



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No. 352 /VNIA-HC-BC

INDEPENDENT AUDITORS' REPORT

To: **Shareholders**
The Boards of Management and Directors
Petro Vietnam - Nhon Trach 2 Power Joint Stock Company

We have audited the accompanying financial statements of Petro Vietnam - Nhon Trach 2 Power Joint Stock Company (the "Company") prepared on 16 March 2015 as set out from page 4 to page 29, which comprise the balance sheet as at 31 December 2014, the statement of income, the statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information (collectively referred to as the "financial statements").

Board of Directors' Responsibility for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the accompanying financial statements give a true and fair view of, in all material respects, the financial position of the Company as at 31 December 2014, and its financial performance and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting.

INDEPENDENT AUDITORS' REPORT (Continued)

Emphasis of Matter

As stated in Note 10 of Notes to the financial statements, the Company has changed the useful life of the machineries formed from the construction of Nhon Trach 2 Combined Cycle Power Plant from 10 years to 14 years according to Decision No. 27/QĐ-CPNT2 dated 5 September 2014 issued by Board of Management and effective from 1 July 2014. The affect of this change to the income statement of the Company is also presented in this report.



Le Chi Nguyen
Audit Partner
Audit Practising Registration Certificate
No. 0049-2013-001-1
For and on behalf of
Deloitte Vietnam Company Limited
16 March 2015
Ho Chi Minh City, S.R. Vietnam

Bui Quoc Anh
Auditor
Audit Practising Registration Certificate
No. 2133-2013-001-1

BALANCE SHEET
 As at 31 December 2014

FORM B 01-DN
 Unit: VND

ASSETS	Codes	Notes	31/12/2014	31/12/2013
A. CURRENT ASSETS (100=110+120+130+140+150)	100		3,261,469,874,512	1,983,307,076,501
I. Cash and cash equivalents	110		186,126,885,017	57,246,674,887
1. Cash	111	5	186,126,885,017	57,246,674,887
II. Short-term financial investments	120		540,000,000,000	246,461,181,788
1. Short-term investments	121	6	540,000,000,000	246,461,181,788
III. Short-term receivables	130		2,259,834,772,666	1,449,723,105,340
1. Trade accounts receivable	131		35,912,802	35,652,402
2. Advances to suppliers	132		164,906,169,696	14,986,171,786
3. Other receivables	135	7	2,128,696,575,950	1,458,642,323,488
4. Provision for short-term doubtful debts	139	7	(33,803,885,782)	(23,941,042,336)
IV. Inventories	140		275,347,492,286	221,314,057,916
1. Inventories	141	8	275,347,492,286	221,314,057,916
V. Other short-term assets	150		160,724,543	8,562,056,570
1. Short-term prepayments	151		-	8,392,414,891
2. Value added tax deductibles	152		10,328,543	10,641,679
3. Other short-term assets	158		150,396,000	159,000,000
B. NON-CURRENT ASSETS (200=210+220+250+260)	200		9,222,079,103,047	10,202,871,800,805
I. Long-term receivables	210		38,782,753,000	38,782,753,000
1. Other long-term receivables	218	9	38,782,753,000	38,782,753,000
II. Fixed assets	220		8,306,236,588,170	9,137,428,065,305
1. Tangible fixed assets	221	10	8,275,788,620,334	9,114,093,121,509
- Cost	222		11,294,005,678,629	11,293,643,448,661
- Accumulated depreciation	223		(3,018,217,058,295)	(2,179,550,327,152)
2. Intangible assets	227	11	30,143,361,336	21,602,554,546
- Cost	228		30,198,260,921	21,602,554,546
- Accumulated amortisation	229		(54,899,585)	-
3. Construction in progress	230	12	304,606,500	1,732,389,250
III. Long-term financial investments	250	13	-	-
1. Other long-term investments	258		11,140,000,000	11,140,000,000
2. Provision for impairment of long-term financial investments	259		(11,140,000,000)	(11,140,000,000)
IV. Other long-term assets	260		877,059,761,877	1,026,660,982,500
1. Long-term prepayments	261	14	877,059,761,877	1,026,660,982,500
TOTAL ASSETS (270=100+200)	270		12,483,548,977,559	12,186,178,877,306

The notes set out on pages 9 to 29 are an integral part of these financial statements

BALANCE SHEET (Continued)
 As at 31 December 2014

FORM B 01-DN
 Unit: VND

RESOURCES	Codes	Notes	31/12/2014	31/12/2013
A. LIABILITIES (300=310+330)	300		8,236,865,216,747	9,398,503,220,590
I. Current liabilities	310		2,376,611,799,114	2,082,537,306,225
1. Short-term loans and liabilities	311	15	1,051,902,984,892	1,137,995,154,732
2. Trade accounts payable	312		33,892,981,808	27,037,408,723
3. Taxes and amounts payable to State budget	314	16	15,513,547,858	13,180,462,995
4. Payables to employees	315		22,367,282,634	14,586,349,906
5. Accrued expenses	316	17	891,373,649,603	717,130,892,794
6. Other current payables	319	18	358,841,041,074	169,146,428,184
7. Bonus and welfare funds	323		2,720,311,245	3,460,608,891
II. Long-term liabilities	330		5,860,253,417,633	7,315,965,914,365
1. Long-term loans and liabilities	334	19	5,855,706,484,440	7,311,318,981,172
2. Scientific and technological development fund	339		4,546,933,193	4,646,933,193
B. EQUITY (400=410)	400		4,246,683,760,812	2,787,675,656,716
I. Owners' equity	410	20	4,246,683,760,812	2,787,675,656,716
1. Share capital	411		2,560,000,000,000	2,560,000,000,000
2. Other owners' capital	413		169,237,381,136	169,237,381,136
3. Investment and development funds	417		20,850,842,750	20,439,881,905
4. Retained earnings	420		1,496,595,536,926	37,998,393,675
TOTAL RESOURCES (440=300+400)	440		12,483,548,977,559	12,186,178,877,306

OFF BALANCE SHEET ITEM	Unit	31/12/2014	31/12/2013
1. Foreign currencies			
United States Dollar	USD	300.50	427.81
Euro	EUR	16.77	39.75

Le Van Tu
 Preparer

Nguyen Huu Minh
 Chief Accountant



Hoàng Xuân Quốc
 Director
 16 March 2015

INCOME STATEMENT

For the year ended 31 December 2014

FORM B 02-DN

Unit: VND

ITEMS	Codes	Notes	2014	2013
1. Gross revenue from goods sold	01		7,064,916,896,183	5,880,997,656,440
2. Net revenue from goods sold (10=01)	10	22	7,064,916,896,183	5,880,997,656,440
3. Cost of goods sold	11		5,413,263,603,599	5,074,176,004,874
4. Gross profit from goods sold (20=10-11)	20		1,651,653,292,584	806,821,651,566
5. Financial income	21	24	450,491,826,918	52,969,684,875
6. Financial expenses	22	25	437,192,587,233	786,579,282,601
<i>In which: Interest expense</i>	23		219,382,885,672	266,407,208,913
7. Selling expenses	24		220,921,866	306,283,406
8. General and administration expenses	25		74,703,817,112	65,816,831,398
9. Operating profit (30 = 20+(21-22)-(24+25))	30		1,590,027,793,291	7,088,939,036
10. Other income	31		2,407,163,967	1,336,333,839
11. Other expenses	32		1,471,720,658	206,055,971
12. Profit from other activities (40=31-32)	40		935,443,309	1,130,277,868
13. Accounting profit before tax (50=30+40)	50		1,590,963,236,600	8,219,216,904
14. Current corporate income tax expense	51	26	-	-
15. Net profit after corporate income tax (60=50-51)	60		1,590,963,236,600	8,219,216,904
16. Basic earnings per share	70	27	4,638	32

Le Van Tu
Preparer

Nguyen Huu Minh
Chief Accountant



Hoàng Xuân Quốc
Director
16 March 2015

CASH FLOW STATEMENT

For the year ended 31 December 2014

FORM B 03-DN

Unit: VND

ITEMS	Codes	Year 2014	Year 2013
I. CASH FLOWS FROM OPERATING ACTIVITIES			
<i>1. Profit before tax</i>	<i>01</i>	<i>1,590,963,236,600</i>	<i>8,219,216,904</i>
<i>2. Adjustments for:</i>			
Depreciation and amortisation	02	838,694,238,760	982,366,934,534
Provisions	03	9,862,843,446	14,157,733,486
Unrealised foreign exchange (gain)/loss	04	(403,709,545,794)	280,693,405,522
Gain from investing activities	05	(25,626,821,679)	(52,961,657,839)
Interest expense	06	219,382,885,672	266,407,208,913
<i>3. Operating profit before movements in working capital</i>	<i>08</i>	<i>2,229,566,837,005</i>	<i>1,498,882,841,520</i>
Changes in receivables	09	(819,743,571,508)	(119,046,003,813)
Changes in inventories	10	(54,033,434,370)	(26,239,043,433)
Changes in accounts payable	11	250,937,261,253	(394,015,186,300)
Changes in prepaid expenses	12	147,700,655,257	213,175,045,217
Interest paid	13	(221,327,916,244)	(268,632,635,809)
Other cash outflows	16	(4,768,038,182)	(2,471,200,000)
<i>Net cash from operating activities</i>	<i>20</i>	<i>1,528,331,793,211</i>	<i>901,653,817,382</i>
II. CASH FLOWS (USED IN)/FROM INVESTING ACTIVITIES			
1. Acquisition and construction of fixed assets	21	(8,152,835,279)	(11,346,620,732)
2. Proceeds from sales, disposal of fixed assets	22	710,313,623	-
3. Cash outflow for short-term investments	23	(293,538,818,212)	-
4. Cash recovered from short-term investments	24	-	248,369,008,012
5. Interest earned	27	25,144,485,928	55,908,762,933
<i>Net cash (used in)/from investing activities</i>	<i>30</i>	<i>(275,836,853,940)</i>	<i>292,931,150,213</i>
III. CASH FLOWS USED IN FINANCING ACTIVITIES			
1. Proceeds from borrowings	33	163,619,754,337	286,467,044,714
2. Repayments of borrowings	34	(1,287,234,522,288)	(1,475,524,131,735)
<i>Net cash used in financing activities</i>	<i>40</i>	<i>(1,123,614,767,951)</i>	<i>(1,189,057,087,021)</i>
Net increase in cash (50=20+30+40)	50	128,880,171,320	5,527,880,574
Cash and cash equivalents at the beginning of the year	60	57,246,674,887	51,718,618,432
<i>Effects of changes in foreign exchange rates</i>	<i>61</i>	<i>38,810</i>	<i>175,881</i>
Cash and cash equivalents at the end of the year	70	186,126,885,017	57,246,674,887
(70=50+60+61)			

CASH FLOW STATEMENT (Continued)

For the year ended 31 December 2014

Supplemental non-cash disclosures:

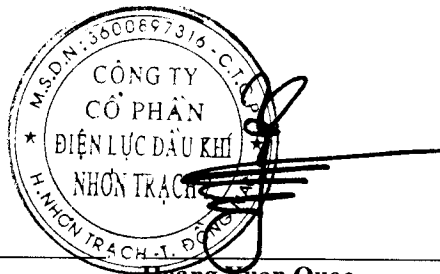
Interest earned during the year exclude an amount of VND 869,202,437 (2013: VND 647,180,309), representing additional uncollected interest income during the year that has not yet been received. Consequently, changes in accounts receivable have been adjusted by the same amount.

Interest paid during the year exclude an amount of VND 13,214,003,762 (2013: VND 16,402,014,332) representing interest expenses have not yet been paid. Consequently, changes in accounts payable have been adjusted by the same amount.

According to the Resolution No. 15/NQ-CPNT2 dated 5 December 2014 the Board of Management about dividend advance in 2014, dividend rate equal to 5% of par value, equivalent to 500/01 shares shall be deducted from the retained earnings. As at 31 December 2014, the dividends are under due and recognised in other payables. Consequently, changes in accounts payable have been adjusted by the same amount.

Le Van Tu
Preparer

Nguyen Huu Minh
Chief Accountant



Hoàng Xuân Quốc
Director
16 March 2015

NOTES TO THE FINANCIAL STATEMENTS

FORM B 09-DN

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

1. GENERAL INFORMATION

Structure of ownership

Petro Vietnam - Nhon Trach 2 Power Joint Stock Company (the "Company") was incorporated in Vietnam under Business Registration Certificate No. 4703000396 dated 20 June 2007 issued by Department of Planning and Investment of Dong Nai Province, and the latest amendment of Business Registration Certificate No. 3600897316 dated 12 September 2012.

The number of the Company's employees as at 31 December 2014 was 174 (31 December 2013: 172).

Operating industry

The business operations of the Company are:

- Produce, transmission and contribution power;
- Directly support services in marine transportation;
- Wholesale solid fuel, liquid, gas and other relative products;
- Warehouse and products storage;
- Road transportation;
- Architecture and technical consultants;
- Wholesale equipment, material and other spare parts;
- Professional activities, sciences and other technology;
- Professional education;
- Providing services in domestic marine transportation;
- Other transportation support services.

Principal activities

Principal activities of the Company are management the investment in construction and operating power works.

2. ACCOUNTING CONVENTION AND FINANCIAL YEAR

Accounting convention

The accompanying 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.

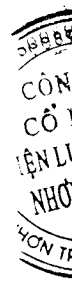
The accompanying financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam.

Financial year

The Company's financial year begins on 1 January and ends on 31 December.

3. NEW ACCOUNTING GUIDANCE IN ISSUE NOT YET ADOPTED

On 22 December 2014, the Ministry of Finance issued Circular No. 200/2014/TT-BTC ("Circular 200") guiding the application of accounting regime for enterprises. This Circular is effective for financial years beginning on or after 1 January 2015. Circular 200 will supersede the regulations for accounting regime promulgated under Decision No. 15/2006/QĐ-BTC dated 20 March 2006 issued by the Ministry of Finance and Circular No. 244/2009/TT-BTC dated 31 December 2009 issued by the Ministry of Finance. The Board of Directors is considering the extent of impact of the adoption on the Company's 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 financial statements, are as follows:

Estimates

The preparation of financial statements in conformity with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting requires the Board of Directors 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 financial statements and the reported amounts of revenues and expenses during the financial year. Although these accounting estimates are based on the Board of Directors' best knowledge, actual results may differ from those estimates.

Financial instruments

Initial recognition

Financial assets

At the date of initial recognition, financial assets are recognised at cost plus transaction costs that are directly attributable to the acquisition of the financial assets. Financial assets of the Company comprise cash (cash on hand, cash in bank, time deposits), short-term investments, trade and other receivables, short-term deposits and other long-term receivables.

Financial liabilities

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

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 for six months or more, or when the debtor is in dissolution, in bankruptcy, or is experiencing similar difficulties and so may be unable to repay the debt.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises 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 book value higher than net realisable values as at the balance sheet date.

PETRO VIETNAM - NHON TRACH 2 POWER JOINT STOCK COMPANYHamlet 3, Phuoc Khanh Commune, Nhon Trach District
Dong Nai Province, S.R.Vietnam**Financial Statements**

For the year ended 31 December 2014

NOTES TO THE FINANCIAL STATEMENTS (Continued)**FORM B 09-DN***These notes are an integral part of and should be read in conjunction with the accompanying financial statements**Tangible fixed assets and depreciation*

Tangible fixed assets are stated at cost less accumulated depreciation. The costs of purchased tangible fixed assets comprise 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 their estimated useful lives as follows:

	<u>2014</u>	<u>2013</u>
	<u>Years</u>	<u>Years</u>
Buildings and structures	10 – 20	10 – 20
Machinery and equipment	6 – 14	6 – 10
Motor vehicles	6 – 8	6 – 8
Office equipment	3 – 6	3 – 6

Leasing

Leases where substantially all the rewards and risks of ownership of assets remain with the leasing company are accounted for as operating leases. Rentals payable under operating leases are charged to the income statement on a straight-line basis over the term of the relevant lease.

Intangible assets and amortisation

Intangible assets represent land use rights and inventory management software. Value of infinity land use is stated at cost and not amortised. The inventory management software is amortised using the straight-line method over the estimated useful life.

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 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.

Long-term investments

Long-term investment presents investments in other companies on which the Company does not have any control, co-control or no significant influence. These investments are initially measured at cost, including directly attributable transaction costs. At the subsequent reporting dates, other long-term investments are measured at cost, less the amount of impairment of long-term investments.

Long-term prepayments

Long-term prepayments comprises insurance fees for long term loan from oversea creditor, maintenance fees and interest of long-term loan used to pay for maintenance equipment contracts of power manufacture, accumulated exchange differences incurred during the construction of Nhon Trach 2 Combined Cycle Power Plant and other long-term prepayments.

Insurance and maintenance fees are allocated to income statement using the straight-line method over the credit terms of loan contracts and terms of maintenance contracts.

Accumulated exchange differences incurred during the construction of Nhon Trach 2 Combined Cycle Power Plant is allocated to the income statement over a maximum period of five years from the its officially operating.

Other types of long-term prepayments comprise costs of tools, supplies and other expenditures which are expected to provide future economic benefits to the Company. These expenditures have been capitalised as long-term prepayments, and are allocated to the income statement using the straight-line method over the period of from 2 to 3 years.

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 selling electricity are recognized monthly based on electricity output distributing to the National Grid, which has confirmed monthly by Electric Power Trading Company (EPTC) multiply with the official electricity price specified in the amendment and supplement contract No. 04 dated 28 May 2014 of the Power Purchase Contract No. 07/2012/HD-NMD-NT2, which was signed on 6 July 2012. Revenue of electricity are notified in advance by Electric Power Trading Company (EPTC) and differences arising are recognized in the current accounting period when the parties determine the exact revenue based on the exchange rate between the United States Dollar and Vietnam Dong announced at the date of issuing invoice.

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 payment has been established.

Foreign currencies

On construction stage of Nhon Trach 2 Combined Cycle Power Plant

The Company applies the method of recording foreign exchange differences in accordance with Vietnamese Accounting Standard No. 10 (VAS 10) "Effects of changes in foreign exchange rates". Accordingly, transactions arising in foreign currencies are translated at exchange rates ruling at the transaction date. The balances of monetary items denominated in foreign currencies as at the balance sheet date are retranslated at the exchange rates on the same date. Exchange differences arising from the translation of these accounts, including realised exchange differences and unrealised exchange differences arising from revaluation, are recorded in the balance sheet in the "Foreign exchange differences" item under the "Owner's equity" section in the balance sheet. Once the construction of the Company's factory or building is completed, the accumulated actual exchange differences which are recorded, are not recognised at cost of fixed assets, but allocated to financial income or financial expenses over a maximum period of five years from project's officially operating date.

After officially operation of Nhon Trach 2 Combined Cycle Power Plant

The Company applies the method of recording foreign exchange differences in accordance with Vietnamese Accounting Standard No. 10 (VAS 10) "Effects of changes in foreign exchange rates", Circular 179/2012/TT-BTC dated 24 October 2012 of the Ministry of Finance provides for recognition, evaluation, treatment of exchange rate differences in the number of businesses and Dispatch 3124/DKVN-TCKT dated 13 May 2014 issued by Vietnam Oil and Gas Group applied for its subsidiaries and affiliates. Petro Vietnam has received written approval of the Ministry of Finance No. 3371/BTC-TCDN March 17, 2014 relating to the use of the exchange rate to assess the balance of assets and liabilities denominated in foreign currencies at the balance sheet date accounting. Accordingly, transactions in foreign currencies are translated at exchange rates at the date of the transaction. The balances of monetary items denominated in foreign currencies at the balance sheet date accounting is converted at the exchange rate due Stock Commercial Bank for Foreign Trade of Vietnam (Vietcombank) published in this day instead of buying rate of commercial banks where accounts now open at the time of preparation of financial statements. Foreign exchange differences arising are accounted for in the statement of operations. Interest rate differences due to

revaluation in the balance sheet date accounting is not used to distribute profits or dividends paid to shareholders.

The Board of Directors decided to use the buying exchange rates announced by Vietcombank on the same date to revalue the balance of monetary items denominated in foreign currencies at the balance sheet date.

Borrowing costs

Borrowing costs are recognised in the income statement when incurred.

Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation. Provisions are measured at the Board of Directors' best estimate of the expenditure required to settle the obligation as at the balance sheet date.

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 year. 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 years (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 bases 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 taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

The determination of the tax currently payable and deferred tax 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.

PETRO VIETNAM - NHON TRACH 2 POWER JOINT STOCK COMPANYHamlet 3, Phuoc Khanh Commune, Nhon Trach District
Dong Nai Province, S.R.Vietnam**Financial Statements**

For the year ended 31 December 2014

NOTES TO THE FINANCIAL STATEMENTS (Continued)**FORM B 09-DN***These notes are an integral part of and should be read in conjunction with the accompanying financial statements***5. CASH**

	31/12/2014	31/12/2013
	<u>VND</u>	<u>VND</u>
Cash on hand	104,330,554	29,366,883
Cash in bank	<u>186,022,554,463</u>	<u>57,217,308,004</u>
	<u>186,126,885,017</u>	<u>57,246,674,887</u>

6. SHORT-TERM INVESTMENTS

Short-term investments represent term deposits at banks and other credit institutions in VND with the term are less than 3 months and earn the interest rate from 4.6% to 5% per annum. These deposits at bank are renewed under requirement of the Company on a monthly basis.

7. OTHER RECEIVABLES AND PROVISION FOR SHORT-TERM DOUBTFUL DEBTS

	31/12/2014	31/12/2013
	<u>VND</u>	<u>VND</u>
Electricity fee provided to Electric Power Trading Company (EPTC)	2,085,643,819,056	1,412,705,884,994
Unearned late payment interest income from EPTC	42,153,554,457	42,153,554,457
Other receivables from Petro Vietnam Gas Joint Stock Corporation	-	3,105,703,728
Estimated interest income	869,202,437	647,180,309
Others	<u>30,000,000</u>	<u>30,000,000</u>
	<u>2,128,696,575,950</u>	<u>1,458,642,323,488</u>
Provision for short-term doubtful debts	<u>(33,803,885,782)</u>	<u>(23,941,042,336)</u>
	<u>2,094,892,690,168</u>	<u>1,434,701,281,152</u>

Other receivables are mainly outstanding amount of electricity fee provided to Electric Power Trading Company (EPTC) up to 31 December 2014 which is not issued commercial invoices according to the Power Purchase Contract No. 07/2012/HĐ-NMĐ dated 6 July 2012 and amendment and supplement contract No. 04 dated 28 May 2014 between EPTC and Petro Vietnam - Nhon Trach 2 Power Joint Stock Company. The outstanding amount includes revenue from selling the electricity with the amount of VND 1,896 billion and value added tax with the amount of VND 189.6 billion.

Provision for short-term doubtful debt is made from unearned late payment interest income from EPTC up to 31 December 2014 noted as above in accordance with Circular No. 228/2009/TT-BTC dated 7 December 2009 issued by the Ministry of Finance.

8. INVENTORIES

Inventories as at 31 December 2014 and 31 December 2013 comprise DO oil which has been stored in warehouses and used in electricity production and materials which have been used for maintenance the commercial operation of Nhon Trach 2 Combined Cycle Power Plant.

9. OTHER LONG-TERM RECEIVABLES

Other long-term receivables represent compensations for site clearance shall be deducted in rental fee which will be paid to the Government in the future in accordance with Law on land. These receivables are classified from cost of tangible fixed assets in accordance with Decision No. 35/QĐ-CPNT2 dated 23 May 2011 issued by the Board of Management of Petro Vietnam - Nhon Trach 2 Power Joint Stock Company.

On 20 October, 2014, the Company has signed a land lease contract No. 122/HĐTĐ with the People's Committee of Dong Nai Province with total land area of 423,912.8 m². However, the Company has not received notice of the offset compensation costs clearance and land rental payable from State at the date of this report.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

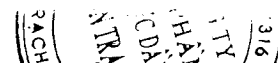
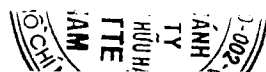
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10. TANGIBLE FIXED ASSETS

	Buildings and structures <u>VND</u>	Machinery and equipment <u>VND</u>	Motor vehicles <u>VND</u>	Office equipment <u>VND</u>	Total <u>VND</u>
COST					
As at 01/01/2014	2,971,508,045,125	8,287,745,659,419	28,706,600,680	5,683,143,437	11,293,643,448,661
Additions	68,181,818			744,048,150	812,229,968
Disposals	(450,000,000)				(450,000,000)
As at 31/12/2014	<u>2,971,126,226,943</u>	<u>8,287,745,659,419</u>	<u>28,706,600,680</u>	<u>6,427,191,587</u>	<u>11,294,005,678,629</u>
ACCUMULATED DEPRECIATION					
As at 01/01/2014	329,081,004,011	1,837,323,529,456	11,578,412,624	1,567,381,061	2,179,550,327,152
Charge for the year	149,200,074,948	685,213,500,646	3,222,587,307	1,030,568,242	838,666,731,143
As at 31/12/2014	<u>478,281,078,959</u>	<u>2,522,537,030,102</u>	<u>14,800,999,931</u>	<u>2,597,949,303</u>	<u>3,018,217,058,295</u>
NET BOOK VALUE					
As at 31/12/2014	<u>2,492,845,147,984</u>	<u>5,765,208,629,317</u>	<u>13,905,600,749</u>	<u>3,829,242,284</u>	<u>8,275,788,620,334</u>
As at 31/12/2013	<u>2,642,427,041,114</u>	<u>6,450,422,129,963</u>	<u>17,128,188,056</u>	<u>4,115,762,376</u>	<u>9,114,093,121,509</u>

The Company has changed the useful life of the machineries formed from the construction of Nhon Trach 2 Combined Cycle Power Plant from 10 years to 14 years according to Decision No. 27/QĐ-CPNT2 dated 5 September 2014 issued by Board of Management and effective from 1 July 2014. If the Company continues to apply useful life similar with prior years, the depreciation expenses of Nhon Trach 2 Combined Cycle Power Plant of 2014 would increase by amount of VND 145,821,076,519 and profit before tax of the Company for the financial year ended 31 December 2014 would decrease by the same amount.

As at 31 December 2014, the cost of fixed assets include VND 4,467,252,377 (31 December 2013: VND 1,260,806,151) of fixed assets which have been fully depreciated but are still in use.



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NOTES TO THE FINANCIAL STATEMENTS (Continued)**FORM B 09-DN***These notes are an integral part of and should be read in conjunction with the accompanying financial statements***11. INTANGIBLE ASSETS**

	Land used right VND	Software VND	Total VND
COST			
As at 01/01/2014	21,602,554,546	-	21,602,554,546
Addition	-	8,595,706,375	8,595,706,375
As at 31/12/2014	21,602,554,546	8,595,706,375	30,198,260,921
ACCUMULATED DEPRECIATION			
As at 01/01/2014	-	-	-
Charge for the year	-	54,899,585	54,899,585
As at 31/12/2014	-	54,899,585	54,899,585
NET BOOK VALUE			
As at 31/12/2014	21,602,554,546	8,540,806,790	30,143,361,336
As at 31/12/2013	21,602,554,546	-	21,602,554,546

Land use right represents the indefinite land use rights at the lot of Building CC1.2 – Unit No. 1 - Phuoc An – Long Tho residential area, Nhon Trach District, Dong Nai Province. Software represents equipment and assets management system at the factory.

Land use right were recorded in accordance with the Decision No. 21/QĐ – CPNT2 on 15 May 2013 issued by Shareholders of Petro Vietnam - Nhon Trach 2 Power Joint Stock Company regarding to finalization the value of assets which were financed by the investment capital of the project Nhon Trach 2 Combined Cycle Power Plant.

12. CONSTRUCTION IN PROGRESS

	31/12/2014 VND	31/12/2013 VND
SAP Business One Accounting Software	304,606,500	304,606,500
Inventory management software	-	1,427,782,750
As at 31 December	304,606,500	1,732,389,250

Construction in progress represents the cost of purchasing of fixed assets must undergo installation, testing before being put into use which includes equipment and assets management system and SAP Business One accounting software.

13. LONG-TERM FINANCIAL INVESTMENTS

The Company has contributed VND 11,140,000,000 which is equivalent to 1,114,000 shares (par value VND 10,000/share) of the charter capital of High Tech Concrete Investment Joint Stock Company (“Sopewaco”) as at 31 December 2014 and 31 December 2013.

Provision for impairment of long-term investments has been made in accordance with the Circular No. 228/2009/TT-BTC dated 7 December 2009 and Circular No. 89/2013/TT-BTC dated 28 June 2013 issued by the Ministry of Finance, the basis used for making this provision of other investment based on Sopewaco's financial statements for the year ended 31 December 2014. As at 31 December 2014, Sopewaco's accumulated loss was VND 237,801,167,624 while its charter capital was VND 80,000,000,000. Therefore, the Board of Directors of the Company decided to make full provision for its long-term investment as at balance sheet.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)**FORM B 09-DN***These notes are an integral part of and should be read in conjunction with the accompanying financial statements***14. LONG-TERM PREPAYMENTS**

	2014 <u>VND</u>	2013 <u>VND</u>
As at 01 January	1,026,660,982,500	1,248,482,245,061
Additions	104,197,706,255	1,872,367,535
Charged for the year	(243,505,946,621)	(223,693,630,096)
Other decreases	(10,292,980,257)	-
As at 31 December	<u>877,059,761,877</u>	<u>1,026,660,982,500</u>

(*) Other decreases are the deductions of labor costs incurred when the Company has periodically repair the Nhon Trach 2 Combined Cycle Power Plant.

The details of long-term prepayments as at the balance sheet date are as below:

	31/12/2014 <u>VND</u>	31/12/2013 <u>VND</u>
Insurance fee for long-term loan	441,548,675,121	502,948,512,913
Variable and fixed fee of maintenance contract	276,363,551,871	307,295,161,358
Overhaul expenses to be allocated	72,899,890,233	-
Accumulated exchange differences	66,380,869,389	192,805,589,326
Interest expense of loan for payment the maintenance contract	11,700,012,206	13,009,375,462
Other expenses	8,166,763,057	10,602,343,441
	<u>877,059,761,877</u>	<u>1,026,660,982,500</u>

Other long-term prepayments include expenditures as follows:

Insurance fee for long-term loan: According to the loan contract dated on 22 July 2010 and 23 July 2010 between the Company and banks presented by the Citibank - an authorized agency. The insurance fee is issued by HERMES and NEXI to guarantee to lenders during the credit term of 2.5 years of grace period and 9.5 years of payment in the contract.

Variable and fixed fee of maintenance contract: According to the maintenance contract No. 68/2011/PVPOWER NT2 –PVPS between the Company and Petro Vietnam Power Services Joint Stock Company to maintain the major equipment and machineries in Nhon Trach 2 Combined Cycle Power Plant for the duration of 11.7 years or 200,000 EOH hours. Variable and fixed fee are going to be paid before the Nhon Trach 2 Combined Cycle Power Plant is started to commercial operation and allocated to the income statement during the year based on the actual EOH hours.

Overhaul expense of Nhon Trach 2 Combined Cycle Power Plant arises when the plant reaches 25,000 EOH operating hours and the Company has to perform overhaul according to specifications. Accordingly, this expense are recognized and amortized to the income statement for the next 25,000 EOH hours. On 15 December 2014, the Board of Directors the Company has issued Decision No. 46/QĐ-CPNT2 for the temporary approval of the completion of overhaul, in which the overhaul expense will be allocated based on the actual EOH runs from the end of overhaul period of the factory.

Accumulated exchange differences arising during the construction stage of Nhon Trach 2 Combined Cycle Power Plant up to date of issuing the PAC Certificate on 16 October 2011 and are allocated to the income statement over a maximum period of 5 years from the date of issuing of PAC under the Official Letter No. 721/CT-TTH dated 1 March 2012 issued by the Tax Department of Dong Nai Province.



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Interest expense by the loan for the maintenance contract: Borrowing costs paid for maintenance contract No. 68/2011/PVPOWER NT2- PVPS between the Company and Petro Vietnam Power Services Joint Stock Company. Borrowing cost occurred before commercial operation of Nhon Trach 2 Combined Cycle Power Plant and did not belong to the project investment expense. These interest expenses of loan are allocated to the income statement during the year based on actual EOH hours incurred.

15. SHORT-TERM LOANS AND LIABILITIES

The balance of short-term loans present current proportion of long-term loan as at 31 December 2014 and 31 December 2013 noted in Note 19.

16. TAXES AND AMOUNTS PAYABLE TO STATE BUDGET

	31/12/2014	31/12/2013
	<u>VND</u>	<u>VND</u>
Value added tax	11,706,876,862	11,828,286,035
Personal income tax	251,871,129	198,907,401
Natural resources tax	3,554,243,006	1,088,342,147
Other tax	556,861	64,927,412
	<u><u>15,513,547,858</u></u>	<u><u>13,180,462,995</u></u>

17. ACCRUED EXPENSES

	31/12/2014	31/12/2013
	<u>VND</u>	<u>VND</u>
Material expenses	776,373,697,796	600,398,949,132
Maintenance expenses	89,648,927,883	93,285,331,997
Interest expenses	13,214,003,762	16,402,014,332
Others	12,137,020,162	7,044,597,333
	<u><u>891,373,649,603</u></u>	<u><u>717,130,892,794</u></u>

Material expenses are payables to gas used for operation of Nhon Trach 2 Combined Cycle Power Plant but have not yet received commercial invoices from suppliers as at 31 December 2014 and 31 December 2013.

18. OTHER CURRENT PAYABLES

	31/12/2014	31/12/2013
	<u>VND</u>	<u>VND</u>
Late payment interest income payable to Petro Vietnam Gas Joint Stock Company	39,278,284,374	39,278,284,374
Provision of VAT output	189,603,983,551	128,427,807,727
Dividends paid	128,000,000,000	-
Others	1,958,773,149	1,440,336,083
	<u><u>358,841,041,074</u></u>	<u><u>169,146,428,184</u></u>

Provision of VAT output is recorded base on the revenue which is temporary calculated without commercial invoice noted in Note 7.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)**FORM B 09-DN***These notes are an integral part of and should be read in conjunction with the accompanying financial statements***19. LONG-TERM LOANS AND LIABILITIES**

	31/12/2014	31/12/2013
	<u>VND</u>	<u>VND</u>
Long-term loans	6,907,609,469,332	8,449,314,135,904
Less: Current portion of long-term loans	<u>(1,051,902,984,892)</u>	<u>(1,137,995,154,732)</u>
	<u>5,855,706,484,440</u>	<u>7,311,318,981,172</u>

As at 22 July 2010 and 23 July 2010, the Company entered into a long-term loan contracts with agency banks such as HERMES, CIRR, NEXI and Citi Bank, a main agency bank for total credit line of USD 215,380,981 and EUR 202,585,883, respectively. These loans are guaranteed by the Government of Vietnam and granted the insurance by HERMES and NEXI. The loan bears an interest rate of 6 month Euribor and 6 month Libor plus the adjustment. The loan and interest are repaid every 6 months on 19 half-yearly installment during 9.5 years and the first repayment is on 1 June 2012. The balances of loans as at 31 December 2014 are USD 146,099,081 and EUR 133,480,136, respectively.

In 2013, the Company entered into a long-term loan contract with Vietnam Prosperity Bank (VPBank) - Ho Chi Minh City branch for the total credit line of VND 286,467,044,714. The purpose is to finance construction of Nhon Trach 2 Combined Cycle Power Plant. This loan contract is to replace the credit line of VND 600 billion for the contract No.02/2011/HĐTD-THD dated 31 March 2011 with Vietnam Joint Stock Commercial Bank for Industry and Trade (VietinBank) - Hanoi Branch. Loan duration is starting from the first withdrawal to 25 December 2022 and the principal is paid on a six-month basis within 20 installments. The loan is unsecured and bears floating interest rates. Principal balance of this loan at 31 December 2014 was VND 229,173,635,770.

In 2014, the Company entered into a long-term loan contract with Ho Chi Minh City Development Join Stock Commercial Bank - Cong Hoa Branch. The purpose is to refinance construction of Nhon Trach 2 Combined Cycle Power Plant with total credit limit is VND 163,619,754,337. This loan contract is to replace the loan contract No. 01/2011/HĐTD-THD dated 20 January 2011 signed with Vietnam Joint Stock Commercial Bank for Industry and Trade - Ha Noi City Branch for a credit line of VND 200 billion. Loan duration is starting from the first withdrawal to 25 December 2022 and the principal is paid on a six-month basis within 18 installments. The loan is unsecured and bears floating interest rates. Principal balance of this loan at 31 December 2014 was VND 145,439,781,633.

Long-term debts are repayable as follows:

	31/12/2014	31/12/2013
	<u>VND</u>	<u>VND</u>
On demand or within one year	1,051,902,984,892	1,137,995,154,732
In the second year	1,051,902,984,892	1,114,012,067,652
In the third to fifth year inclusive	3,155,708,830,905	3,342,036,357,651
After five years	<u>1,648,094,668,643</u>	<u>2,855,270,555,869</u>
	<u>6,907,609,469,332</u>	<u>8,449,314,135,904</u>
Less: Amount due for settlement within 12 months (shown under current liabilities)	<u>(1,051,902,984,892)</u>	<u>(1,137,995,154,732)</u>
Amount due for settlement after 12 months	<u>5,855,706,484,440</u>	<u>7,311,318,981,172</u>

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NOTES TO THE FINANCIAL STATEMENTS (Continued)**FORM B 09-DN***These notes are an integral part of and should be read in conjunction with the accompanying financial statements***20. OWNERS' EQUITY**

	As at 31/12/2014 and 31/12/2013	
	Shares	VND
Authorized shares	256,000,000	2,560,000,000,000
Issued shares and fully paid	256,000,000	2,560,000,000,000

The Company has one class of ordinary share which carry no right to fixed income and par value is 10,000 per share. The shareholders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at the Company's shareholders meetings. All shares rank equally with regard to the Company's residual assets.

In 2014, the list of shareholders noticed by Securities Commission on 22 December 2014. Details of shareholders as at the balance sheet date as follows:

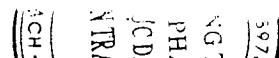
	Capital contributed			
	31/12/2014		31/12/2013	
	VND	%	VND	%
Petro Vietnam Power Corporation	1,607,661,500,000	62.8%	1,607,661,500,000	62.8%
Technology Development Company Limited	213,840,000,000	8.4%	113,840,000,000	4.4%
Vietnam Posts and Telecommunications Group	128,000,000,000	5.0%	128,000,000,000	5.0%
Vinacomin - Power Holding Corporation Limited	128,000,000,000	5.0%	128,000,000,000	5.0%
Electric Power Development (J-Power - Japan)	128,000,000,000	5.0%	128,000,000,000	5.0%
Other shareholders	354,498,500,000	13.8%	454,498,500,000	17.8%
	2,560,000,000,000	100%	2,560,000,000,000	100%

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For the year ended 31 December 2014**NOTES TO THE FINANCIAL STATEMENTS (Continued)****FORM B 09-DN***These notes are an integral part of and should be read in conjunction with these accompanying financial statements***Movement on owners' equity:**

	Charter capital VND	Other owner's equity VND	Investment and Development funds VND	Retained earnings VND	Total VND
Balance as at 01/01/2013	2,560,000,000,000	163,455,502,290	20,055,769,998	38,939,141,215	2,782,450,413,503
Funds appropriation	-	5,781,878,846	384,111,907	(9,159,964,444)	(2,993,973,691)
Profit for the year	-	-	-	8,219,216,904	8,219,216,904
Balance as at 31/12/2013	2,560,000,000,000	169,237,381,136	20,439,881,905	37,998,393,675	2,787,675,656,716
Funds appropriation	-	-	410,960,845	(4,366,093,349)	(3,955,132,504)
Profit for the year	-	-	-	1,590,963,236,600	1,590,963,236,600
Dividends paid	-	-	-	(128,000,000,000)	(128,000,000,000)
Balance as at 31/12/2014	2,560,000,000,000	169,237,381,136	20,850,842,750	1,496,595,536,926	4,246,683,760,812

In 2014, the Company has appropriated to Investment and Development fund by the amount of VND 401,960,845 (2013: VND 384,111,907), Bonus and Welfare Fund by the amount of VND 3,955,132,504 (2013: VND 2,993,973,691) and Other owner's equity was nil (2013: 5,781,878,846) according to the Resolution of the Company's General shareholders' meeting No. 04/NQ-CPNT2 on 18 April 2014.

According to the Resolution No. 15/NQ-CPNT2 dated 5 December 2014 the Board of Management about dividend advance in 2014, dividend rate equal to 5% of par value, equivalent to 500/01 shares shall be deducted from the retained earnings and it was paid on 12 January 2015. As at 31 December 2014, the dividends are under due and recognised in other payables.



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NOTES TO THE FINANCIAL STATEMENTS (Continued)**FORM B 09-DN***These notes are an integral part of and should be read in conjunction with the accompanying financial statements***21. BUSINESS AND GEOGRAPHICAL SEGMENTS**

The Company's principal activities are to manufacture and consume electricity in domestic. Other business activities make up minor ratio in total revenue and operating result of Company in this period as well as previous financial years. Consequently, financial information has been presented on balance sheet as at 31 December 2013 and 31 December 2014 as well as revenues, expenses have been presented on income statement for the period end and previous financial years are relevant to principle activities. Hence, the Company did not prepare the report by business segment and geographical segments.

22. NET REVENUE

Net revenue from goods sold of the current period includes revenue of selling electricity in the period from 1 January 2014 to 30 November 2014 and from 1 December 2014 to 31 December 2014 following official electric price as stated in the amendment and supplement contract No. 04 dated 28 May 2014 of Power Purchase Contract No. 07/2012/HĐ-NMĐ-NT2 dated 6 July 2012 between Electric Power Trading Company (EPTC) and PetroVietnam Power Nhon Trach 2 Joint Stock Company.

The official revenue for the period from 1 December 2014 to 31 December 2014 is merely finalised after having sufficient parameters including foreign exchange rate as at the invoice issuance date, alpha rate to determine the gas amount received from Hai Thach – Moc Tinh. Therefore, the variance of revenue from selling electricity for the period from 1 December 2014 to 31 December 2014 will be exactly adjusted and recognised after the parameters making up the electric price are announced.

23. PRODUCTION COST BY NATURE

	2014	2013
	<u>VND</u>	<u>VND</u>
Raw materials and consumables	4,041,185,155,330	3,596,410,524,600
Labour	70,075,846,230	57,422,599,160
Depreciation and amortisation	838,694,238,760	982,366,934,534
Out-sourced services	486,729,522,831	480,035,945,388
Other expenses	51,503,579,426	24,063,115,996
	<u><u>5,488,188,342,577</u></u>	<u><u>5,140,299,119,678</u></u>

24. FINANCIAL INCOME

	2014	2013
	<u>VND</u>	<u>VND</u>
Interest	25,366,508,056	52,961,657,839
Realized foreign exchange gain	21,415,773,068	8,027,036
Unrealized foreign exchange gain	403,709,545,794	-
	<u><u>450,491,826,918</u></u>	<u><u>52,969,684,875</u></u>

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25. FINANCIAL EXPENSES

	2014	2013
	<u>VND</u>	<u>VND</u>
Interest expense	219,382,885,672	266,407,208,913
Allocation of foreign exchange loss in construction stage	126,424,719,937	126,424,719,937
Insurance fee	61,399,837,792	62,406,392,505
Unrealised foreign exchange loss	-	280,693,405,522
Guarantee fee from the State	19,818,165,842	22,765,155,566
Realised foreign exchange loss	7,038,932,028	23,163,264,621
Others	3,128,045,962	4,719,135,537
	<u><u>437,192,587,233</u></u>	<u><u>786,579,282,601</u></u>

26. CURRENT CORPORATE INCOME TAX EXPENSE

	2014			2013
	<i>Main activities</i> <u>VND</u>	<i>Other activities</i> <u>VND</u>	Total <u>VND</u>	Total <u>VND</u>
Profit before tax	1,716,452,513,228	(125,489,276,628)	1,590,963,236,600	8,219,216,904
Add: non-deductible expenses	10,031,019,327	-	10,031,019,327	156,000,000
Less: non-assessable income	(38,810)	-	(38,810)	(156,120)
Assessable income	1,726,483,493,745	(125,489,276,628)	1,600,994,217,117	8,375,060,784
Loss write off of main activities	(125,489,276,628)	125,489,276,628	-	-
Assessable income	1,600,994,217,117	-	1,600,994,217,117	8,375,060,784
Tax rate	0%	22%	-	0%
Corporate income tax	-	-	-	-

The Company is obliged to pay corporate income tax at the rate of 10% of its assessable income from producing and trading power activities (main activities) for 15 years from the first profit making year and 22% for the following years.

The Company is entitled to a corporate income tax exemption for four years from the first profit-making year of producing and trading power activities and a reduction of 50% for the following nine years. This is the fourth profit-making year of the Company from producing and trading power activities and also its fourth year of tax exemption (the first year of tax exemption is 2011).

The Company is obliged to pay corporate income tax at the rate of 22% of its assessable income from other activities according to the Circular No. 78/2014/TT-BTC dated 18 June 2014 issued by the Ministry of Finance.

No deferred tax assets and liabilities are recognized as there are no significant temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit.



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The calculation of the basic earnings per share attributable to the ordinary equity holders of the Company is based on the following data:

	2014 <u>VND</u>	2013 <u>VND</u>
Profit after tax	1,590,963,236,600	8,219,216,904
Unrealized foreign exchange gain	403,709,545,794	-
Profit after tax for calculating earnings per share	1,187,253,690,806	8,219,216,904
Weighted average number of ordinary shares for the purposes of calculating basic earnings per share	<u>256,000,000</u>	<u>256,000,000</u>
Basic earnings per share	<u>4,638</u>	<u>32</u>

28. SELLING COMMITMENTS

The Company has signed the Power Purchase Contract No. 07/2012/HD-NMD dated 6 July 2012 with Electric Power Trading Company (EPTC). In view thereon, all electricity are produced under the requirement of Electricity Regulatory Authority of Vietnam is totally consumed by EPTC with the duration is 10 years from the date Nhon Trach 2 Combined Cycle Power Plant of issuing the PAC on 16 October 2011.

29. 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 15 and 19, offset by cash) and owners' equity (comprising capital, other owners' capital, reserves and retained earnings).

Gearing ratio

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

	2014 <u>VND</u>	2013 <u>VND</u>
Borrowings	6,907,609,469,332	8,449,314,135,904
Less: Cash	(186,126,885,017)	(57,246,674,887)
Net debt	6,721,482,584,315	8,392,067,461,017
Equity	<u>4,246,683,760,812</u>	<u>2,787,675,656,716</u>
Net debt to equity ratio	<u>1.58</u>	<u>3.01</u>

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 assets and financial liabilities are disclosed in Note 4.

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	Carrying amounts	
	31/12/2014	31/12/2013
	<u>VND</u>	<u>VND</u>
Financial assets		
Cash	186,126,885,017	57,246,674,887
Short-term investments	540,000,000,000	246,461,181,788
Trade and other receivables	2,094,928,602,970	1,434,736,933,554
Short-term deposits	10,000,000	10,000,000
Other long-term receivables	38,782,753,000	38,782,753,000
Total	<u>2,859,848,240,987</u>	<u>1,777,237,543,229</u>
Financial liabilities		
Short-term loans	1,051,902,984,892	1,137,995,154,732
Trade and other payables	392,525,445,346	196,183,836,907
Accrued expenses	891,373,649,603	717,130,892,794
Long-term loans	5,855,706,484,440	7,311,318,981,172
Total	<u>8,191,508,564,281</u>	<u>9,362,628,865,605</u>

The Company has not yet assessed fair value of its financial assets and liabilities as at the balance sheet date since there are no comprehensive guidance under Circular No. 210/2009/TT-BTC issued by the Ministry of Finance on 6 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 and interest rate 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. The Company does not hedge these risk exposures due to the lack of any market to purchase financial instruments.

Foreign currency risk management

The Company undertakes certain transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the year are as follows:

	Assets		Liabilities	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
	<u>VND</u>	<u>VND</u>	<u>VND</u>	<u>VND</u>
USD	6,424,690	9,020,373	3,123,598,358,408	3,554,422,072,408
EUR	428,345	1,148,368	3,409,397,693,521	4,473,451,968,917

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The Company is mainly exposed to United States Dollar and Euro.

The following table details the Company's sensitivity to a 3% increase and decrease in Vietnam Dong against the relevant foreign currencies. 3% 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 3% change in foreign currency rates. For a 3% increase/decrease in the following foreign currencies against Vietnam Dong, the profit before tax in the year would decrease/increase by the following amount as follows:

	2014 VND	2013 VND
USD	93,707,758,012	106,632,391,561
EUR	102,281,917,955	134,203,524,616
	<u>195,989,675,967</u>	<u>240,835,916,177</u>

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 analysing market competition to enjoy favorable interest rates from appropriate lenders.

Interest rate sensitivity

The loan's sensitivity to interest rate changes which may arise at an appropriate level is presented as follow. Assuming all other variables were held constant and the loan balance at the balance sheet date were the outstanding amount for the whole year, if interest rates applicable to floating interest bearing loans had been 200 basis points higher/lower, the Company's profit before tax for the year ended 31 December 2014 would have decreased/ increased by VND 130,659,921,039 (2013: VND 160,557,480,827).

Gas price risk management

The Company purchases natural gas from local suppliers for power production. Therefore, the Company is exposed to the risk of changes in selling prices of gas.

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 the balance sheet date there is a significant concentration of credit risk arising on sales to Vietnam Electricity in 2014. The maximum exposure to credit risk is represented by the outstanding receivables from related parties as presented in Note 30.

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

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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.

As at 31/12/2014	Under 1 year VND	From 1-5 years VND	Over 5 years VND	Total VND
Cash	186,126,885,017	-	-	186,126,885,017
Short-term investments	540,000,000,000	-	-	540,000,000,000
Trade and other receivables	2,094,928,602,970	-	-	2,094,928,602,970
Short-term deposits	10,000,000	-	-	10,000,000
Other long-term receivables	-	-	38,782,753,000	38,782,753,000
Total	2,821,065,487,987	-	38,782,753,000	2,859,848,240,987

As at 31/12/2014	Under 1 year VND	From 1-5 years VND	Over 5 years VND	Total VND
Short-term loans	1,051,902,984,892	-	-	1,051,902,984,892
Trade and other payables	392,525,445,346	-	-	392,525,445,346
Accrued expenses	891,373,649,603	-	-	891,373,649,603
Long-term loans	-	4,207,611,815,797	1,648,094,668,643	5,855,706,484,440
Total	2,335,802,079,841	4,207,611,815,797	1,648,094,668,643	8,191,508,564,281

Net liquidity gap	485,263,408,146	(4,207,611,815,797)	(1,609,311,915,643)	(5,331,660,323,294)
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As at 31/12/2013	Under 1 year VND	From 1-5 years VND	Over 5 years VND	Total VND
Cash	57,246,674,887	-	-	57,246,674,887
Short-term investments	246,461,181,788	-	-	246,461,181,788
Trade and other receivables	1,434,736,933,554	-	-	1,434,736,933,554
Short-term deposits	10,000,000	-	-	10,000,000
Other long-term receivables	-	-	38,782,753,000	38,782,753,000
Total	1,738,454,790,229	-	38,782,753,000	1,777,237,543,229

As at 31/12/2013	Under 1 year VND	From 1-5 years VND	Over 5 years VND	Total VND
Short-term loans	1,137,995,154,732	-	-	1,137,995,154,732
Trade and other payables	196,183,836,907	-	-	196,183,836,907
Accrued expenses	717,130,892,794	-	-	717,130,892,794
Long-term loans	-	4,456,048,425,303	2,855,270,555,869	7,311,318,981,172
Total	2,051,309,884,433	4,456,048,425,303	2,855,270,555,869	9,362,628,865,605

Net liquidity gap	(312,855,094,204)	(4,456,048,425,303)	(2,816,487,802,869)	(7,585,391,322,376)
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The Board of Directors assessed the liquidity risk at high level. The Board of Directors believes that the Company will be able to generate sufficient funds to meet its financial obligations as and when they fall due.

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List of related parties:

<u>Related party</u>	<u>Relationship</u>
Petro Vietnam Power Corporation (PVN)	Shareholder
Vietnam Electricity	Shareholder
Electricity Power Trading Company (EPTC) - EVN	EVN's company
Petro Vietnam Gas Joint Stock Corporation	PVN's company
Petro Vietnam Power Technical Services Joint Stock Company	PVN's company
Southern Management Board of PVC's project	PVN's company
Petro Vietnam Insurance Joint Stock Corporation	PVN's company
Petro Vietnam Nhon Trach Power Company	PVN's company
Southeast Petro Vietnam Fertilizer and Chemicals Joint Stock Company	PVN's company
PV Oil Lubricant Joint Stock Company	PVN's company
Vietnam Petroleum Institute - The Research and Development Centre for Petroleum Safety and Environment	PVN's company
Petro Vietnam Power Project Management Consultant Company	PVN's company
Petro Vietnam Oil and Gas Group	PVN's company
PVcomBank	PVN's company
Petro Vietnam Energy Technology Corporation	PVN's company
Petroleum Power Property Joint Stock Company	PVN's company
Drilling Mud Corporation	PVN's company

During the year, the Company entered into the following transactions with related parties:

	2014	2013
	<u>VND</u>	<u>VND</u>
Revenue of electricity		
Electricity Power Trading Company (EPTC) - EVN	<u>7,064,916,896,183</u>	<u>5,880,997,656,440</u>
Purchases and services		
Petro Vietnam Gas Joint Stock Corporation	3,844,571,504,991	3,651,959,348,016
Petro Vietnam Power Technical Services Joint Stock Company	441,509,606,376	370,858,285,230
Southern Management Board of PVC's project	-	6,103,617,879
Petro Vietnam Insurance Joint Stock Corporation	42,762,861,400	47,997,772,472
Vietnam Electricity	5,499,697,000	9,722,679,400
Drilling Mud Corporation	1,941,570,000	-
Petro Vietnam Nhon Trach Power Company	1,022,648,200	3,470,338,296
Southeast Petro Vietnam Fertilizer and Chemicals Joint Stock Company	-	1,984,140,000
PV Oil Lubricant Joint Stock Company	1,424,624,960	641,755,692
	666,344,399	625,187,911
Petro Vietnam Power Project Management Consultant Company	-	73,854,047
Petro Vietnam Oil and Gas Group	82,192,008	76,822,381
PVcomBank	821,225,357	910,731,471
Petro Vietnam Energy Technology Corporation	<u>300,000,000</u>	<u>805,588,654</u>
Financial income		
Interest income from time deposits at PVcomBank	<u>5,093,266,744</u>	<u>15,060,567,769</u>

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Remuneration paid to the Company's Boards of Management and Directors and Head of Supervisors Board during the year was as follows:

	2014	2013
	<u>VND</u>	<u>VND</u>
Salaries and benefits in kind	<u>5,402,483,522</u>	<u>5,378,790,311</u>

Related party balances at the balance sheet date were as follows:

	31/12/2014	31/12/2013
	<u>VND</u>	<u>VND</u>
Advance to suppliers		
Drilling Mud Corporation	228,420,000	-
Petro Vietnam Power Technical Services Joint Stock Company	<u>163,728,626,749</u>	<u>12,582,927,176</u>

	31/12/2014	31/12/2013
	<u>VND</u>	<u>VND</u>
Other Receivables		
Electricity Power Trading Company (EPTC) - EVN	2,127,797,373,513	1,454,859,439,451
Interest receivable from PVcomBank	<u>238,222,223</u>	<u>253,194,444</u>

Trade Payables		
Petro Vietnam Gas Joint Stock Corporation	-	3,522,534,613
Petro Vietnam Power Technical Services Joint Stock Company	27,386,855,113	15,385,139,390
Southern Management Board of PVC's project	454,403,426	454,403,426
Petroleum Power Property Joint Stock Company	1,140,250,000	1,140,250,000
Vietnam Petroleum Institute - The Research and Development Centre for Petroleum Safety and Environment	222,181,661	507,412,881
Drilling Mud Corporation	319,788,000	-
Petro Vietnam Nhon Trach Power Company	<u>95,778,900</u>	<u>67,368,105</u>

Other payables		
Petro Vietnam Gas Joint Stock Corporation	<u>39,278,284,374</u>	<u>39,278,284,374</u>

Financial investments		
Time deposit in PVcomBank	<u>200,000,000,000</u>	<u>95,000,000,000</u>

Le Van Tu
Preparer

Nguyen Huu Minh
Chief Accountant



Hoàng Xuân Quốc
Director
16 March 2015