

**PETROVIETNAM POWER CORPORATION -
ONE MEMBER COMPANY LIMITED**

(Incorporated in the Socialist Republic of Vietnam)

**AUDITED CONSOLIDATED
FINANCIAL STATEMENTS**

For the year ended 31 December 2015



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STATEMENT OF THE BOARD OF DIRECTORS

The Board of Directors of PetroVietnam Power Corporation - One Member Company Limited (the "Corporation") presents this report together with the Corporation's consolidated financial statements for the year ended 31 December 2015.

THE MEMBERS' COUNCIL AND BOARD OF DIRECTORS

The members of the Members' Council and Board of Directors of the Corporation who held office during the year and to the date of this report are as follows:

Members' Council

Mr. Ho Cong Ky	Chairman (appointed on 01 January 2015)
Mr. Do Chi Thanh	Chairman (resigned on 01 January 2015)
Mr. Nguyen Xuan Hoa	Member (appointed on 21 October 2015)
Mr. Vu Huy Quang	Member (resigned on 21 October 2015)
Mr. Nguyen Huu Quy	Member
Mr. Ha Duc Thu	Member
Mr. Vu Huy An	Member (appointed on 15 October 2015)
Mr. Nguyet Viet Loi	Member (resigned on 01 July 2015)

Board of Directors

Mr. Nguyen Xuan Hoa	General Director (appointed on 21 October 2015)
Mr. Vu Huy Quang	General Director (resigned on 21 October 2015)
Mr. Tran Duc Chinh	Deputy General Director
Mr. Hoang Van Nghiep	Deputy General Director
Mr. Le Chung Dung	Deputy General Director
Ms. Nguyen Thi Ngoc Bich	Deputy General Director
Mr. Pham Xuan Truong	Deputy General Director
Mr. Nguyen Duy Giang	Deputy General Director

BOARD OF DIRECTORS' STATEMENT OF RESPONSIBILITY

The Board of Directors of the Corporation is responsible for preparing the consolidated financial statements, which give a true and fair view of the consolidated financial position of the Corporation and of its consolidated results and cash flows for the year in accordance with Vietnamese accounting standards, accounting regime for enterprises and legal regulations relating to financial reporting. In preparing these consolidated financial statements, the Board of Directors is required to:

STATEMENT OF THE BOARD OF DIRECTORS (Continued)

BOARD OF DIRECTORS' STATEMENT OF RESPONSIBILITY (Continued)

- 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 consolidated financial statements;
- Prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Corporation will continue in business; and
- Design and implement an effective internal control system for the purpose of properly preparing and presenting the consolidated 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 consolidated financial position of the Corporation and that the consolidated 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 Corporation and hence for taking reasonable steps for the prevention and detection of frauds and other irregularities.

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

For and on behalf of the Board of Directors,



Nguyen Xuan Hoa
General Director

Hanoi, 31 March 2016

No.: 785 /VNIA-HN-BC

INDEPENDENT AUDITORS' REPORT

To: **The Members' Council and Board of Directors of
PetroVietnam Power Corporation - One Member Company Limited**

We have audited the accompanying consolidated financial statements of PetroVietnam Power Corporation - One Member Company Limited (the "Corporation"), prepared on 31 March 2016 as set out from page 5 to page 54, which comprise the consolidated balance sheet as at 31 December 2015, the consolidated statements of income and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Board of Directors' Responsibility

The Board of Directors of the Corporation is responsible for the preparation and fair presentation of these consolidated 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 the consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Corporation's preparation and fair presentation of the consolidated 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 Corporation'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 consolidated 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 consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as at 31 December 2015, 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 Matters

As presented in Note 5 of the Notes to the consolidated financial statements, the Corporation has retrospectively adjusted certain comparative figures in the consolidated financial statements (the figures for the year ended 31 December 2014) as per the recommendations of the State Audit which are stated in 2014 audit report on 17 March 2016.

As described in Note 9 of the Notes to the consolidated financial statements, other receivables balance as at 31 December 2015 includes receivables from Siemens Aktiengesellschaft relating to the corporate income tax amounts to be paid by PetroVietnam Power Services Joint Stock Company (PVPS - a subsidiary of the Corporation) on behalf of the foreign contractor Siemens Aktiengesellschaft. Such amounts consist of about VND 80.9 billion for the period from May 2008 to November 2014 (according to Decision No. 60944/KL-CT-KTT2 dated 24 September 2015 issued by the head of the Hanoi Tax Department) and about VND 6.7 billion for the period from December 2014 to December 2015. The Board of Directors has assessed and believes that the above-mentioned tax amounts will be returned by Siemens Aktiengesellschaft to PVPS under the terms of the contract signed between the parties.

As disclosed in Note 11 and Note 19 of the Notes to the consolidated financial statements, as at 31 December 2015, the inventories and payables of the Corporation consist of approximately VND 2,487 billion (31 December 2014: VND 2,878 billion) related to the value of imported materials and equipment for the maintenance of Ca Mau 1 Power Plant, Ca Mau 2 Power Plant and Nhon Trach 2 Combined Cycle Power Plant. The Corporation has determined that the inventories and payables mentioned above will be finalised and adjusted when the contracts with the suppliers expire.

As presented in Notes 14, 22, 24 and 27 of the Notes to the consolidated financial statements, according to Resolution No. 753/NQ-DKVN dated 05 February 2016 issued by the Members' Council of Vietnam Oil and Gas Group (the "Group"), the Group approved to transfer Vung Ang 1 Thermal Power Plant and 500KV Distribution Yard of Vung Ang Power Centre of the Group to the Corporation. Accordingly, the Corporation has recorded increases in assets, liabilities and equity equal to the values handed over from the Group and also determined foreign exchange loss incurred at the end of the year due to the revaluation of loans denominated in foreign currencies received from the handover and recorded the loss to the income statement of 2015 with an amount of VND 1,129 billion.

Our opinion is not modified in respect of these matters.



Khue Thi Lan Anh
Deputy General Director
Audit Practising Registration Certificate
No. 0036-2013-001-1

For and on behalf of
DELOITTE VIETNAM COMPANY LIMITED

31 March 2016
Hanoi, S.R. Vietnam

Do Trung Kien
Auditor
Audit Practising Registration Certificate
No. 1924-2013-001-1

CONSOLIDATED BALANCE SHEET

As at 31 December 2015

FORM B 01-DN/HN

Unit: VND

ASSETS	Codes	Notes	31/12/2015	31/12/2014 (Restated)
A. CURRENT ASSETS	100		16,016,174,669,904	15,038,559,898,359
I. Cash and cash equivalents	110	6	6,073,487,453,667	5,518,238,012,909
1. Cash	111		756,951,810,108	658,961,434,535
2. Cash equivalents	112		5,316,535,643,559	4,859,276,578,374
II. Short-term financial investments	120	7	150,000,000,000	55,000,000,000
1. Held-to-maturity investments	123		150,000,000,000	55,000,000,000
III. Short-term receivables	130		5,848,082,870,379	5,560,172,689,347
1. Short-term trade receivables	131	8	4,490,586,079,003	4,975,847,199,081
2. Short-term advances to suppliers	132		237,041,702,349	197,834,489,893
3. Other short-term receivables	136	9	1,227,457,986,565	459,981,827,217
4. Provision for short-term doubtful debts	137		(107,002,897,538)	(73,490,826,844)
IV. Inventories	140	11	3,700,532,202,750	3,634,888,023,600
1. Inventories	141		3,700,714,602,750	3,635,131,223,600
2. Provision for devaluation of inventories	149		(182,400,000)	(243,200,000)
V. Other short-term assets	150		244,072,143,108	270,261,172,503
1. Short-term prepayments	151	12	32,103,805,732	24,914,303,609
2. Value added tax deductibles	152		209,677,480,656	244,577,476,530
3. Taxes and other receivables from the State budget	153	20	2,290,856,720	769,392,364

The notes set out on pages 10 to 54 are an integral part of these consolidated financial statements

CONSOLIDATED BALANCE SHEET (Continued)

As at 31 December 2015

ASSETS	Codes	Notes	31/12/2015	31/12/2014 (Restated)
B. NON-CURRENT ASSETS	200		55,266,674,960,368	34,141,089,702,166
I. Long-term receivables	210		369,687,660,694	4,534,628,527,981
1. Long-term trade receivables	211	8	328,973,109,894	493,459,664,841
2. Long-term loans receivable	215	13	-	4,000,000,000,000
3. Other long-term receivables	216	9	40,714,550,800	41,168,863,140
II. Fixed assets	220		51,114,738,664,225	25,646,479,371,838
1. Tangible fixed assets	221	14	51,054,424,393,290	25,581,573,596,926
- Cost	222		67,715,533,939,249	39,510,766,918,642
- Accumulated depreciation	223		(16,661,109,545,959)	(13,929,193,321,716)
2. Intangible assets	227	15	60,314,270,935	64,905,774,912
- Cost	228		79,024,154,221	77,356,054,684
- Accumulated amortisation	229		(18,709,883,286)	(12,450,279,772)
III. Investment property	230	16	4,213,884,979	14,653,222,342
- Cost	231		17,545,622,940	29,124,423,643
- Accumulated depreciation	232		(13,331,737,961)	(14,471,201,301)
IV. Long-term assets in progress	240		564,968,570,683	313,720,797,754
1. Construction in progress	242	17	564,968,570,683	313,720,797,754
V. Long-term financial investments	250		781,347,613,120	855,111,905,689
1. Investments in associates	252	7	277,819,332,220	336,763,738,252
2. Equity investments in other entities	253	7	538,392,449,826	562,325,967,415
3. Provision for impairment of long-term financial investments	254	7	(34,864,168,926)	(43,977,799,978)
VI. Other long-term assets	260		2,431,718,566,667	2,776,495,876,562
1. Long-term prepayments	261	12	1,871,035,793,043	2,232,171,144,156
2. Deferred tax assets	262		931,319,334	-
3. Long-term reserved spare parts	263	18	523,003,506,229	499,277,744,644
4. Goodwill	269		36,747,948,061	45,046,987,762
TOTAL ASSETS (270 = 100 + 200)	270		71,282,849,630,272	49,179,649,600,525

The notes set out on pages 10 to 54 are an integral part of these consolidated financial statements


CONSOLIDATED BALANCE SHEET (Continued)

As at 31 December 2015

FORM B 01-DN/HN

Unit: VND

RESOURCES	Codes	Notes	31/12/2015	31/12/2014 (Restated)
C. LIABILITIES	300		45,306,992,965,586	31,625,497,424,318
I. Current liabilities	310		17,353,614,331,663	11,416,926,729,000
1. Short-term trade payables	311	19	4,797,403,235,125	5,197,420,473,484
2. Short-term advances from customers	312		40,751,910,088	74,384,705,091
3. Taxes and amounts payable to the State budget	313	20	243,442,618,779	345,460,714,073
4. Payables to employees	314		192,047,375,622	129,820,689,790
5. Short-term accrued expenses	315	21	1,225,944,867,439	1,443,504,714,623
6. Short-term unearned revenue	318		105,750,000	211,500,000
7. Other current payables	319	22	4,121,791,573,932	138,025,189,388
8. Short-term loans and obligations under finance leases	320	23	6,651,110,904,429	3,725,931,030,738
9. Short-term provisions	321	25	-	321,552,430,588
10. Bonus and welfare funds	322		81,016,096,249	40,615,281,225
II. Long-term liabilities	330		27,953,378,633,923	20,208,570,695,318
1. Other long-term payables	337	22	7,325,954,836	4,153,944,465
2. Long-term loans and obligations under finance leases	338	24	27,073,620,139,574	19,675,027,914,718
3. Long-term provisions	342	25	766,636,934,278	524,841,902,942
4. Scientific and technological development fund	343	26	105,795,605,235	4,546,933,193
D. EQUITY	400		25,975,856,664,686	17,554,152,176,207
I. Owner's equity	410	27	25,975,856,664,686	17,554,152,176,207
1. Owner's contributed capital	411		21,774,301,577,676	13,107,329,620,410
2. Share premium	412		(70,963,183)	-
3. Other owner's capital	414		162,145,257,628	160,440,485,780
4. Investment and development fund	418		344,814,017,189	290,840,812,894
5. Retained earnings	421		997,237,897,731	1,618,533,844,182
- Retained earnings accumulated to the prior year end	421a		713,746,044,718	380,773,567,324
- Retained earnings of the current year	421b		283,491,853,013	1,237,760,276,858
6. Non-controlling interests	429		2,697,428,877,645	2,377,007,412,941
TOTAL RESOURCES (440=300+400)	440		71,282,849,630,272	49,179,649,600,525


Quach Thi Hong Lien
Preparer


Ha Thi Minh Nguyet
Chief Accountant


Nguyen Xuan Hoa
General Director

Hanoi, 31 March 2016

The notes set out on pages 10 to 54 are an integral part of these consolidated financial statements

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2015

FORM B 02-DN/HN

Unit: VND

ITEMS	Codes	Notes	2015	2014
				(Restated)
1. Gross revenue from goods sold and services rendered	01	29	23,231,210,240,523	24,356,533,561,820
2. Deductions	02		832,727,273	-
3. Net revenue from goods sold and services rendered (10=01-02)	10		23,230,377,513,250	24,356,533,561,820
4. Cost of goods sold and services rendered	11	30	18,062,927,935,935	20,618,851,456,930
5. Gross profit from goods sold and services rendered (20=10-11)	20		5,167,449,577,315	3,737,682,104,890
6. Financial income	21	32	522,636,344,213	1,063,833,355,839
7. Financial expenses	22	33	2,828,040,681,438	1,516,134,654,020
- In which: Interest expense	23		863,827,773,803	1,198,922,064,696
8. Share of net (loss) from associates	24		(47,041,257,995)	(23,588,338,173)
9. Selling expenses	25	34	17,083,427,539	2,651,950,251
10. General and administration expenses	26	34	988,574,274,108	399,065,463,667
11. Operating profit (30=20+(21-22)+24-(25+26))	30		1,809,346,280,448	2,860,075,054,618
12. Other income	31	35	13,255,383,517	69,040,383,656
13. Other expenses	32	36	6,964,516,483	16,379,692,916
14. Profit from other activities (40=31-32)	40		6,290,867,034	52,660,690,740
15. Profit before tax (50=30+40)	45		1,815,637,147,482	2,912,735,745,358
16. Current corporate income tax expense	51	37	430,486,658,642	151,298,421,162
17. Deferred corporate tax (income)	52		(931,319,334)	-
18. Net profit after corporate income tax (60=50-51-52)	60		1,386,081,808,174	2,761,437,324,196
18.1. Equity holders of the Holding Company	61		995,140,479,346	2,190,175,835,884
18.2. Non-controlling interests	62		390,941,328,828	571,261,488,312

Quach Thi Hong Lien
Preparer

Ha Thi Minh Nguyet
Chief Accountant



Nguyen Xuan Hoa
General Director

Hanoi, 31 March 2016

The notes set out on pages 10 to 54 are an integral part of these consolidated financial statements

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2015

FORM B 03-DN/HN

Unit: VND

2014

ITEMS	Codes	2015	(Restated)
I. CASH FLOWS FROM OPERATING ACTIVITIES			
1. Profit before tax	01	1,815,637,147,482	2,912,735,745,358
2. Adjustments for:			
Depreciation and amortisation	02	2,825,084,251,478	2,931,967,239,237
Provisions	03	(55,419,759,610)	468,977,618,122
Unrealised foreign exchange (loss)/gain	04	1,514,229,606,367	(326,365,039,868)
(Gain) from investing activities	05	(465,666,494,292)	(610,734,066,210)
Interest expense	06	863,827,773,803	1,198,922,064,696
Other adjustments	07	101,248,672,042	-
3. Operating profit before movements in working capital	08	6,598,941,197,270	6,575,503,561,335
Decrease in receivables	09	203,690,120,027	200,457,119,351
Decrease/(increase) in inventories	10	124,318,612,123	(1,429,131,955,859)
(Decrease)/Increase in payables (not including accrued loan interest and corporate income tax payable)	11	(932,285,337,277)	1,350,106,457,496
Decrease/(increase) in prepaid expenses	12	353,945,848,990	(630,889,831,478)
Interest paid	13	(866,316,894,957)	(1,249,577,434,076)
Corporate income tax paid	14	(415,588,211,079)	(112,540,354,261)
Other cash outflows	16	(24,223,141,981)	(443,737,189)
Net cash generated by operating activities	20	5,042,482,193,116	4,703,483,825,319
II. CASH FLOWS FROM INVESTING ACTIVITIES			
1. Acquisition and construction of fixed assets	21	(372,391,499,506)	(393,074,204,005)
2. Proceeds from sale, disposal of fixed assets	22	14,697,192,726	1,682,305,455
3. Cash outflow for lending, buying debt instruments of other entities	23	(250,000,000,000)	(55,000,000,000)
4. Cash recovered from lending and buying debt instruments of other entities	24	4,434,933,209,810	1,281,461,181,788
5. Interest income, dividends and profits received	27	577,331,587,938	629,156,888,664
Net cash generated by investing activities	30	4,404,570,490,968	1,464,226,171,902
III. CASH FLOWS FROM FINANCING ACTIVITIES			
1. Proceeds from borrowings	33	1,004,520,975,579	395,151,338,792
2. Repayments of borrowings	34	(8,213,018,829,229)	(6,490,254,567,128)
3. Dividends and profits paid	37	(1,683,305,389,676)	(637,778,144,484)
Net cash (used in) financing activities	40	(8,891,803,243,326)	(6,732,881,372,820)
Net increase/(decrease) in cash (50=20+30+40)	50	555,249,440,758	(565,171,375,599)
Cash and cash equivalents at the beginning of the year	60	5,518,238,012,909	6,083,409,388,508
Cash and cash equivalents at the end of the year (70=50+60)	70	6,073,487,453,667	5,518,238,012,909

Quach Thi Hong Lien
Preparer

Ha Thi Minh Nguyet
Chief Accountant

Nguyen Xuan Hoa
General Director

Hanoi, 31 March 2016

The notes set out on pages 10 to 54 are an integral part of these consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**FORM B 09-DN/HN***These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements***1. GENERAL INFORMATION****Structure of ownership**

PetroVietnam Power Corporation - One Member Company Limited (the "Corporation") was incorporated as one-member limited company and wholly owned by Vietnam Oil and Gas Group, under Decision No. 1468/QD-DKVN dated 17 May 2007 issued by the Board of Directors of Vietnam Oil and Gas Group and One-Member Company Limited Business Registration Certificate No. 0102276173 dated 31 May 2007 issued by the Hanoi Authority for Planning and Investment and its eleventh amendment dated 18 February 2016.

The owner (parent company) of the Corporation is Vietnam Oil and Gas Group ("the Group").

Operating industry and principal activities

Generating and trading of electricity; Investment and new construction of independent power plant projects; Investment and development of electricity infrastructure, including investment and commercial operation of medium and low voltage electricity grids, provision of electricity for industrial and consumption purpose; Investment and provision of services in information technology; Research and technology application in investments and development of power projects such as wind, solar, nuclear energy; Import-export and trading of energy, fuel, equipment, materials, components, spare parts for power manufacturing and trading; Provision of technical and operational services, human resources training for operating and maintaining power plants for power generating and trading; Project management and consulting services for power plant projects; Investment, construction, expansion and development of electricity generation and trade; Provision of technical and commercial services in generating and trading of electricity; Construction and operation management of power plants; Provision of certified emission reductions (CERs) of power plants; Construction, development, management and implementation of CDM projects for clean electricity; Warehousing and storage of goods; Wholesale of all kinds of coal; Installation of electrical systems in buildings; Construction works in electricity sector; Procurement services of electrical systems in construction works; Import-export of commodities; Rental of vehicles, cranes, trailers; Sales of ashes and scrap.

As at 31 December 2015, the Corporation had projects in commercial operation phases, including Ca Mau 1 Power Plant and Ca Mau 2 Power Plant in Ca Mau province; Nhon Trach 1 and Nhon Trach 2 Power Plants in Dong Nai province, Vung Ang 1 Thermal Power Plant in Ha Tinh province, Nam Cat Hydropower Plant in Bac Kan province, Hua Na Hydropower Plant in Nghe An province and Dakdrinh Hydropower Plant in Quang Ngai province.

Normal production and business cycle

The Corporation's normal production and business cycle is carried out for a time period of 12 months or less.

Characteristics of the business activities in the fiscal year which have an impact on the consolidated financial statements

According to the Handover Minutes dated 21 December 2015 on the transfer of Phu Quy Island Wind Power Plant from Vietnam Oil and Gas Group to Vietnam Electricity, the Corporation has completed procedures for the handover of assets relating to the operations of Phu Quy Island Wind Power Plant in Binh Thuan Province to Southern Power Corporation (a subsidiary of Vietnam Electricity (EVN)) for management under the approval of the Prime Minister in Official Letter No. 145/TTg-KTN dated 27 January 2014.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FORM B 09-DN/HN

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

1. GENERAL INFORMATION (Continued)

Characteristics of the business activities in the fiscal year which have an impact on the consolidated financial statements (Continued)

According to Decision No. 156/NQ-DLKD-HDTV dated 31 December 2015, the Corporation's Members' Council has approved the contract on merging PetroVietnam Power Renewable Energy One-member Company Limited ("PVPower RE" - former subsidiary of the Corporation) into the Corporation from 00h00 29 December 2015. The merger is implemented on the basis that the existence of PVPower RE is terminated and the Corporation is entitled to rights and legal interests; responsible for unpaid debts, labour contracts and other property obligations of PVPower RE.

According to Resolution No. 753/NQ-DKVN dated 05 Feb 2016 of the Members' Council of Vietnam Oil and Gas Group, the Group approved to transfer Vung Ang 1 Thermal Power Plant and 500KV Distribution Yard of Vung Ang Power Centre to the Corporation from 24h00 31 December 2015.

The Corporation's structure

The dependent accounting entities of the Corporation are as follows:

- Branch of PetroVietnam Power Corporation - PetroVietnam Ca Mau Power Company;
- Branch of PetroVietnam Power Corporation - PetroVietnam Nhon Trach Power Company;
- Branch of PetroVietnam Power Corporation - PetroVietnam Ha Tinh Power Company;
- Branch of PetroVietnam Power Corporation - PetroVietnam Power Coal Import and Supply Company.

Details of the Corporation's subsidiaries as at 31 December 2015 are as follows:

Name of subsidiaries	Place of incorporation and operation	Proportion of ownership interest	Proportion of voting power held	Principal activity
Hua Na Hydropower JSC.	Nghe An	84.14%	82.20%	Power generation
PetroVietnam Power Nhon Trach 2 JSC.	Dong Nai	60.00%	60.00%	Power generation
Dakdrinh Hydropower JSC.	Quang Ngai	94.83%	75.60%	Power generation
PetroVietnam Machinery Technology JSC.	Hanoi	51.58%	51.58%	Trading
PetroVietnam Power Bac Kan JSC.	Bac Kan	95.54%	95.54%	Power generation
PetroVietnam Power Services JSC.	Hanoi	51.00%	51.00%	Services

Details of the Corporation's associates as at 31 December 2015 are as follows:

Associate	Place of incorporation and operation	Proportion of ownership	Proportion of voting power held	Principal activities
Nam Chien Hydropower JSC	Son La	30.72%	30.72%	Electricity production
Song Vang Hydropower JSC	Da Nang	31.91%	31.91%	Electricity production
Song Hong Energy JSC	Yen Bai	44.07%	44.07%	Electricity production
PetroVietnam Northern Machinery - Equipment JSC	Hanoi	34.58%	34.58%	Trading

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**FORM B 09-DN/HN***These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements***1. GENERAL INFORMATION (Continued)****Disclosure of information comparability in the consolidated financial statements**

As stated in Note 3, since 01 January 2015, the Corporation has adopted Circular No. 200/2014/TT-BTC issued by the Ministry of Finance on 22 December 2014 (“Circular 200”) guiding the accounting regime for enterprises and Circular No. 202/2014/TT-BTC issued by the Ministry of Finance on 22 December 2014 (“Circular 202”) guiding the preparation and presentation of consolidated financial statements. Circular 200 supersedes the regulations for accounting regime promulgated under Decision No. 15/2006/QD-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. Circular 202 supersedes section XIII in Circular No. 161/2007/TT-BTC dated 31 December 2007 of the Ministry of Finance guiding the preparation and presentation of consolidated financial statements in accordance with Vietnamese Accounting Standard No. 25 “Consolidated Financial Statements and Accounting for Investments in Subsidiaries”. However, the adoption of such circulars does not have any significant impact on the comparability of the figures in the Corporation’s consolidated financial statements.

2. ACCOUNTING CONVENTION AND FINANCIAL YEAR**Accounting convention**

The accompanying consolidated 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 consolidated 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 Corporation’s financial year begins on 01 January and ends on 31 December.

3. ADOPTION OF NEW ACCOUNTING GUIDANCE**New guidance on accounting regime for enterprises**

On 22 December 2014, the Ministry of Finance issued Circular No. 200/2014/TT-BTC (“Circular 200”) guiding the accounting regime for enterprises and Circular No. 202/2014/TT-BTC (Circular 202) guiding the preparation and presentation of consolidated financial statements. These circulars are effective for financial years beginning on or after 01 January 2015. Circular 200 supersedes the regulations for accounting regime promulgated under Decision No. 15/2006/QD-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. Circular 202 will supersede section XIII in Circular No. 161/2007/TT-BTC dated 31 December 2007 of the Ministry of Finance guiding the preparation and presentation of consolidated financial statements in accordance with Vietnamese Accounting Standard No. 25 “Consolidated Financial Statements and Accounting for Investments in Subsidiaries”. The Board of Directors has adopted these circulars in the preparation and presentation of the consolidated financial statements for the year ended 31 December 2015.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FORM B 09-DN/HN

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Estimates

The preparation of the consolidated 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 consolidated 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.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Corporation and enterprises controlled by the Corporation (its subsidiaries) up to 31 December each year. Control is achieved where the Corporation has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by the Corporation.

Intragroup transactions and balances are eliminated in full on consolidation.

Non-controlling interests consist of the amount of those non-controlling interests at the date of the original business combination (see below) and the non-controlling interests' share of changes in equity since the date of the combination. Losses in subsidiaries are respectively attributed to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Business combinations

On acquisition, the assets and liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired is credited to profit and loss in the period of acquisition.

The non-controlling interests are initially measured at the non-controlling shareholders' proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FORM B 09-DN/HN

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments in associates

An associate is an entity over which the Corporation 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.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting. Interests in associates are carried in the balance sheet at cost as adjusted by post-acquisition changes in the Corporation's share of the net assets of the associate. Losses of an associate in excess of the Corporation's interest in that associate (which includes any long-term interests that, in substance, form part of the Corporation's net investment in the associate) are not recognised.

Where a group entity transacts with an associate of the Corporation, unrealised profits and losses are eliminated to the extent of the Corporation's interest in the relevant associate.

Goodwill

Goodwill represents the excess of the cost of acquisition over the Corporation's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of a subsidiary, associate or jointly controlled entity at the date of acquisition. Goodwill is recognised as an asset and is amortised on the straight-line basis over its estimated period of benefit of 10 years.

Goodwill arising on the acquisition of associates and jointly controlled entities is included in the carrying amount of the associates and jointly controlled entities. Goodwill arising on the acquisition of subsidiaries is presented separately as an intangible asset in the consolidated balance sheet.

On disposal of a subsidiary, associate or jointly controlled entity, the attributable amount of unamortised goodwill is included in the determination of the profit or loss on disposal.

Negative goodwill

Negative goodwill represents the excess of the Corporation's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of a subsidiary, associate or jointly controlled entity at the date of acquisition over the cost of acquisition. Negative goodwill is immediately recognised in the income statement at the acquisition date.

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 Corporation comprise cash, cash equivalents, financial investments, trade and other receivables, deposits and other financial assets.

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 Corporation comprise borrowings, trade and other payables, accrued expenses and other financial liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FORM B 09-DN/HN

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Financial investments

Held-to-maturity investments

Held-to-maturity investments comprise investments that the Corporation has the positive intent or ability to hold to maturity, including term deposits held to maturity to earn periodic interest.

Loan receivables

Loan receivables are measured at cost less provision for doubtful debts. Provision for doubtful debts relating to loan receivables is made in accordance with prevailing accounting regulations.

Equity investments in other entities

Equity investments in other entities represent the Corporation's investments in ordinary shares of the entities over which the Corporation has no control, joint control, or significant influence.

Equity investments in other entities are carried at cost less provision for impairment.

Receivables

Receivables represent the amounts recoverable from customers or other debtors and are stated at book value less 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 costs higher than net realisable values as at the balance sheet date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FORM B 09-DN/HN

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 conditions and locations for their intended use. The costs of tangible fixed assets formed from construction investment by contractual mode or self-construction or self-generating process are the settled costs of the invested construction projects in accordance with the prevailing State's regulations on investment and construction management, directly-related expenses and registration fee (if any). In the event the construction project has been completed and put into use but the settled costs thereof have not been approved, the cost of tangible fixed assets is recognised at the estimated cost based on the actual cost incurred. The estimated cost will be adjusted according to the settled costs approved by competent authorities.

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

	2015
	Years
Buildings and structures	5 - 25
Machinery and equipment	5 - 14
Motor vehicles	5 - 10
Office equipment	3 - 7
Others	3 - 5

Tangible fixed assets are revalued in accordance with the State's decisions or when state-owned enterprises are equitised. The cost and accumulated depreciation of tangible fixed assets are adjusted based on the revaluation value approved by competent authorities as regulated.

Loss or gain resulting from sales and disposals of tangible fixed assets is the difference between profit from sales or disposals of assets and their residual values and is recognised in the consolidated income statement.

Intangible assets and amortisation

Intangible assets represent land use rights, computer software and others (franchise licences, copy rights) that are stated at cost less accumulated amortisation. Long-term land use rights are not amortised. Computer software and other intangible assets are amortised using the straight-line method over the estimated useful lives of 3 years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FORM B 09-DN/HN

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment properties

Investment properties are composed of land use rights, buildings and structures held by the Company to earn rentals, stated at cost less accumulated depreciation.

Investment properties are depreciated using the straight-line method over their estimated useful lives as below:

	<u>2015</u>
	Years
Buildings and structures	4 - 25
Land use rights	4

Construction in progress

Properties in the course of construction for production, rental and administrative purposes or for other purposes are carried at cost. The cost includes any costs that are necessary to form the asset including construction cost, equipment cost and other directly attributable costs in accordance with the Corporation's accounting policy. Such costs will be included in the estimated costs of the fixed assets (if settled costs have not been approved) when they are put into use.

According to the State's regulations on investment and construction management, the settled costs of completed construction projects are subject to approval by appropriate level of competent authorities. The final costs of these completed construction projects may vary depending on the final approval by competent authorities.

Prepayments

Prepayments are expenses which have already been paid but relate to results of operations of multiple accounting periods, including prepaid insurance premium for foreign loans, operation and maintenance (O&M) costs and interest fee under power plant maintenance contracts, office rental, site clearance costs, other expenses for current assets in power plants and other prepaid expenses.

Insurance premium and O&M costs are allocated to the consolidated income statement using the straight-line method over loan term and O&M contract term respectively.

Prepaid office rental represents prepaid rental for the office at HH3 Song Da Tower with the term of 49 years from 21 June 2010. These prepayments are allocated to expenses over the prepayment duration.

Site clearance cost, cost of other current assets for power plants are allocated to expenses over the period of 3 years.

Other prepayments are expected to provide future economic benefits to the Corporation. These expenditures have been capitalised as prepayments and are allocated to the consolidated income statement, using the straight-line method over the period of three years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FORM B 09-DN/HN

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accrued expenses

Accrued expenses include accrued interest expense and other accrued expenses not yet paid but estimated and recorded as expenses in the year.

Interest expense is recognized on the basis of the original loan and interest rate.

Other accrued expenses are expenses incurred in the year, of which invoices have not yet been issued.

Payable provisions

Payable provisions are recognised when the Corporation has a present obligation as a result of a past event, and it is probable that the Corporation 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.

Payable provisions represent operations and maintenance expenses for Ca Mau 1 Power Plant, Ca Mau 2 Power Plant and Nhon Trach 1 Combined Cycle Power Plant which are accrued based on the operating and maintenance contract (O&M contract) and the maintenance and repair plan for these power plants.

Scientific and technological development fund

Scientific and technological development fund is set aside to finance science and technology activities of the Corporation. The fund is appropriated at the rate ranging from 3% to 10% of taxable income before corporate income tax and is recognized in the income statement during the year.

Revenue

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

- (a) the Corporation has transferred to the buyer the significant risks and rewards of ownership of the goods;
- (b) the Corporation 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 Corporation;
and
- (e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Electricity revenue is recognised when the outcome of such transactions can be measured reliably and it is probable that the economic benefits associated with the transactions will flow to the Corporation. Revenue is recorded when the electricity volume connected to the national grid is confirmed in writing.

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

Revenue of a transaction involving the rendering of services is recognised when the outcome of such transactions can be measured reliably. Where a transaction involving the rendering of services is attributable to several periods, revenue is recognised in each period by reference to the percentage of completion of the transaction at the balance sheet date of that period. The outcome of a transaction can be measured reliably when all four (4) following conditions are satisfied:

- (a) the amount of revenue can be measured reliably;
- (b) it is probable that the economic benefits associated with the transaction will flow to the Corporation;
- (c) the percentage of completion of the transaction at the balance sheet date can be measured reliably; and
- (d) the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

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 Corporation's right to receive payment has been established.

Foreign currencies

The Corporation 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 are recognised in the income statement. Unrealised exchange gains as at the balance sheet date are not treated as part of distributable profit to owner.

Borrowing costs

Borrowing costs are recognised in the income statement in the year when incurred unless they are capitalised in accordance with Vietnamese Accounting Standard No 16 "Borrowing costs". Accordingly, 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. For specific borrowings for the purpose of construction of fixed assets and investment properties, borrowing costs are capitalised even when the construction period is under 12 months.

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 consolidated 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.

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

For Nhon Trach 1 Thermal Power Plant, according to Investment Certificate No. 47121000093 dated 28 December 2007, the annual preferential corporate income tax rate applicable to Nhon Trach 1 Thermal Power Plant (PetroVietnam Nhon Trach Power One Member Limited Company) is 20% of profit earned for 10 years from commercial operation commencement and 22% for the subsequent years. Nhon Trach 1 Thermal Power Plant is exempted from corporate income tax for two years from the year having taxable income and is entitled to a 50% reduction in corporate income tax payable for three subsequent years.

Since 01 August 2008, PetroVietnam Nhon Trach Power One Member Limited Company has been merged into PetroVietnam Power Corporation - One Member Company Limited and has been operating as a dependent accounting entity. The year 2014 is the last year the Corporation has adopted the 50% tax reduction for Nhon Trach 1 Thermal Power Plant. The Corporation therefore excluded preferential enterprise income tax for this project in 2015.

For the Ca Mau 1 Power Plant and Ca Mau 2 Power Plant project, according to Investment Certificate No. 61101000098 dated 31 March 2010 issued by the People's Committee of Ca Mau Province, the project is entitled to a corporate income tax exemption for 4 years and a 50% reduction in tax payable for the 7 years thereafter. The year 2015 is the third year the Corporation has adopted 50% corporate income tax reduction for the Ca Mau 1 Power Plant and Ca Mau 2 Power Plant Project.

For Nhon Trach 2 Thermal Cycle Power Plant, PetroVietnam Power Nhon Trach 2 Joint Stock Company (NT2 - the Corporation's subsidiary) is entitled to tax rate of 10% of the assessable income from production and trading of electricity for 15 years from the first year having revenue; and tax rate of 22% for the years thereafter. NT2 is entitled to corporate income tax exemption for 4 years from the year that the Corporation has taxable income from production and trading of electricity and a 50% tax reduction for the 9 years thereafter. The year 2015 is the first year the Corporation has adopted 50% tax reduction for corporate income tax.

Hua Na Hydropower Plant Project is a new investment project in Que Phong, Nghe An province, which is a location with extremely difficult economic-social conditions as per Decree No. 124/2008/ND-CP dated 11 December 2008 and Decree No. 218/2013/ND-CP dated 26 December 2013 of the Government. According to Law on corporate income tax No. 14/2008/QH12 dated 03 June 2008 of the National Assembly, which was amended and supplemented by laws amending and supplementing some articles of Law on corporate income tax No. 32/2013/QH13 dated 19 June 2013, Hua Na Hydropower Joint Stock Company (HHC - the Corporation's subsidiary) is entitled to 10% corporate income tax rate for the first 15 years of operation, to a tax exemption for 4 years, and a 50% tax reduction for 9 years thereafter. Tax reduction, exemption period is calculated on a continuous basis, starting from the first year that HHC incurs taxable income from the project entitled to tax incentives.

For Dakdrinh Hydropower Plant Project, according to Investment Certificate No. 34121000029 dated 25 June 2008, Dakdrinh Hydropower Joint Stock Company (the Corporation's subsidiary) is entitled to tax incentives stipulated in Decree No. 24/2007/ND-CP dated 14 February 2007 of the Government detailing the implementation of the Law on enterprise income tax (which was replaced by Decree No.218/2013/ND-CP dated 26 December 2013).

Other subsidiaries of the Corporation are obligated to pay corporate income tax at the rate of 22%.

Deferred tax is recognised on significant differences between carrying amounts of assets and liabilities in the consolidated 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FORM B 09-DN/HN

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation (Continued)

Deferred tax is calculated at the tax rates that are expected to apply in the year 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 Corporation 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.

5. RETROSPECTIVE ADJUSTMENTS TO THE ISSUED 2014 CONSOLIDATED FINANCIAL STATEMENTS

After issue of the Corporation's 2014 consolidated financial statements signed on 25 March 2015, the Corporation received Auditors' Report dated 17 March 2015 on its 2014 financial statements from the State Audit Office of Vietnam (the "SAV"). According to the recommendations of the SAV, the Corporation should make an adjustment to its accounting book and 2014 financial statements based on the audit results. The Board of Directors therefore determined that the previously issued 2014 consolidated financial statements should be adjusted in accordance with the SAV's recommendations. Impacts of the retrospective adjustments are presented as follows:

CONSOLIDATED BALANCE SHEET

Items	31/12/2014	Retrospective	31/12/2014
	(Before adjustment)	adjustment	(After adjustment)
	VND	VND	VND
ASSETS			
1. Trade accounts receivable	3,378,006,500,910	5,656,543,956	3,383,663,044,866
2. Other receivables	2,457,199,260,029	76,833,053,579	2,534,032,313,608
3. Inventories	4,133,200,750,511	1,208,217,733	4,134,408,968,244
4. Taxes and other receivables from the State budget	765,392,364	4,000,000	769,392,364
5. Tangible fixed assets	25,396,064,255,316	185,509,341,610	25,581,573,596,926
- Cost	39,316,380,101,171	194,386,817,471	39,510,766,918,642
- Accumulated depreciation	(13,920,315,845,855)	(8,877,475,861)	(13,929,193,321,716)
6. Construction in progress	508,107,615,225	(194,386,817,471)	313,720,797,754
7. Provision for impairment of long-term financial investments	(44,134,909,711)	157,109,733	(43,977,799,978)
RESOURCES			
1. Taxes and amounts payable to the State budget	146,873,419,505	74,777,932,996	221,651,352,501
2. Accrued expenses	2,303,895,910,497	(13,996,862,344)	2,289,899,048,153
3. Other current payables	284,636,374,466	(22,801,823,506)	261,834,550,960
4. Retained earnings	1,581,614,056,440	36,919,787,742	1,618,533,844,182
5. Minority interests	2,376,924,998,689	82,414,252	2,377,007,412,941

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FORM B 09-DN/HN

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

5. RETROSPECTIVE ADJUSTMENTS TO THE ISSUED 2014 CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

Items	2014	Retrospective	2014
	(Before adjustment)	adjustment	(After adjustment)
	VND	VND	VND
1. Gross revenue from goods sold and services rendered	24,359,695,234,721	(3,161,672,901)	24,356,533,561,820
2. Net revenue from goods sold and services rendered	24,359,695,234,721	(3,161,672,901)	24,356,533,561,820
3. Cost of sales	20,644,892,896,721	(26,041,439,791)	20,618,851,456,930
4. Gross profit from goods sold and services	3,714,802,338,000	22,879,766,890	3,737,682,104,890
5. Financial income	1,062,506,830,391	1,326,525,448	1,063,833,355,839
6. General and administration expenses	427,216,750,006	(28,151,286,339)	399,065,463,667
7. Operating profit	2,807,717,475,941	52,357,578,677	2,860,075,054,618
8. Other income	33,900,171,183	35,590,212,473	69,490,383,656
9. Other expenses	17,070,478,267	35,590,212,473	52,660,690,740
10. Profit before tax	2,824,787,954,208	87,947,791,150	2,912,735,745,358
11. Current corporate income tax expense	143,345,630,479	7,952,790,683	151,298,421,162
12. Net profit after corporate income tax	2,681,442,323,729	79,995,000,467	2,761,437,324,196
- Equity holders of the Holding Company	2,110,263,249,669	79,912,586,215	2,190,175,835,884
- Minority interests	571,179,074,060	82,414,252	571,261,488,312

CONSOLIDATED CASH FLOW STATEMENT

Items	2014	Retrospective	2014
	(Before adjustment)	adjustment	(After adjustment)
	VND	VND	VND
Profit before tax	2,824,787,954,208	87,947,791,150	2,912,735,745,358
Depreciation and amortisation	2,923,089,763,376	8,877,475,861	2,931,967,239,237
Provisions	48,516,849,226	(157,109,733)	48,359,739,493
Unrealised foreign exchange (gain)	(325,313,749,109)	(1,051,290,759)	(326,365,039,868)
(Gain) from investing activities	(610,615,941,254)	(118,124,956)	(610,734,066,210)
Changes in receivables	282,950,716,886	(82,493,597,535)	200,457,119,351
Changes in inventories	(1,427,923,738,126)	(1,208,217,733)	(1,429,131,955,859)
Changes in accounts payable (not including accrued interest and corporate income tax payable)	1,782,521,262,420	(11,796,926,295)	1,770,724,336,125

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FORM B 09-DN/HN

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

6. CASH AND CASH EQUIVALENTS

	<u>31/12/2015</u>	<u>31/12/2014</u>
	VND	(Reclassified) VND
Cash on hand	2,811,419,079	5,299,917,694
Bank demand deposits	754,140,391,029	653,661,516,841
Cash equivalents (i)	5,316,535,643,559	4,859,276,578,374
	<u>6,073,487,453,667</u>	<u>5,518,238,012,909</u>

(i) Cash equivalents represent deposits at banks with original terms of three months or less.

7. FINANCIAL INVESTMENTS

a) Short-term financial investments

	<u>31/12/2015</u>		<u>31/12/2014 (Reclassified)</u>	
	Cost	Carrying amount	Cost	Carrying amount
	VND	VND	VND	VND
Held - to - maturity investments (i)	150,000,000,000	150,000,000,000	55,000,000,000	55,000,000,000
	<u>150,000,000,000</u>	<u>150,000,000,000</u>	<u>55,000,000,000</u>	<u>55,000,000,000</u>

(i) As at 31 December 2015, the balance of held-to-maturity investments represented 12-month-term bank deposits with interest rates ranging from 6% to 6.6% p.a.

b) Long-term financial investments

b1) Investments in associates

Investments in associates under the equity method are as follows:

	<u>31/12/2015</u>	<u>31/12/2014</u>
	VND	VND
Nam Chien Hydropower JSC	232,042,305,519	281,939,008,795
Song Hong Energy JSC	27,731,707,967	26,760,038,050
Song Vang Hydropower JSC	17,198,839,620	27,237,196,223
PetroVietnam Northern Machinery - Equipment JSC	846,479,114	827,495,184
	<u>277,819,332,220</u>	<u>336,763,738,252</u>

Details of adjustments to investments in associates under the equity method as at 31 December 2015 are as follows:

	<u>Cost</u>	<u>Adjustment</u>	<u>After adjustment</u>
	VND	(decrease) VND	VND
Nam Chien Hydropower JSC	302,295,301,000	(70,252,995,481)	232,042,305,519
Song Hong Energy JSC	32,887,500,000	(5,155,792,033)	27,731,707,967
Song Vang Hydropower JSC	57,128,233,926	(39,929,394,306)	17,198,839,620
PetroVietnam Northern Machinery - Equipment JSC	846,479,114	-	846,479,114
	<u>393,157,514,040</u>	<u>(115,338,181,820)</u>	<u>277,819,332,220</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

7. FINANCIAL INVESTMENTS (Continued)

b2) Investments in other entities

	31/12/2015		31/12/2014 (Restated)	
	Cost	Provision	Cost	Provision
	VND	VND	VND	VND
Viet Lao Power JSC.	320,049,656,500	-	320,049,656,500	-
North-West Electric Investment and Development JSC.	38,037,521,044	-	38,037,521,044	-
Motorcycles Auto Parts Showa Vietnam Co., Ltd	36,673,137,983	-	36,673,137,983	-
Song Tranh 3 Hydropower JSC.	29,341,800,000	212,470,868	29,341,800,000	212,470,868
EVN International JSC.	28,800,000,000	-	28,800,000,000	-
PetroVietnam Urban Development JSC.	18,202,000,000	18,185,958,469	18,202,000,000	16,095,141,221
FCC Vietnam Co., Ltd	16,800,000,000	-	16,800,000,000	-
Nippon Seiki Vietnam Co., Ltd	11,781,000,000	-	11,781,000,000	-
High Tech Concrete Investment JSC	11,140,000,000	11,140,000,000	11,140,000,000	11,140,000,000
PetroVietnam Southern Building and Development JSC.	10,100,000,000	-	11,000,000,000	-
Petroleum Information Technology Telecom and Automation JSC	5,040,000,000	163,047,979	5,040,000,000	481,425,093
Nhon Trach Shipyard JSC	3,621,000,000	585,753,079	3,621,000,000	389,950,192
Petrovietnam Mechine and Electricity JSC	3,000,000,000	-	3,000,000,000	-
Nghe An Foods JSC	2,016,000,000	2,016,000,000	2,016,000,000	2,016,000,000
Son Tra Song Da Hydropower JSC.	1,228,800,000	1,228,800,000	1,228,800,000	1,228,800,000
PetroVietnam Mechanical and Electrical JSC.	1,000,000,000	101,553,933	1,000,000,000	101,553,934
Southern Petroleum Machinery and Equipment JSC	841,102,790	680,584,598	841,102,790	811,575,891
Asia Pacific Energy JSC.	550,000,000	550,000,000	550,000,000	47,554,306
Business cooperation - Hanoi Supermarket Company	170,431,509	-	592,119,293	-
Viwaseen-Tay Bac Hydropower JSC.	-	-	16,984,521,667	8,695,045,154
Bat Dai Son Hydropower JSC.	-	-	5,496,889,113	2,758,283,319
Business Cooperation - Transport Corporation Hanoi	-	-	130,419,025	-
	538,392,449,826	34,864,168,926	562,325,967,415	43,977,799,978

Under Circular No. 200/2014/TT-BTC dated 22 December 2014 issued by the Ministry of Finance, fair value of investments as at 31 December 2015 should be disclosed. However, the Corporation has not determined such fair value due to failure to obtain reliable information. The fair value of the investments as at 31 December 2015 therefore has not been presented in the notes of the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

8. TRADE RECEIVABLES

	<u>31/12/2015</u>	<u>31/12/2014</u>
	VND	(Restated) VND
a) Short-term trade receivables		
Electric Power Trading Company	3,925,586,306,449	4,458,795,496,706
Other customers	387,575,075,405	467,799,610,942
Receivables from related parties		
Vietnam Oil and Gas Group	134,132,489,555	-
PetroVietnam Ca Mau Fertilizer Company Limited	26,139,436,170	36,977,196,785
PetroVietnam Construction Joint Stock Corporation	8,067,090,760	-
PetroVietnam Gas Joint Stock Corporation	5,538,379,489	-
Structural Metals and Petroleum Equipment Assembly JSC	3,547,301,175	-
PetroVietnam Vung Ang - Quang Trach Power Project Management Unit	-	12,274,894,648
	<u>4,490,586,079,003</u>	<u>4,975,847,199,081</u>
b) Long-term trade receivables		
Electric Power Trading Company	328,973,109,894	493,459,664,841
	<u>328,973,109,894</u>	<u>493,459,664,841</u>

9. OTHER RECEIVABLES

	<u>31/12/2015</u>	<u>31/12/2014</u>
	VND	(Reclassified) VND
a) Short-term		
Vietnam Oil and Gas Group (i)	580,151,155,944	-
Value of Line 220kV handed over to Electricity Transmission 1 Company (ii)	364,087,026,232	339,696,695,112
PetroVietnam Vung Ang - Quang Trach Power Project Management Unit (iii)	140,978,396,532	50,676,924,858
Siemens Aktiengesellschaft (iv)	87,645,380,153	-
Accrued interest on bank deposits	18,409,358,548	16,111,174,658
Accrued interest on loan receivables	-	4,880,555,556
Others	36,186,669,156	48,616,477,033
	<u>1,227,457,986,565</u>	<u>459,981,827,217</u>
b) Long-term		
Site clearance and compensation	38,782,753,000	38,782,753,000
Long-term deposits	1,715,937,800	2,180,750,140
Others	215,860,000	205,360,000
	<u>40,714,550,800</u>	<u>41,168,863,140</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

9. OTHER RECEIVABLES (Continued)

- (i) Receivables from Vietnam Oil and Gas Group consist of (1) Profit of 2015 overpaid to the Group with the amount of VND 468,846,478,211 and (2) Operating service fee of Vung Ang 1 Thermal Power Plant which is the additional amount temporarily settled by the Group with the amount of VND 111,304,677,733.
- (ii) According to the SAV's Audit Minutes dated 03 November 2015 regarding an audit of the item of 220KV line connected to the national power system of Hua Na Hydropower Project, the finalised cost of the 220KV line project is VND 364,087,026,232. Hua Na Hydropower Joint Stock Company (HHC - a subsidiary of the Corporation) agreed with Electricity Transmission 1 Company about the handover of such cost. The Corporation's Board of Directors has assessed and believes that such amount is probably receivable from Electricity Transmission 1 Company and therefore made no provision for bad debts.
- (iii) Receivables from PetroVietnam Vung Ang - Quang Trach Power Project Management Unit represent operating expenses of Vung Ang 1 Production Preparation Unit, staff training cost for Vung Ang Thermal Power Plant and the value of spare parts received in 2016 under Resolution No.753/NQ-DKVN dated 05 February 2016 by the Members' Council of Vietnam Oil and Gas Group.
- (iv) Receivables from Siemens Aktiengesellschaft represent the corporate income tax amounts to be paid by PetroVietnam Power Services Joint Stock Company (PVPS - a subsidiary of the Corporation) on behalf of the foreign contractor Siemens Aktiengesellschaft for the period from May 2008 to December 2015. Such amounts consist of (i) a tax amount of VND 80,943,929,849 for the period from May 2008 to November 2014 (according to Decision No. 60944/KL-CT-KTT2 dated 24 September 2015 issued by the head of the Hanoi Tax Department) and (2) an estimated tax amount of VND 6,701,450,304 for the period from December 2014 to December 2015. The Corporation's Board of Directors has assessed and believes that the above-mentioned tax amounts will be returned by Siemens Aktiengesellschaft to the Corporation under the terms of the contract signed between the parties. As a result, no provision for bad debts should be made for such receivables.

10. BAD DEBTS

	31/12/2015		31/12/2014	
	Cost	Recoverable amount	Cost	Recoverable amount
	VND	VND	VND	VND
Value of receivables and loans that are overdue or not overdue but unlikely recoverable				
PetroVietnam Power Engineering Consulting JSC	10,243,260,950	-	-	-
Mien Trung Petroleum Construction JSC	7,045,317,471	-	7,045,317,471	-
Others	136,714,290,312	46,999,971,195	199,639,045,550	133,193,536,177
	154,002,868,733	46,999,971,195	206,684,363,021	133,193,536,177

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

11. INVENTORIES

	31/12/2015		31/12/2014 (Restated)	
	Cost	Provision	Cost	Provision
	VND	VND	VND	VND
Raw materials (i)	1,407,424,933,586	-	1,101,945,566,844	-
Tools and supplies	3,808,702,868	-	3,878,072,345	-
Work in progress (ii)	2,251,100,078,508	-	2,508,559,121,444	-
Merchandise	38,380,887,788	(182,400,000)	20,748,462,967	(243,200,000)
	3,700,714,602,750	(182,400,000)	3,635,131,223,600	(243,200,000)

(i) As at 31 December 2015, the cost of raw materials mainly represented the cost of materials and equipment which were imported for the purpose of maintenance and overhaul of gas turbines at Ca Mau 1 Power Plant, Ca Mau 2 Power Plant and Nhon Trach 2 Combined Cycle Power Plant under long-term maintenance contracts with an amount of about VND 486 billion (as at 31 December 2015: VND 421 billion).

(ii) As at 31 December 2015, work in progress included costs of technical services incurred by PetroVietnam Power Services Joint Stock Company (PVPS - a subsidiary of the Corporation) related to acquisition of imported materials and equipment and other costs for the maintenance of Ca Mau 1 Power Plant, Ca Mau 2 Power Plant and Nhon Trach 2 Combined Cycle Power Plant under a contract signed between PVPS and the contractor Siemens (Siemens Aktiengesellschaft and Siemen Vietnam Company Limited) with an amount of approximately VND 2,001 billion (31 December 2014: VND 2,457 billion).

For this inventory item, PVPS acted as an intermediary to record it as payable to contractors who rendered repair and maintenance services to power plants and to record the same amount as receivable from such power plants. The balances of inventories and the corresponding payables will be settled and adjusted when the contracts with suppliers expire.

12. PREPAYMENTS

	31/12/2015	31/12/2014
	VND	VND
a) Short term		
Insurance for the operation of Ca Mau 1&2 Power Plants	14,082,652,680	12,158,679,387
Insurance for the operation of Nhon Trach 1&2 Power Plants	14,216,494,080	11,985,587,311
Other prepayments	3,804,658,972	770,036,911
	32,103,805,732	24,914,303,609
b) Long term		
Site clearance and resettlement cost for Dakdrinh Hydropower Plant Project	883,772,150,614	813,618,733,008
Credit loan insurance premiums (i)	380,148,837,329	441,548,675,121
Mobilisation fee, variable and fixed cost of equipment maintenance contract (ii)	242,481,734,966	276,363,551,871
Operations and maintenance expenses (iii)	223,945,845,068	276,638,985,086
O&M expenses of Nhon Trach 2 Power Plant	41,860,145,380	72,899,890,233
Office rental	40,563,390,825	49,678,342,248
Goodwill	28,582,230,577	35,846,177,305
Foreign exchange differences for the period of basic construction investment	-	238,978,725,490
Loan interest prepaid for equipment maintenance contracts	-	11,700,012,206
Others	29,681,458,284	14,898,051,588
	1,871,035,793,043	2,232,171,144,156

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**FORM B 09-DN/HN***These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements***12. PREPAYMENTS (Continued)**

(i) Credit loan insurance premiums: under export credit loan contracts signed between PetroVietnam Power Nhon Trach 2 Joint Stock Company (NT2 – a subsidiary of the Corporation) and bank creditors in which Citibank acts as the lead agent, loan insurance premiums were issued by HERMES and NEXI to the creditors for the whole loan term of 2.5 years for grace period and 9.5 years of repayment period. The premiums are allocated on a straight-line basis corresponding to the loan terms with regard to long-term loans.

(ii) Mobilisation fees, variable costs and fixed costs of equipment maintenance contracts: according to long-term equipment maintenance contract between NT2 and the contractors for the maintenance of major machinery and equipment for Nhon Trach 2 Combined Cycle Power Plant for a term of 11.7 years or 200,000 EOH. Mobilisation fee, fixed costs and variable costs are paid before Nhon Trach 2 Combined Cycle Power Plant starts its commercial operation and are recognised in the consolidated income statement of the year according to the number of EOH actually incurred.

(iii) Represent mobilisation fee paid to foreign contractors and the remaining value of the contract on "Minor repairs of 2008" amounting to VND 201,996,863,299 and VND 21,948,981,769 respectively which are unallocated to operation and maintenance expenses related to O&M contract for Ca Mau 1 Power Plant and Ca Mau 2 Power Plant. Mobilisation fee and the remaining value of the contract on "Minor repairs of 2008" are allocated to expenses based on the contract value, corresponding to 100,000 EOH.

13. LONG-TERM LOAN RECEIVABLES

Long-term loans receivable represent a loan granted by the Corporation to Vietnam Electricity ("EVN") under Loan Contract No. 04.2013/HDNN-EVN-PVPOWER dated 30 December 2013 with amount of VND 7,000 billion for a term of 7 years from the contract signing date. The loan interest rate is determined by the average VND 12-month savings interest rate with interest paid in arrears of 4 banks, including Vietnam Joint Stock Commercial Bank for Industry and Trade, Joint Stock Commercial Bank for Investment and Development of Vietnam, Joint Stock Commercial Bank for Foreign Trade of Vietnam, and Vietnam Bank for Agriculture and Rural Development at the interest determination date. As at 31 December 2015, the loan was repaid before the due date by EVN.

PETROVIETNAM POWER CORPORATION

8th, 9th floors, Vietnam Petroleum Institute Tower, Trung Kinh, Cau Giay
Hanoi, S.R. Vietnam

Consolidated financial statements
For the year ended 31 December 2015

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

14. INCREASES, DECREASES IN TANGIBLE FIXED ASSETS

	Buildings and structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Others VND	Total VND
COST						
As at 01 January 2015 (Restated)	12,959,940,064,041	26,198,359,535,152	264,539,171,423	87,791,972,572	136,175,454	39,510,766,918,642
New purchases	1,648,186,928	15,056,728,957	6,396,632,726	8,528,944,571	-	31,630,493,182
Transfer from construction in progress	107,809,397,511	15,174,656,316	-	-	-	122,984,053,827
Handed over from the Group (i)	28,347,173,181,335	-	8,927,826,753	-	-	28,356,101,008,088
Handed over to Binh Thuan Electricity Company (ii)	(34,450,836,582)	(266,421,861,056)	-	-	-	(300,872,697,638)
Disposals	-	(1,384,846,079)	(1,514,272,287)	(1,966,010,421)	(44,545,454)	(4,909,674,241)
(Decrease) due to divestments	-	(152,854,545)	(4,885,103,751)	(559,577,485)	-	(5,597,535,781)
Increase/(decrease) due to consolidation	6,877,891,642	-	(1,051,672,727)	-	-	5,826,218,915
(Decrease) due to merger	-	-	(292,167,924)	(59,509,821)	-	(351,677,745)
Other decreases	(43,168,000)	-	-	-	-	(43,168,000)
As at 31 December 2015	41,388,954,716,875	25,960,631,358,745	272,120,414,213	93,735,819,416	91,630,000	67,715,533,939,249
ACCUMULATED DEPRECIATION						
As at 01 January 2015 (Restated)	1,608,807,071,908	12,099,864,601,757	159,147,527,828	61,254,431,520	119,688,703	13,929,193,321,716
Charge for the year	559,970,776,125	2,218,002,602,876	25,762,608,026	10,277,802,878	16,486,751	2,814,030,276,656
Handed over to Binh Thuan Electricity Company (ii)	(4,091,387,850)	(67,400,107,552)	-	-	-	(71,491,495,402)
Disposals	-	(1,384,846,079)	(1,514,272,287)	(1,966,010,421)	(44,545,454)	(4,909,674,241)
(Decrease) due to divestments	-	(136,809,484)	(3,992,559,319)	(551,299,705)	-	(4,680,668,508)
Decrease due to consolidation	-	-	(671,902,025)	-	-	(671,902,025)
(Decrease) due to merger	-	-	(292,167,924)	(59,509,821)	-	(351,677,745)
Other decreases	(8,634,492)	-	-	-	-	(8,634,492)
As at 31 December 2015	2,164,677,825,691	14,248,945,441,518	178,439,234,299	68,955,414,451	91,630,000	16,661,109,545,959
NET BOOK VALUE						
As at 31 December 2015	39,224,276,891,184	11,711,685,917,227	93,681,179,914	24,780,404,965	-	51,054,424,393,290
As at 31 December 2014	11,351,132,992,133	14,098,494,933,395	105,391,643,595	26,537,541,052	16,486,751	25,581,573,596,926

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

14. INCREASES, DECREASES IN TANGIBLE FIXED ASSETS (Continued)

(i) According to Resolution No. 753/NQ-DKVN dated 05 February 2016 issued by the Members' Council of Vietnam Oil and Gas Group, the Corporation received the transfer of Vung Ang 1 Thermal Power Plant and 500KV Distribution Yard of Vung Ang Power Centre from Vietnam Oil and Gas Group at 24h00 on 31 December 2015 with an estimated value of VND 28,356,101,008,088.

(ii) In the year, the Corporation handed over assets related to operations of Phu Quy Island Wind Power Plant in Binh Thuan Province to Vietnam Electricity under the approved decision of the Prime Minister in Official Letter No. 145/TTg-KTN dated 27 January 2014 and Minutes dated 21 December 2015 on handover of Phu Quy Island Wind Power Plant from Vietnam Oil and Gas Group to Vietnam Electricity.

The cost of the Corporation's fixed assets as at 31 December 2015 includes VND 76,753,328,742 (31 December 2014: VND 43,061,983,473) of the assets which have been fully depreciated but are still in use.

The Corporation has pledged all the assets formed from the projects for constructions of Hua Na Hydropower Plant and Bac Kan Hydropower Plant to secure banking facilities.

15. INTANGIBLE ASSETS

	Land use rights	Computer software	Others	Total
	VND	VND	VND	VND
COST				
As at 01 January 2015	42,368,849,139	34,572,291,232	414,914,313	77,356,054,684
New purchases	-	1,458,057,350	-	1,458,057,350
Transfer from construction in progress	-	624,956,500	-	624,956,500
(Decrease) due to divestments	-	-	(414,914,313)	(414,914,313)
As at 31 December 2015	42,368,849,139	36,655,305,082	-	79,024,154,221
ACCUMULATED AMORTISATION				
As at 01 January 2015	-	12,035,365,459	414,914,313	12,450,279,772
Charge for the year	-	6,674,517,827	-	6,674,517,827
(Decrease) due to divestments	-	-	(414,914,313)	(414,914,313)
As at 31 December 2015	-	18,709,883,286	-	18,709,883,286
NET BOOK VALUE				
As at 31 December 2015	42,368,849,139	17,945,421,796	-	60,314,270,935
As at 31 December 2014	42,368,849,139	22,536,925,773	-	64,905,774,912

The cost of the Corporation's intangible assets as at 31 December 2015 includes VND 1,238,922,350 (31 December 2014: VND 1,184,202,350) of the assets which have been fully amortised but are still in use.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

16. INCREASES, DECREASES IN INVESTMENT PROPERTY

	<u>Land use rights</u> VND	<u>Buildings and structures</u> VND	<u>Total</u> VND
COST			
As at 01 January 2015	7,779,542,940	21,344,880,703	29,124,423,643
Disposals	-	(11,578,800,703)	(11,578,800,703)
As at 31 December 2015	7,779,542,940	9,766,080,000	17,545,622,940
ACCUMULATED DEPRECIATION			
As at 01 January 2015	3,889,771,466	10,581,429,835	14,471,201,301
Charge for the year	1,944,885,732	2,434,571,263	4,379,456,995
Disposals	-	(5,518,920,335)	(5,518,920,335)
As at 31 December 2015	5,834,657,198	7,497,080,763	13,331,737,961
NET BOOK VALUE			
As at 31 December 2015	1,944,885,742	2,268,999,237	4,213,884,979
As at 31 December 2014	3,889,771,474	10,763,450,868	14,653,222,342

17. CONSTRUCTION IN PROGRESS

	<u>2015</u> VND	<u>2014</u> (Restated) VND
As at 01 January 2015	313,720,797,754	3,928,334,229,160
Increase in the year	374,856,783,256	424,801,142,520
Transfer to tangible fixed assets	(122,984,053,827)	(4,035,103,791,176)
Transfer to intangible assets	(624,956,500)	(4,310,782,750)
As at 31 December 2015	564,968,570,683	313,720,797,754

Details of construction in progress as at 31 December 2015 are as follows:

	<u>31/12/2015</u> VND	<u>31/12/2014</u> (Restated) VND
Hua Na Hydropower Plant (i)	318,432,817,904	151,786,085,185
Luang Prabang Hydropower Project (ii)	128,975,526,822	128,348,858,723
Nhon Trach 1 Thermal Power Plant project	78,159,556,657	1,307,246,091
Sub-area 2 Project	25,609,491,717	25,609,491,717
Hoa Thang district Wind Power Plant	5,338,923,964	4,963,735,251
Others	8,452,253,619	1,705,380,787
	564,968,570,683	313,720,797,754

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

17. CONSTRUCTION IN PROGRESS (Continued)

(i) Unit No.1 and Unit No.2 of Hua Na Hydropower Plant were officially put in operation and commercial power generation on 06 February 2013 and on 31 March 2013. As at 31 December 2015 Hua Na Hydropower Joint Stock Company (HHC - the Corporation's subsidiary), temporarily increased cost of fixed assets of Hua Na Hydropower Plant by an amount of VND 5,314 billion. Construction cost incurred after the temporary increase of fixed assets with the amount of VND 332.8 billion is recorded as "Construction in progress". According to Decision No. 21/QD-HDQT-HHC dated 01 June 2015, HHC's Board of Management has approved that total investment adjusted for the 3rd time for Hua Na Hydropower Plant is VND 7,092.98 billion. Accordingly, HHC's Board of Directors has assessed and decided that the estimated cost of the fixed assets will be adjusted when the finalisation of the project cost is approved by competent agencies.

(ii) Luang Prabang Hydropower Plant is currently under construction phase, which is temporarily suspended. At the request of Vietnam Oil and Gas Group under Official Letter No. 4913/DKVN-DTPT dated 21 July 2014 on the implementation plan of Luang Prabang Hydropower Plant Project for the period 2014 - 2015, the Corporation has completed the plan of this project for the period 2014 - 2015 and submitted along with Official Letter No. 1850/DLDK-DTPT dated 21 August 2014 to the Department of Energy - Lao People's Democratic Republic to renew the Memorandum of Understanding (MOU) between Vietnam and Lao to continue the Project. Laos Government has issued Official Letter on agreement to extend the Luang Prabang Project's MOU for 24 months (to 26 December 2016). The Corporation is waiting for approval on environmental impact assessment report to continue the Project.

18. LONG-TERM SPARE PARTS

As at 31 December 2015, the balance of long-term reserved spare parts represents the value of spare parts reserved for repair and maintenance according to the technical requirements in Nhon Trach 1 Combined Cycle Power Plant, Ca Mau 1 Power Plant and Ca Mau 2 Power Plant.

19. SHORT-TERM TRADE PAYABLES

	31/12/2015		31/12/2014	
	Amount VND	Amount able to be paid off VND	Amount VND	Amount able to be paid off VND
a) Short-term trade payables				
Siemens Aktiengesellschaft (i)	2,921,069,814,193	2,921,069,814,193	2,957,096,351,144	2,957,096,351,144
Song Da Corporation	223,046,315,754	223,046,315,754	212,805,204,521	212,805,204,521
Vietnam Lilama Corporation	127,216,596,958	127,216,596,958	128,549,705,144	128,549,705,144
Infrastructure Development and Construction Corporation	101,179,330,725	101,179,330,725	110,565,097,913	110,565,097,913
Others	499,656,284,137	499,656,284,137	349,797,845,625	349,797,845,625
b) Payables to related parties <i>(Presented in Note 41)</i>	925,234,893,358	925,234,893,358	1,438,606,269,137	1,438,606,269,137
	4,797,403,235,125	4,797,403,235,125	5,197,420,473,484	5,197,420,473,484

(i) PetroVietnam Power Services JSC (PVPS- Subsidiary of the Corporation) recognised trade payables to Siemens Aktiengesellschaft based on custom declarations for import of materials and equipment for maintenance and overhaul of Ca Mau 1 Power Plant, Ca Mau Power 2 Plant and Nhon Trach 2 Combined Cycle Power Plant.

Balances of respective trade payables and inventories will be finalised and adjusted when the contract between the Company and the supplier expires.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FORM B 09-DN/HN

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

20. TAXES AND AMOUNTS RECEIVABLE FROM/PAYABLE TO THE STATE BUDGET

Items	31/12/2014	Movement in 2015		31/12/2015
	(Restated)	Amount payable	Amount paid	
	VND	VND	VND	VND
a) Receivables				
Value added tax	-	-	1,468,057,576	1,468,057,576
Import duty	98,990,256	3,321,641,510	3,222,651,254	-
Corporate income tax	622,978,501	194,516,371	234,285,530	662,747,660
Other taxes	6,184,329	589,274,242	691,869,228	108,779,315
Personal income tax	41,239,278	637,888,653	647,921,544	51,272,169
	769,392,364	4,743,320,776	6,264,785,132	2,290,856,720
b) Payables				
Value added tax	230,974,414,217	1,108,716,138,145	1,205,803,466,064	133,887,086,298
Corporate income tax	71,282,939,953	430,486,658,642	415,353,925,549	86,415,673,046
Natural resources tax	11,516,791,367	125,834,492,663	127,699,978,735	9,651,305,295
Personal income tax	4,834,814,328	36,879,018,325	34,358,436,703	7,355,395,950
Fee for environmental protection	24,131,787,320	19,405,910,000	39,416,247,320	4,121,450,000
Other payables	2,719,966,888	21,595,630,447	22,303,889,145	2,011,708,190
	345,460,714,073	1,742,917,848,222	1,844,935,943,516	243,442,618,779

21. SHORT-TERM ACCRUED EXPENSES

	31/12/2015	31/12/2014
	VND	(Restated) VND
Accrued gas expenses (i)	942,074,047,245	1,234,567,578,806
Operation and maintenance expenses (ii)	135,556,643,894	89,648,927,883
Interest expenses (iii)	60,599,002,024	70,928,018,311
Electricity, water for plant operation (iv)	34,523,584,060	-
Other accrued expenses	53,191,590,216	48,360,189,623
	1,225,944,867,439	1,443,504,714,623

- (i) Gas expenses represent accrued expenses for gas purchased by the Corporation for Nhon Trach 1 Combined Cycle Power Plant and Nhon Trach 2 Combined Cycle Power Plant but relevant invoices have not been received yet.
- (ii) Operation and maintenance expenses were accrued for Ca Mau 1 Power Plant and Ca Mau 2 Power Plant, Nhon Trach 1 Combined Cycle Power Plant and Nhon Trach 2 Combined Cycle Power Plant.
- (iii) Accrued interest expenses as at 31 December 2015 represent interest on credit contracts financing power plant projects of the Corporation.
- (iv) Represent accrued expenses for water, electricity, maintenance and repair expenses relating to operation and management of Vung Ang Thermal Power plant, of which invoices have not yet been issued.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

22. OTHER PAYABLES

	31/12/2015	31/12/2014
	VND	(Restated) VND
a) Short-term		
Payables to Vietnam Oil and Gas Group (i)	4,080,418,016,059	42,992,798,473
Dividends payables	10,841,900,994	50,799,307,585
Grants, support fund	1,013,424,355	8,047,201,737
Bid security	-	6,737,218,160
Other payables	29,518,232,524	29,448,663,433
	4,121,791,573,932	138,025,189,388
b) Long-term		
Long-term deposits	479,720,300	18,500,000
Long-term business cooperation contract payables	6,846,234,536	4,135,444,465
	7,325,954,836	4,153,944,465

- (i) Balance as at 31 December 2015 represents amount payable to Vietnam Oil and Gas Group due to the transfer of Vung Ang 1 Thermal Power Plant and 500 kV Distribution Yard of Vung Ang Power Centre under Resolution No. 753/NQ-DKVN dated 05 February 2016 by the Members' Council of Vietnam Oil and Gas Group and 2014 profit payable to the Group according to the recommendations of the State Audit of Vietnam.

23. SHORT-TERM LOANS AND OBLIGATIONS UNDER FINANCE LEASES

Details of short-term loans are as follows:

	31/12/2015	31/12/2014
	VND	VND
a) Short-term loans		
Vietnam Public Joint Stock Commercial Bank	118,277,318,337	105,386,978,000
Vietnam Technological and Commercial Joint Stock Bank	60,886,450,912	-
JSC Bank for Foreign Trade of Vietnam	43,120,701,500	21,190,247,000
Joint Stock Commercial Bank for Investment and Development of Vietnam	37,663,615,421	4,050,000,000
Vietnam International Commercial Joint Stock Bank	30,000,000,000	-
Military Commercial Joint Stock Bank	12,013,494,318	15,619,941,592
Saigon - Hanoi Commercial Joint Stock Bank	8,742,197,153	-
Individuals	3,100,000,000	100,000,000
Ocean Commercial Joint Stock Bank	-	1,447,945,890
	313,803,777,641	147,795,112,482
b) Current portion of long-term loans	6,337,307,126,788	3,578,135,918,256
<i>(Presented in Note 24)</i>		
	6,651,110,904,429	3,725,931,030,738

PETROVIETNAM POWER CORPORATION

8th, 9th floors, Vietnam Petroleum Institute Tower, Trung Kinh, Cau Giay
Hanoi, S.R. Vietnam

Consolidated financial statements
For the year ended 31 December 2015

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**FORM B 09-DN/HN**

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

23. SHORT-TERM LOANS AND OBLIGATIONS UNDER FINANCE LEASES (Continued)

Items	31/12/2014		In the year		31/12/2015	
	Amount	Amount able to be paid off	Increase	Decrease	Amount	Amount able to be paid off
	VND	VND	VND	VND	VND	VND
Short-term borrowings (i)	147,795,112,482	147,795,112,482	661,725,579,106	495,716,913,947	313,803,777,641	313,803,777,641
Current portion of long-term loans <i>(Presented in Note 24)</i>	3,578,135,918,256	3,578,135,918,256	6,338,893,261,737	3,579,722,053,205	6,337,307,126,788	6,337,307,126,788
Total	3,725,931,030,738	3,725,931,030,738	7,000,618,840,843	4,075,438,967,152	6,651,110,904,429	6,651,110,904,429

24. LONG-TERM LOANS AND OBLIGATIONS UNDER FINANCE LEASES

Items	31/12/2014		In the year		31/12/2015	
	Amount	Amount able to be paid off	Increase	Decrease	Amount	Amount able to be paid off
	VND	VND	VND	VND	VND	VND
Long-term borrowings	23,253,163,832,974	23,253,163,832,974	17,884,266,695,495	7,726,503,261,210	33,410,927,267,259	33,410,927,267,259
Total	23,253,163,832,974	23,253,163,832,974	17,884,266,695,495	7,726,503,261,210	33,410,927,267,259	33,410,927,267,259
In this:						
<i>Amount due for settlement within 12 months</i>	<i>3,578,135,918,256</i>				<i>6,337,307,126,788</i>	
<i>Amount due for settlement after 12 months</i>	<i>19,675,027,914,718</i>				<i>27,073,620,140,471</i>	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

24. LONG-TERM LOANS AND OBLIGATIONS UNDER FINANCE LEASES (Continued)

	<u>31/12/2015</u>	<u>31/12/2014</u>
	VND	VND
Loans for Vung Ang Thermal Power Plant which is transferred from Vietnam Oil and Gas Group (i)	17,163,397,138,609	-
Citibank	5,537,609,887,691	6,532,996,051,929
Credit Agricole Corporate and Investment Bank	3,774,094,444,420	3,677,007,240,904
Joint Stock Commercial Bank for Foreign Trade of Vietnam	2,455,541,908,564	2,926,847,259,703
Vietnam Development Bank - Nghe An branch	1,856,445,443,198	1,965,229,443,198
Calyon Bank	1,063,568,750,000	1,528,670,000,000
ANZ Bank	432,964,284,464	1,236,985,713,278
Vietnam Joint Stock Commercial Bank for Industry and Trade	305,607,118,976	341,559,118,976
Military Commercial Joint Stock Bank	240,020,595,707	243,720,595,707
Vietnam Prosperity Joint Stock Commercial Bank	200,526,931,298	229,173,635,770
An Binh Commercial Joint Stock Bank	180,000,000,000	200,000,000,000
Ho Chi Minh City Housing Development Joint Stock Commercial Bank	127,259,808,929	145,439,781,633
Saigon-Hanoi Commercial Joint Stock Bank	42,251,838,436	-
Joint Stock Commercial Bank for Investment and Development of Vietnam	27,092,641,071	32,018,575,871
Individuals	4,546,475,000	4,797,720,000
Vietnam Public Joint Stock Commercial Bank	-	4,000,000,000,000
Ocean Commercial Joint Stock Bank	-	188,718,696,005
	33,410,927,266,362	23,253,163,832,974
Less: Amount due for settlement within 12 months (presented in the short-term loans and borrowings)	6,337,307,126,788	3,578,135,918,256
Amount due for settlement after 12 months	27,073,620,139,574	19,675,027,914,718

- (i) According to Resolution No. 753/NQ-DKVN dated 05 February 2016 by the Members' Council of Vietnam Oil and Gas Group ("the Group"), the Group approved to transfer Vung Ang 1 Thermal Power Plant and 500kV Distribution Yard of Vung Ang Power Centre to the Corporation. Accordingly, the Group transferred loan contracts denominated in USD used to finance Vung Ang Thermal Power Plant with amount as at 31 December 2015 of USD 764,516,576.33, equivalent to VND 16,034,180,412,163 to the Corporation. The Corporation has determined foreign exchange losses incurred at the end of the year due to the revaluation of loans denominated in foreign currency with the amount of VND 1,129,216,726,446 and recognized these losses in the business results of the year 2015. At the date of these consolidated financial statements, the Group was processing procedures to authorize the Corporation to settle obligations in the aforementioned contracts.

Long-term loans of the Corporation are disbursed in US dollars, Euros and Vietnam Dong to serve the procurement of fixed assets of the Corporation. Details of loans by disbursed currency are as follows:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

24. LONG-TERM LOANS AND OBLIGATIONS UNDER FINANCE LEASES (Continued)

	<u>31/12/2015</u>	<u>31/12/2014</u>
	VND	VND
Loans disbursed in United States Dollar	27,658,928,446,959	12,681,827,268,298
Loans disbursed in Euro	2,989,709,557,059	3,409,397,693,521
Loans disbursed in Vietnam Dong	2,762,289,262,344	7,161,938,871,155
	<u>33,410,927,266,362</u>	<u>23,253,163,832,974</u>

The long-term loans and liabilities of the Corporation classified by type of guarantee are as follows:

	<u>31/12/2015</u>	<u>31/12/2014</u>
	VND	VND
Unsecured	374,585,053,663	4,379,411,137,403
Guarantee from the third party	30,421,217,710,201	15,902,506,265,814
Secured by assets	2,615,124,502,498	2,971,246,429,757
	<u>33,410,927,266,362</u>	<u>23,253,163,832,974</u>

The Corporation's loans were contracted with floating interest rates and fixed rates. These loans are classified by interest rate as follows:

	<u>31/12/2015</u>	<u>31/12/2014</u>
	VND	VND
Loans with fixed interest rate	2,920,014,193,198	3,493,899,443,198
Loans with floating interest rate	30,490,913,073,164	19,759,264,389,776
	<u>33,410,927,266,362</u>	<u>23,253,163,832,974</u>

Long-term loans are repayable as follows:

	<u>31/12/2015</u>	<u>31/12/2014</u>
	VND	VND
Within one year	6,337,307,126,788	3,578,135,918,256
In the second year	5,620,302,607,388	3,874,023,521,118
In the third to fifth year inclusive	15,162,746,902,578	7,345,649,648,870
After five years	6,290,570,629,608	8,455,354,744,730
	<u>33,410,927,266,362</u>	<u>23,253,163,832,974</u>
Less: amount due for settlement within 12 months (presented under short-term loans and liabilities)	6,337,307,126,788	3,578,135,918,256
Amount due for settlement after 12 months	<u>27,073,620,139,574</u>	<u>19,675,027,914,718</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

25. PROVISIONS

	2015	2014
	VND	VND
As at 01 January 2015	846,394,333,530	425,776,454,901
Additional provision during the year	942,054,726,326	1,249,732,133,647
Reversal of provision	(270,872,861,526)	(48,348,611,833)
Provisions used	(750,939,264,052)	(780,765,643,185)
As at 31 December 2015	766,636,934,278	846,394,333,530
	31/12/2015	31/12/2014
	VND	VND
<i>Details are as follows:</i>		
Short-term provisions	-	321,552,430,588
Long-term provisions	766,636,934,278	524,841,902,942
	766,636,934,278	846,394,333,530

Provisions represent operation and maintenance expenses accrued for Ca Mau 1 Power Plant, Ca Mau 2 Power Plant and Nhon Trach 1 Thermal Power Plant.

- Operation and maintenance expenses of Ca Mau 1 Power Plant and Ca Mau 2 Power Plant are determined according to the contract on "Maintenance and repair of Ca Mau 1 Power Plant and Ca Mau 2 Power Plant for the first 100,000 equivalent operating hours (EOH)" between Petro Vietnam Power Corporation and PetroVietnam Power Services Joint Stock Company. The operation and maintenance fee stipulated in Amendment No.1 to the contract is the sum of EUR 319,985,061.19 and VND 623,696,667,758 (value added tax exclusive), and is allocated over 100,000 EOH.

- Operation and maintenance expenses of Nhon Trach 1 Thermal Power Plant are accrued based on the contract on operation and maintenance services for Nhon Trach 1 Thermal Power Plant for 108,000 EOH. The operation and maintenance fee stated in the contract is the sum of EUR 164,126,359 and VND 891,892,343,648 and is allocated over 108,000 EOH.

26. SCIENTIFIC AND TECHNOLOGICAL DEVELOPMENT FUND

As at 31 December 2015, the balance of Scientific and Technological Development Fund of the Corporation was as follows:

	31/12/2015	31/12/2014
	VND	VND
Holding Company - PetroVietnam Power Corporation	61,898,672,042	-
PetroVietnam Power Nhon Trach 2 JSC	41,396,933,193	4,546,933,193
PetroVietnam Power Services JSC	2,500,000,000	-
	105,795,605,235	4,546,933,193

PETROVIETNAM POWER CORPORATION8th, 9th floors, Vietnam Petroleum Institute Tower, Trung Kinh, Cau Giay
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For the year ended 31 December 2015**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****FORM B 09-DN/HN***These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements***27. OWNER'S EQUITY****Movement in owner's equity**

	Owner's contributed capital	Share premium	Other owner's capital	Foreign exchange reserve	Investment and development fund	Retained earnings	Non-controlling interests	Total
	VND	VND	VND	VND	VND	VND	VND	VND
Balance as at 01 January 2014	13,107,329,620,410	-	160,498,712,687	105,613,578,015	96,404,193,955	380,773,567,324	1,657,721,394,984	15,508,341,067,375
Profit for the year	-	-	-	-	-	2,761,437,324,196	-	2,761,437,324,196
Attributable to non-controlling interests	-	-	-	-	-	(571,261,488,312)	571,261,488,312	-
Transfer profit to the Group	-	-	-	-	-	(680,770,942,957)	-	(680,770,942,957)
Exchange differences arising in construction period	-	-	-	18,907,714,320	-	-	-	18,907,714,320
Profit appropriation	-	-	-	-	194,822,595,338	(275,276,665,139)	(3,239,512,297)	(83,693,582,098)
Adjustment to investments in associates using equity method	-	-	-	(124,408,499,832)	-	1,140,666,458	-	(123,267,833,374)
Dividends declared	-	-	-	-	-	-	(56,803,500,000)	(56,803,500,000)
Increase in proportion ownership interest in subsidiaries	-	-	-	-	-	-	207,964,119,398	207,964,119,398
Other increases/(decreases)	-	-	(58,226,907)	(112,792,503)	(385,976,399)	2,491,382,612	103,422,544	2,037,809,347
Balance as at 01 January 2015 (Restated)	13,107,329,620,410	-	160,440,485,780	-	290,840,812,894	1,618,533,844,182	2,377,007,412,941	17,554,152,176,207
Profit for the year	-	-	-	-	-	1,386,081,808,174	-	1,386,081,808,174
Capital received due to assets handed out (i)	8,666,971,957,266	-	-	-	-	-	-	8,666,971,957,266
Attributable to non-controlling interests	-	-	-	-	-	(390,941,328,828)	390,941,328,828	-
Profit appropriation	-	-	-	-	285,514,487,668	(389,625,352,787)	41,296,201,700	(62,814,663,419)
Profit transferred to the Group	-	-	-	-	-	(1,683,305,389,676)	-	(1,683,305,389,676)
Investment and development fund used to repay loans on behalf of PVPower RE (ii)	-	-	-	-	(232,630,856,886)	-	-	(232,630,856,886)
Dividends declared	-	-	-	-	-	-	(252,574,309,278)	(252,574,309,278)
Increase in proportion ownership interest in subsidiaries	-	-	-	-	1,946,192,036	(10,417,455,155)	140,758,243,454	132,286,980,335
Profit overpaid to the Group	-	-	-	-	-	469,719,686,711	-	469,719,686,711
Other increases/(decreases)	-	(70,963,183)	1,704,771,848	-	(856,618,523)	(2,807,914,890)	-	(2,030,724,748)
Balance as at 31 December 2015	21,774,301,577,676	(70,963,183)	162,145,257,628	-	344,814,017,189	997,237,897,731	2,697,428,877,645	25,975,856,664,686

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

27. OWNER'S EQUITY (Continued)

- (i) According to Resolution No. 753/NQ-DKVN dated 05 February 2016 of the Members' Council of Vietnam Oil and Gas Group ("the Group"), the Group approved to transfer Vung Ang 1 Thermal Power Plant and 500kV Distribution Yard of Vung Ang Power Centre to the Corporation, and decided to raise the Corporation's charter capital to VND 8,666,971,957,266. At the reporting date, the Group and the Corporation are under process to complete procedures on increasing charter capital for the Corporation.
- (ii) According to Official Letter No. 8917/BTC-TCDN dated 01 July 2015 on the plan to transfer Phu Quy Island Wind Power Plant from Vietnam Oil and Gas Group (PVN) to Vietnam Electricity (EVN), the Ministry of Finance allows the Corporation to use the investment and development fund to pay for loans of PVPowerRE in order to free mortgage assets for handover purposes. Therefore, the Corporation has used the investment and development fund to pay loans of PVPowerRE with the amount of VND 232,630,856,886.

28. OFF BALANCE SHEET ITEMS

	<u>31/12/2015</u>	<u>31/12/2014</u>
	VND	VND
Foreign currencies		
US Dollar (USD)	795,572	225,264
Euro (EUR)	5,644	10,280

29. REVENUE FROM GOODS SOLD AND SERVICES RENDERED

	<u>2015</u>	<u>2014</u>
	VND	(Restated) VND
Electricity sales (*)	21,824,558,167,184	24,107,269,155,344
Sales of other services	607,752,553,570	33,588,564,615
Revenue from goods sold	768,847,138,139	212,136,581,417
Revenue from construction contracts	16,186,381,630	3,539,260,444
Revenue from real estate sold	13,866,000,000	-
	<u>23,231,210,240,523</u>	<u>24,356,533,561,820</u>

In which:

Revenue with related parties <i>(Presented in Note 41)</i>	733,185,253,186	294,415,610,557
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(*) Electricity sales in 2015 include VND 1,044,781,499,355, which is the difference between the amount in electricity bill under the new price unit and the amount paid by Vietnam Electricity (EVN) to the Corporation from 30 June 2008 to 31 December 2013.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

30. COST OF SALES

	2015	2014
	VND	(Reclassified)
		VND
Cost of electricity sold	16,823,170,059,829	20,379,361,137,719
Cost of other services rendered	450,929,002,409	28,407,357,224
Cost of goods sold	760,330,310,384	207,819,826,481
Cost of construction contracts	15,180,557,945	3,263,135,506
Cost of real estate sold	13,318,005,368	-
	18,062,927,935,935	20,618,851,456,930

31. PRODUCTION COST BY NATURE

	2015	2014
	VND	(Reclassified)
		VND
Raw materials and consumables	11,731,598,879,647	15,909,087,365,302
Labour	693,975,005,025	448,076,125,635
Depreciation and amortisation	2,825,084,251,478	2,931,967,239,237
Out-sourced services	2,104,709,170,486	2,452,296,558,289
Other monetary expenses	583,863,177,301	304,517,350,415
	17,939,230,483,937	22,045,944,638,878

32. FINANCIAL INCOME

	2015	2014
	VND	(Reclassified)
		VND
Bank interest	259,968,428,500	275,858,695,852
Loan interest (*)	168,802,083,332	360,403,472,223
Dividends and profits received	64,698,734,948	971,045,122
Realised foreign exchange gain	28,513,855,362	21,681,374,297
Unrealised foreign exchange gain	590,878,144	404,761,658,612
Other financial income	62,363,927	157,109,733
	522,636,344,213	1,063,833,355,839

(*) Loan interest represents interest on the amount the Corporation lent to Vietnam Electricity under Loan Contract No. 04.2013/HDNN-EVN-PVPOWER dated 30 December 2013.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

33. FINANCIAL EXPENSES

	2015	2014
	VND	VND
Unrealised foreign exchange loss (*)	1,515,411,362,655	78,396,618,744
Interest expenses	863,827,773,803	1,198,922,064,696
Foreign exchange loss arising in the construction period	238,978,725,494	141,762,159,596
Realised foreign exchange loss	88,762,376,964	11,165,440,252
Loan insurance premium	61,399,837,792	61,399,837,792
Loss on disposal of investments	22,574,064,846	4,088,907,120
Loan guarantee fee	19,933,970,550	24,672,200,686
Provision for impairment of long-term financial investments	(210,160,272)	(16,663,595,392)
Other financial expenses	17,362,729,606	12,391,020,526
	2,828,040,681,438	1,516,134,654,020

(*) Included VND 1,129,216,726,446 which is foreign exchange loss due to revaluation of loans denominated in foreign currency handed over from Vietnam Oil and Gas Group (as presented in Note 24).

34. SELLING EXPENSES AND GENERAL AND ADMINISTRATION EXPENSES

	2015	2014
	VND	(Restated)
		VND
Selling expenses in the year		
Labour cost	4,787,698,632	480,011,254
Depreciation and amortisation	176,862,616	(161,441,795)
Cost of selling materials	34,686,781	-
Out-sourced services	4,421,889,645	761,728,543
Other selling expenses	7,662,289,865	1,571,652,249
	17,083,427,539	2,651,950,251
General and administration expenses		
Labour cost	307,684,489,931	191,088,245,365
Depreciation and amortisation	24,778,059,635	24,061,804,810
Cost of management materials	25,168,313,379	16,223,288,594
Out-sourced services	268,235,461,363	24,413,318,554
Other administration expenses	362,707,949,800	143,278,806,344
	988,574,274,108	399,065,463,667

35. OTHER INCOME

	2015	2014
	VND	(Restated)
		VND
Proceeds from fixed assets disposed	831,192,726	1,682,305,455
Breach of contract penalties	674,780,884	854,584,754
Adjusted depreciation of 220Kv line transferred to Power Transmission I Company	-	20,950,083,319
Allowances and training supports for practitioners in Vung Ang Thermal Power Plant I	-	11,478,456,253
Others	11,749,409,907	34,074,953,875
	13,255,383,517	69,040,383,656

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

36. OTHER EXPENSES

	2015	2014
	VND	VND
Expense on fixed assets disposed	-	1,385,384,337
Write-off of bad debts from Electric Power Trading Company	-	13,899,616,207
Others	6,964,516,483	1,094,692,372
	6,964,516,483	16,379,692,916

37. CORPORATE INCOME TAX

	2015	2014
	VND	(Restated)
		VND
Corporate income tax on electricity sales	423,284,964,546	137,607,529,628
Corporate income tax on other activities	7,201,694,096	13,690,891,534
	430,486,658,642	151,298,421,162

38. CONTINGENT ASSETS AND LIABILITIES

On 18 August 2011, the Corporation sent Official Letter No. 2605/DLDK-TM to Vietnam Electricity (EVN), requesting EVN to consider and agree with the Corporation on adjustments to Phu My - Nhon Trach transport fees related to contract on gas purchase for Nhon Trach 1 Power Plant from the temporarily estimated unit price of USD 0.15/million BTU to USD 0.46/million BTU. The proposed unit price has been applied since 21 May 2008 when Nhon Trach 1 Power Plant began receiving gas. On 29 December 2011, EVN sent Official Letter No. 4867/EVN-TCKT-KTSX to the Ministry of Industry and Trade, in which, EVN specified that EVN lacked firm basis to reach an agreement on transport fees mentioned above with Vietnam Oil and Gas Group (PVN) because PVN has not yet provided sufficient documentation and data for calculation. On 29 February 2012, the Ministry of Industry and Trade sent Official Letter No. 1458/BCT-DTDL requiring both parties to continue negotiations on Phu My - Nhon Trach route transport fees.

On 08 December 2015, the Ministry of Industry and Trade released Official Letter No. 12577/BCT-TCLN agreeing with the plan to increase the transport fees and submitted it to the Prime Minister for approval. On 17 December 2015, the Prime Minister sent an official letter to the Ministry of Finance, the Ministry of Planning and Investment, the State Bank of Vietnam and Vietnam Electricity expressing comments on this issue. The Corporation has not collected sufficient reliable information to quantify the impact of this event to the consolidated financial statements for the year ended 31 December 2015. Accordingly, the Board of Directors determined that as at 31 December 2015, the Corporation has potential assets (which might be receivable from EVN) and contingent liabilities (which might be payable to gas transporters) from the event mentioned above.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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39. FINANCIAL INSTRUMENTS

Capital risk management

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

The capital structure of the Corporation consists of net debt (borrowings disclosed in Note 23 and Note 24, offset by cash and cash equivalents) and its owner's equity (comprising contributed capital, reserves and retained earnings).

Gearing ratio

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

	<u>31/12/2015</u>	<u>31/12/2014</u>
	VND	VND
Borrowings	33,724,731,044,003	23,400,958,945,456
Less: Cash and cash equivalents	(6,073,487,453,667)	(5,518,238,012,909)
Net debt	27,651,243,590,336	17,882,720,932,547
Equity	25,975,856,664,686	17,554,152,176,207
Net debt to equity ratio	1.06	1.02

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

	<u>Carrying amounts as at</u>	<u>Carrying amounts as at</u>
	31/12/2015	31/12/2014
	VND	VND
Financial assets		
Cash and cash equivalents	6,073,487,453,667	5,518,238,012,909
Investments	653,528,280,900	573,348,167,437
Trade and other receivables	5,940,230,137,924	9,856,003,224,295
Other financial assets	1,715,937,800	2,180,750,140
Total	12,668,961,810,291	15,949,770,154,781
Financial liabilities		
Borrowings	33,724,731,044,003	23,400,958,945,456
Trade and other payables	8,925,507,339,538	5,331,552,405,600
Accruals	1,225,944,867,439	1,443,504,714,623
Other financial liabilities	766,636,934,278	846,394,333,530
Total	44,642,820,185,258	31,022,410,399,209

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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39. FINANCIAL INSTRUMENTS (Continued)

Categories of financial instruments (Continued)

The Corporation has not assessed fair value of its financial assets and liabilities as at the balance sheet date since there is 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 Corporation has set up risk management system to identify and assess the risks exposed to the Corporation 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 Corporation’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 Corporation’s activities expose it primarily to the financial risks of changes in foreign currency exchange rates, interest rates and prices. The Corporation does not hedge these risk exposures due to the lack of active market for the trading activities of financial instruments.

Foreign currency risk management

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

The carrying amounts of the Corporation’s foreign currency denominated monetary assets and monetary liabilities at the end of the year are as follows:

	Assets		Liabilities	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	VND	VND	VND	VND
United States Dollar (USD)	18,355,447,499	348,561,347	27,702,749,226,992	8,805,654,656,545
Euro (EUR)	155,183,070	19,201,715	2,762,289,262,344	3,409,397,693,521

Foreign currency sensitivity analysis

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

The following table details the Corporation’s sensitivity to a 1% change in Vietnam Dong against United States Dollar and Euro. 1% 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 year end for a 1% change in foreign currency rates. For a 1% increase/(decrease) in the following foreign currencies against Vietnam Dong, the profit before tax in the year would (decrease)/increase by the following amounts:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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39. FINANCIAL INSTRUMENTS (Continued)

Foreign currency sensitivity analysis (Continued)

	<u>2015</u>	<u>2014</u>
	<u>VND</u>	<u>VND</u>
United States Dollar (USD)	(276,843,937,795)	(88,053,060,952)
Euro (EUR)	(27,621,340,793)	(34,093,784,918)

Interest rate risk management

The Corporation has interest rate risks arising from interest bearing loans which are arranged. The risk is managed by the Corporation by maintaining an appropriate level of borrowings and analysing market competition to enjoy favourable 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 in the following table. Assuming all other variables were held constant, if interest rates applicable to floating interest bearing loans had been 200 basis points higher/lower, the Corporation's profit before tax for the year ended 31 December 2015 would (decrease)/increase by VND 616,094,337,016 (for the year ended 31 December 2014: VND 398,141,190,045).

	<u>Increase/(Decrease)</u>	<u>Impact on</u>
	<u>in basis points</u>	<u>profit before tax</u>
		<u>VND</u>
For the year ended 31 December 2015		
VND	+200	(616,094,337,016)
VND	-200	616,094,337,016
For the year ended 31 December 2014		
VND	+200	(398,141,190,045)
VND	-200	398,141,190,045

Commodity price risk management

The Corporation purchases materials, commodities from local and foreign suppliers for business purpose. Therefore, the Corporation 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 Corporation. The Corporation has a credit policy in place and the exposure to credit risk is monitored on an on-going basis. At the balance sheet date, the Corporation had a significant concentration of credit risk arising on the amounts due from Electric Power Trading Company ("EPTC"). The maximum exposure to credit risk is represented by the carrying amount of the balance due from EPTC as presented in Note 8.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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39. 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 year is kept to manageable levels relative to the amount of funds that the Corporation believes can generate within that year. The Corporation's policy is to regularly monitor current and expected liquidity requirements to ensure that the Corporation maintains sufficient reserves of cash, borrowings and adequate committed funding from its owner to meet its liquidity requirements in the short and longer terms.

The following tables detail the Corporation'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 liabilities and undiscounted cash flows of financial liabilities based on the earliest date on which the Corporation can be required to pay. The inclusion of information on non-derivative financial assets necessary in order to understand the Corporation's liquidity risk management as the liquidity is managed on a net asset and liability basis.

	Less than 1 year	Over 1 year	Total
	VND	VND	VND
31/12/2015			
Cash and cash equivalents	6,073,487,453,667	-	6,073,487,453,667
Investments	150,000,000,000	503,528,280,900	653,528,280,900
Trade and other receivables	5,611,041,168,030	329,188,969,894	5,940,230,137,924
Other financial assets	-	1,715,937,800	1,715,937,800
Total	11,834,528,621,697	834,433,188,594	12,668,961,810,291
31/12/2015			
Borrowings	6,651,110,904,429	27,073,620,139,574	33,724,731,044,003
Trade and other payables	8,918,181,384,702	7,325,954,836	8,925,507,339,538
Accruals	1,225,944,867,439	-	1,225,944,867,439
Other financial liabilities	-	766,636,934,278	766,636,934,278
Total	16,795,237,156,570	27,847,583,028,688	44,642,820,185,258
Net liquidity gap	(4,960,708,534,873)	(27,013,149,840,094)	(31,973,858,374,967)
	Less than 1 year	Over 1 year	Total
	VND	VND	VND
31/12/2014			
Cash and cash equivalents	5,518,238,012,909	-	5,518,238,012,909
Investments	55,000,000,000	518,348,167,437	573,348,167,437
Trade and other receivables	5,362,338,199,454	4,493,665,024,841	9,856,003,224,295
Other financial assets	-	2,180,750,140	2,180,750,140
Total	10,935,576,212,363	5,014,193,942,418	15,949,770,154,781
31/12/2014			
Borrowings	3,725,931,030,738	19,675,027,914,718	23,400,958,945,456
Trade and other payables	5,327,398,461,135	4,153,944,465	5,331,552,405,600
Accruals	1,443,504,714,623	-	1,443,504,714,623
Other financial liabilities	321,552,430,588	524,841,902,942	846,394,333,530
Total	10,818,386,637,084	20,204,023,762,125	31,022,410,399,209
Net liquidity gap	117,189,575,279	(15,189,829,819,707)	(15,072,640,244,428)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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39. FINANCIAL INSTRUMENTS (Continued)

Liquidity risk management (Continued)

The Board of Directors assessed that the Corporation was exposed to liquidity risk; however, the Board of Directors believes that the Corporation will be able to generate sufficient funds to meet its financial obligations as and when they fall due.

40. SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

According to Resolution No. 753/NQ-DKVN dated 05 February 2016 issued by the Members' Council of Vietnam Oil and Gas Group (the "Group"), the Group approved to transfer VND 28,739,450,795,515 of assets of Vung Ang 1 Thermal Power Plant and 500kV Distribution Yard of Vung Ang Power Centre to the Corporation, which included: (1) VND 28,356,101,008,088 of fixed assets (see Note 14), (2) VND 216,259,039,296 of spare parts, (3) VND 97,090,748,131 receivable from PetroVietnam Vung Ang - Quang Trach Power Project Management Unit for spare parts to be imported in 2016, and (4) VND 70,000,000,000 of advance to Hoanh Son Water Company for water purchase. These assets were formed from (1) a foreign bank loan of VND 16,034,180,412,163 (see Note 24), (2) an increase in charter capital of VND 8,666,971,957,266 (see Note 27) and (3) an amount payable to the Group of VND 4,038,298,426,086. Consequently, the items "Acquisition and construction of fixed assets and other long-term assets" and "Proceeds from owner's contributed capital" have been respectively adjusted on the items "Increase/decrease in payables" and "Increase/decrease in inventories".

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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41. RELATED PARTY TRANSACTIONS AND BALANCES

List of related parties:

Related parties	Relationship
Vietnam Oil and Gas Group	Parent Company
Ca Mau Gas - Power - Fertilizer Project Management Unit	In the same group
PetroVietnam Vung Ang - Quang Trach Power Project Management Unit	In the same group
PetroVietnam Long Phu - Song Hau Power Project Management Unit	In the same group
PetroVietnam Thai Binh 2 Power Project Management Unit	In the same group
Nghi Son Oil Refinery Project Management Unit	In the same group
Vietnam Petroleum Institute	In the same group
PetroVietnam Gas Joint Stock Corporation	In the same group
PetroVietnam Drilling Mud Corporation	In the same group
PetroVietnam Ca Mau Fertilizer Company Limited	In the same group
PVI Holdings	In the same group
Vietnam Public Joint Stock Commercial Bank	In the same group
PetroVietnam Construction Joint Stock Corporation	In the same group
PV Oil Lube Joint Stock Company	In the same group
PetroVietnam Security Service Corporation	In the same group
PetroVietnam Central Biofuel Joint Stock Company	In the same group
Petrovietnam Urban Development Joint Stock Company	In the same group
Petrovietnam Southern Building and Development Joint Stock Company	In the same group
Petrosetco Assets Management Joint Stock Company	In the same group
Drilling Fluid and Wells Services One Member Limited Company	In the same group

During the year, the Corporation entered into the following significant transactions with its related parties:

	2015	2014
	VND	VND
Sales of goods and services	733,185,253,186	294,415,610,557
Vietnam Oil and Gas Group	454,928,758,914	9,876,363,636
PetroVietnam Ca Mau Fertilizer Company Limited	177,151,488,382	244,910,013,007
PetroVietnam Gas Joint Stock Corporation	69,980,818,219	-
PetroVietnam Construction Joint Stock Corporation	22,443,801,219	-
PetroVietnam Vung Ang - Quang Trach Power Project Management Unit	8,680,386,452	16,437,454,697
PetroVietnam Thai Binh 2 Power Project Management Unit	-	10,178,932,044
Vung Ang - Quang Trach Project Management Unit	-	-
PetroVietnam Central Biofuel Joint Stock Company	-	7,842,017,288
PetroVietnam Long Phu - Song Hau Power Project Management Unit	-	3,513,890,664
Nghi Son Oil refinery Project Management Unit	-	883,651,039
Drilling Fluid and Wells Services One Member Limited Company	-	773,288,182

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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41. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

During the year, the Corporation entered into the following significant transactions with its related parties (Continued):

	<u>2015</u>	<u>2014</u>
	VND	VND
Purchases of goods and services		
Vietnam Oil and Gas Group	5,469,133,816,433	8,147,012,843,591
PetroVietnam Gas Joint Stock Corporation	6,564,115,350,308	6,230,126,521,806
PVI Holdings	425,423,991,061	113,350,447,963
South-East PetroVietnam Fertilizer and Chemicals JSC.	140,904,665,214	-
Petrovietnam Southern Building and Development Joint Stock Company	15,251,266,780	-
PetroVietnam Security Service Corporation	11,125,745,671	-
PetroVietnam Drilling Mud Corporation	10,597,248,332	6,547,119,960
PetroVietnam Ca Mau Fertilizer Company Limited	6,591,233,368	-
Vietnam Petroleum Institute	5,407,512,220	10,024,560,000
Petrosetco Assets Management Joint Stock Company	4,389,385,413	-
PV Oil Lube Joint Stock Company	-	1,424,624,960
PetroVietnam Energy Technology Corporation	-	300,000,000
Interest expenses		
Vietnam Public Joint Stock Commercial Bank	186,699,618,216	362,591,805,556
Interest on deposits		
Vietnam Public Joint Stock Commercial Bank	36,510,637,914	59,561,620,946
Profits and dividends received		
PetroVietnam Southern Building and Development JSC.	660,000,000	990,000,000
Capital contributed		
Vietnam Oil and Gas Group	8,666,971,957,266	-
Transfer profit to		
Vietnam Oil and Gas Group	1,683,305,389,676	680,770,942,957

Significant related party balances of the Corporation as at 31 December 2015:

	<u>31/12/2015</u>	<u>31/12/2014</u>
	VND	VND
Cash and cash equivalents		
Vietnam Public Joint Stock Commercial Bank	359,554,307,695	1,065,348,236,072
Short-term financial investments		
Vietnam Public Joint Stock Commercial Bank	100,000,000,000	-
Receivables		
Vietnam Oil and Gas Group	134,132,489,555	-
PetroVietnam Ca Mau Fertilizer Company Limited	26,139,436,170	36,977,196,785
PetroVietnam Construction Joint Stock Corporation	8,067,090,760	-
PetroVietnam Gas Joint Stock Corporation	5,538,379,489	-
Petroleum Equipment Assembly and Metal Structure Joint Stock Company	3,547,301,175	-
PetroVietnam Vung Ang - Quang Trach Power Project Management Unit	-	12,274,894,648
Advances to suppliers		
PetroVietnam Construction Joint Stock Corporation	7,045,317,471	-
PetroVietnam Southern Building and Development Joint Stock Company	-	4,391,188,146

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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41. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

Significant related party balances of the Corporation as at 31 December 2015 (Continued):

	<u>31/12/2015</u>	<u>31/12/2014</u>
	VND	VND
Other receivables		
Vietnam Oil and Gas Group	580,151,155,944	-
PetroVietnam Vung Ang - Quang Trach Power Project Management Unit	140,978,396,532	50,676,924,858
PetroVietnam Ca Mau Fertilizer Company Limited	1,842,565,000	-
Vietnam Public Joint Stock Commercial Bank	5,120,194,443	-
Trade payables	925,234,893,358	1,438,606,269,137
Vietnam Oil and Gas Corporation	839,446,443,842	1,368,868,259,251
PV Oil Lube Joint Stock Company	46,534,700,943	-
PVI Holdings	28,899,195,167	-
Vietnam Petroleum Institute	4,335,330,862	-
PetroVietnam Drilling Mud Corporation	3,306,847,136	3,797,176,515
Petrosetco Assets Management Joint Stock Company	1,839,595,910	380,747,319
PetroVietnam Construction Joint Stock Corporation	454,403,426	-
PetroVietnam Security Service Corporation	418,376,072	994,005,314
PetroVietnam Gas Joint Stock Corporation	-	64,566,080,738
Advances from customers		
Vietnam Oil and Gas Group	6,016,151,306	2,630,000,000
PetroVietnam Thai Binh 2 Power Project Management Unit	-	1,678,748,530
Nghi Son Oil Refinery Project Management Unit	-	1,515,043,423
PetroVietnam Long Phu - Song Hau Power Project Management Unit	-	357,106,228
PetroVietnam Vung Ang - Quang Trach Power Project Management Unit	-	116,327,039
Drilling Fluid and Wells Services One Member Limited Company	-	-
Other payables		
PVI Holdings	7,747,500,000	-
PetroVietnam Gas Joint Stock Corporation	39,278,284,374	-
Vietnam Oil and Gas Group	4,080,418,016,059	42,992,798,473
Loans		
Vietnam Public Joint Stock Commercial Bank	118,277,318,337	4,105,386,978,000

42. OTHER INFORMATION

According to Decision No. 1759/QĐ-DKVN dated 28 July 2015, the Members' Council of Vietnam Oil and Gas Group ("the Group") has made decisions on the equitization of the Corporation with the date for determination of the Corporation's value on 31 December 2015. At the reporting date, the Corporation was implementing procedures to determine the value of the Corporation as well as procedures for equitization in accordance with the plan approved by the Group.

According to Resolution No. 2677/QĐ-DKVN dated 09 November 2015, the Members' Council of Vietnam Oil and Gas Group has decided to stop the implementation of Resolution No. 5050/NQ-DKVN dated 26 July 2014 on authorizing the Corporation to be the investor of Song Hau 1 Thermal Power Plant construction project in Hau Giang Province to the Corporation.

PETROVIETNAM POWER CORPORATION8th, 9th floors, Vietnam Petroleum Institute Tower, Trung Kinh, Cau Giay
Hanoi, S.R. Vietnam**Consolidated financial statements**
For the year ended 31 December 2015**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****FORM B 09-DN/HN***These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements***43. COMPARATIVE FIGURES**

Certain figures of the consolidated financial statements of the prior year are retrospectively adjusted according to the recommendations of the State Audit, which are stated in the audit report dated 17 March 2016 regarding 2014 financial statements of the Corporation as presented in Note 5. Some figures after retrospective adjustments have been reclassified in accordance with Circular 200 to enhance their comparability with current year's presentation. Details are as follows:

Under Circular No. 200/2014/TT-BTC			Under Decision No. 15/2006/QĐ-BTC			Change
Items	Code	VND	Items	Code	VND	
CONSOLIDATED BALANCE SHEET			CONSOLIDATED BALANCE SHEET			
					31/12/2014	
					(After adjustment	
					of SAV)	
ASSETS		31/12/2014	ASSETS			
1. Cash equivalents	112	4,859,276,578,374	1. Cash equivalents	112	4,319,276,578,374	Reclassified
2. Held-to-maturity investments	123	55,000,000,000	2. Short-term investments	121	595,000,000,000	Reclassified and renamed
3. Short-term trade receivables	131	4,975,847,199,081	3. Trade accounts receivable	131	-	Reclassified and renamed
4. Other short-term receivables	136	459,981,827,217	4. Other receivables	135	-	Reclassified and renamed
5. Inventories	141	3,635,131,223,600	5. Inventories	141	-	Reclassified
6. Other short-term assets	155	-	6. Other short-term assets	158	12,593,332,665	Reclassified
7. Long-term trade receivables	211	493,459,664,841	7. Long-term trade receivables	211	-	Reclassified and renamed
8. Long-term loans receivable	215	4,000,000,000,000	<i>No corresponding item</i>			Reclassified and renamed
9. Other long-term receivables	216	41,168,863,140	8. Other long-term receivables	218	38,782,753,000	Reclassified
10. Investments in associates	252	336,763,738,252	9. Investments in associates	252	324,831,637,296	Reclassified
11. Equity investments in other entities	253	562,325,967,415	10. Other long-term investments	258	4,562,325,967,415	Reclassified and renamed
12. Long-term reserved spare parts	263	499,277,744,644	<i>No corresponding item</i>			Reclassified and renamed
13. Other long-term assets	268	-	11. Other long-term assets	268	1,386,110,140	Reclassified
14. Good will	269	45,046,987,762	12. Good will	269	56,979,088,718	Reclassified and renamed

PETROVIETNAM POWER CORPORATION

8th, 9th floors, Vietnam Petroleum Institute Tower, Trung Kinh, Cau Giay
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

43. COMPARATIVE FIGURES (Continued)

Under Circular No. 200/2014/TT-BTC			Under Decision No. 15/2006/QĐ-BTC			Change
Items	Code	VND	Items	Code	VND	
					31/12/2014	
					(After adjustment of SAV)	
RESOURCES		31/12/2014	RESOURCES			
1. Short-term trade payables	311	5,197,420,473,484	1. Trade accounts payable	312	5,197,420,473,484	Renamed
2. Taxes and amounts payable to the State budget	313	345,460,714,073	2. Taxes and amounts payable to the State budget	314	221,651,352,501	Reclassified
3. Short-term accrued expenses	315	1,443,504,714,623	3. Accrued expenses	316	2,289,899,048,153	Reclassified
4. Short-term unearned revenue	318	211,500,000	<i>No corresponding item</i>			Reclassified and renamed
5. Other current payables	319	138,025,189,388	4. Other current payables	319	261,834,550,960	Reclassified and renamed
6. Short-term loans and obligations under finance leases	320	3,725,931,030,738	5. Short-term loans and liabilities	311	3,725,931,030,738	Renamed
7. Short-term provisions	321	321,552,430,588	6. Short-term provisions	320	-	Reclassified
8. Bonus and welfare funds	322	40,615,281,225	7. Bonus and welfare funds	323	39,311,643,414	Reclassified
9. Other long-term payables	331	-	8. Other long-term payables	331	18,500,000	Reclassified
10. Long-term unearned revenue	336	-	9. Unearned revenue	338	211,500,000	Reclassified
11. Other long-term payables	337	4,153,944,465	10. Other long-term payables	333	4,135,444,465	Reclassified
12. Long-term loans and obligations under finance leases	338	19,675,027,914,718	11. Long-term loans	334	19,675,027,914,718	Renamed
13. Long-term provisions	342	524,841,902,942	12. Long-term provisions		-	Reclassified
14. Investment and development fund	418	290,840,812,894	13. Investment and development fund	417	288,147,486,891	Reclassified
<i>No corresponding item</i>			14. Financial reserve fund	418	2,693,326,003	Reclassified
15. Other owner's capital	420	-	15. Other owner's capital	419	1,303,637,811	Reclassified



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

43. COMPARATIVE FIGURES (Continued)

Under Circular No. 200/2014/TT-BTC			Under Decision No. 15/2006/QĐ-BTC			Change
Items	Code	VND	Items	Code	VND	
CONSOLIDATED INCOME STATEMENT			CONSOLIDATED INCOME STATEMENT			
		2014			2014	
					(After adjustments of SAV)	
1. Others income	31	69,040,383,656	1. Others income	31	69,490,383,656	Reclassified
2. Other expenses	32	16,379,692,916	2. Other expenses	32	16,829,692,916	Reclassified
CONSOLIDATED CASH FLOW STATEMENT			CONSOLIDATED CASH FLOW STATEMENT			
		2014			2014	
					(After adjustments of SAV)	
1. Provisions	03	468,977,618,122	1. Provisions	03	48,359,739,493	Reclassified
2. (Decrease)/Increase in accounts payable (not including accrued interest and corporate income tax payable)	11	1,350,106,457,496	2. (Decrease)/Increase in accounts payable (not including accrued interest and corporate income tax payable)	11	1,770,724,336,125	Reclassified
3. Cash outflow for lending, buying debt instruments of other entities	23	(55,000,000,000)	3. Cash outflow for lending, buying debt instruments of other entities	23	(595,000,000,000)	Reclassified
Net cash from investing activities	30	1,464,226,171,902	Net cash from investing activities	30	924,226,171,902	Reclassified
Net (decrease)/increase in cash	50	(565,171,375,599)	Net (decrease)/increase in cash	50	(1,105,171,375,599)	Reclassified
Cash and cash equivalents at the end of the year	70	5,518,238,012,909	Cash and cash equivalents at the end of the year	70	4,978,238,012,909	Reclassified

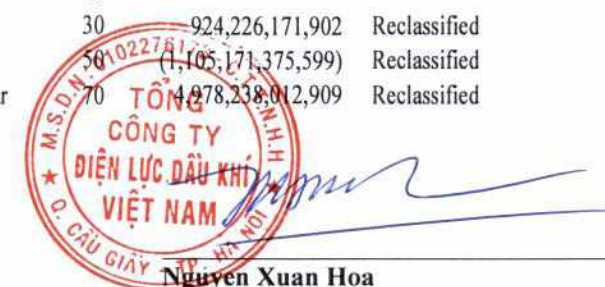


Quach Thi Hong Lien
Preparer

Hanoi, 31 March 2016



Ha Thi Minh Nguyet
Chief Accountant



Nguyen Xuan Hoa
General Director