

VIETNAM ELECTRICITY
POWER ENGINEERING
CONSULTING JOINT STOCK
COMPANY 4

Ref. No. 2104/TVD4-P2

Announcement of Financial Statement
for the second quarter of 2017.

SOCIALIST REPUBLIC OF VIETNAM
Independence – Freedom – Happiness

Khanh Hoa, July 18th 2017

Attention to:

- State Securities Commission of Viet Nam
- Ha Noi Stock Exchange

1. Company's name : Power Engineering Consulting Joint Stock Company 4
2. Stock code : TV4
3. Address : 11 Hoang Hoa Tham Street, Loc Tho Ward, Nha Trang City, Khanh Hoa Province, Viet Nam S.R
4. Tel: (+84) 58.3563999 Fax: (+84) 58 3563888
5. Information disclosure official: Mr. Vu Thanh Danh – Chief Accountant
6. Information disclosure:
 - 6.1- Financial Statement of Power Engineering Consulting Joint Stock Company 4 for the second quarter of 2017 was made on 18 July 2017, including:
 - Balance sheet.
 - Income statement.
 - Cash flows statement.
 - Notes to the Financial statement.
 - 6.2- Content explanation about the difference of 10% of Earnings After Tax (EAT) with the same period in 2016: EAT of Company for the second quarter of 2017 increased 2,264 million VND equal to 83,31% comparing to the second quarter of 2016, reason:
 - Gross revenue for the second quarter of 2017 increased 24,867 million VND, equal to 62,41% comparing to the second quarter of 2016.
 - The company's policy on cost control and saving policy is effective.
7. Website address posted full financial statement: www.pecc4.vn

We commit that the above disclosed information is true and we are legally responsible for the disclosed information.

Cc:
- Idem;
- Archives, P2.

INFORMATION DISCLOSURE OFFICIAL

(Signed)

Vu Thanh Danh

FINANCIAL STATEMENTS
FOR THE SECOND QUARTER OF YEAR 2017

**POWER ENGINEERING
CONSULTING JOINT STOCK
COMPANY 4**

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

BALANCE SHEET

As of 30 June 2017

Unit: VND

ASSETS	Code	Note	Ending balance	Beginning balance
A - CURRENT ASSETS	100		118.826.368.093	123.016.388.654
I. Cash and cash equivalents	110	V.1	18.902.013.441	25.256.467.922
1. Cash	111		18.902.013.441	20.256.467.922
2. Cash equivalents	112		-	5.000.000.000
II. Short-term financial investments	120		-	-
1. Trading securities	121		-	-
2. Provisions for devaluation of trading securities	122		-	-
3. Held-to-maturity investments	123		-	-
III. Short-term receivables	130		94.774.684.625	80.986.712.993
1. Short-term trade receivables	131	V.3a	78.821.126.712	75.613.294.847
2. Short-term prepayments to suppliers	132	V.4	5.751.169.070	6.191.618.297
3. Short-term inter-company receivables	133		-	-
4. Receivable according to the progress of construction contract	134		-	-
5. Receivables for short-term loans	135		-	-
6. Other short-term receivables	136	V.5	17.171.176.112	11.469.451.118
7. Allowance for short-term doubtful debts	137	V.6	(6.968.787.269)	(12.287.651.269)
8. Deficit assets for treatment	139		-	-
IV. Inventories	140		5.149.670.027	16.773.207.739
1. Inventories	141	V.7	5.149.670.027	16.773.207.739
2. Allowance for inventories	149		-	-
V. Other current assets	150		-	-
1. Short-term prepaid expenses	151		-	-
2. Deductible VAT	152		-	-
3. Taxes and other receivables from the State	153		-	-
4. Trading Government bonds	154		-	-
5. Other current assets	155		-	-

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

ASSETS	Code	Note	Ending balance	Beginning balance
B - LONG-TERM ASSETS	200		141.117.956.101	134.048.340.285
I. Long-term accounts receivables	210		1.898.192.121	1.898.192.121
1. Long-term trade receivables	211	V.3b	1.828.192.121	1.828.192.121
2. Long-term prepayments to suppliers	212		-	-
3. Working capital in affiliates	213		-	-
4. Long-term inter-company receivable	214		-	-
5. Receivables for long-term loans	215		-	-
6. Other long-term receivables	216		70.000.000	70.000.000
7. Allowance for long-term doubtful debts	219		-	-
II. Fixed assets	220		27.305.349.069	23.826.289.846
1. Tangible fixed assets	221	V.9	11.530.499.983	8.880.707.842
<i>Historical costs</i>	222		37.696.162.952	34.157.773.536
<i>Accumulated depreciation</i>	223		(26.165.662.969)	(25.277.065.694)
2. Financial leased assets	224		-	-
<i>Historical costs</i>	225		-	-
<i>Accumulated depreciation</i>	226		-	-
3. Intangible fixed assets	227	V.10	15.774.849.086	14.945.582.004
<i>Initial costs</i>	228		19.864.444.411	18.828.157.411
<i>Accumulated amortization</i>	229		(4.089.595.325)	(3.882.575.407)
III. Investment property	230		-	-
1. Historical costs	231		-	-
2. Accumulated depreciation	232		-	-
IV. Long-term assets in process	240		-	-
1. Long-term work in process	241		-	-
2. Construction in progress	242		-	-
V. Long-term financial investments	250		110.941.640.000	106.541.640.000
1. Investment in subsidiaries	251		-	-
2. Investment in joint ventures and associates	252	V.2	108.850.000.000	104.450.000.000
3. Investments in other entities	253	V.2	2.091.640.000	2.091.640.000
4. Provisions for devaluation of long-term financial investments	254		-	-
5. Held-to-maturity investments	255		-	-
V. Other long-term assets	260		972.774.911	1.782.218.318
1. Long-term prepaid expenses	261	V.8	972.774.911	1.782.218.318
2. Deferred income tax assets	262		-	-
3. Long-term components and spare parts	263		-	-
4. Other long-term assets	268		-	-
TOTAL ASSETS	270		259.944.324.194	257.064.728.939

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

OWNER'S EQUITY	Code	Note	Ending balance	Beginning balance
A - LIABILITIES	300		78.477.321.247	76.054.242.808
I. Current liabilities	310		78.477.321.247	76.054.242.808
1. Short-term trade payables	311	V.11	8.032.857.730	9.007.430.317
2. Short-term advances from customers	312	V.12	45.770.037.583	46.252.826.690
3. Taxes and other obligations to the State Budget	313	V.13	5.899.737.373	4.081.537.493
4. Payable to employees	314	V.14	11.951.701.609	9.356.201.560
5. Short-term accrued expenses	315		-	730.936.000
6. Short-term inter-company payable	316		-	-
7. Payable according to the progress of construction contract	317		-	-
8. Short-term unearned revenue	318		-	-
9. Other payable short-term	319	V.15	3.832.377.871	3.646.081.508
10. Short-term borrowings and finance lease	320	V.16	-	-
11. Provision for short-term payables	321		-	-
12. Bonus and welfare funds	322	V.17	2.990.609.081	2.979.229.240
13. Price stabilization fund	323		-	-
14. Trading Government bonds	324		-	-
II. Long-term liabilities	330		-	-
1. Long-term trade payables	331		-	-
2. Long-term advances from customers	332		-	-
3. Long-term accrued expenses	333		-	-
4. Inter-company payables for working capital	334		-	-
5. Long-term inter-company payables	335		-	-
6. Long-term unearned revenue	336		-	-
7. Other payable long-term	337		-	-
8. Long-term borrowings and finance lease	338		-	-
9. Convertible bonds	339		-	-
10. Preferred shares	340		-	-
11. Deferred income tax liability	341		-	-
12. Provisions for long-term payables	342		-	-
13. Science and technology development fund	343		-	-

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

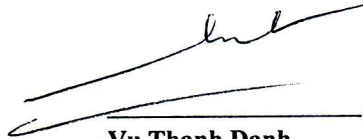
Address: 11 Hoang Hoa Tham St., - Nha Trang City - Khanh Hoa Province

OWNER'S EQUITY	Code	Note	Ending balance	Beginning balance
B - OWNER'S EQUITY	400		181.467.002.947	181.010.486.131
I. Owner's equity	410	V.18	181.467.002.947	181.010.486.131
1. Capital	411		145.996.140.000	145.996.140.000
- Ordinary shares carrying voting rights	411a		145.996.140.000	145.996.140.000
- Preference shares	411b		-	-
2. Share premiums	412		(15.784.110.000)	(15.784.110.000)
3. Bond conversion options	413		-	-
4. Other sources of capital	414		-	-
5. Treasury stocks	415		(745.850.060)	(745.850.060)
6. Differences on asset revaluation	416		-	-
7. Foreign exchange differences	417		-	-
8. Investment and development fund	418		26.753.260.607	26.753.260.607
9. Business arrangement supporting fund	419		-	-
10. Other funds	420		1.721.694.867	1.721.694.867
11. Retained earnings	421		23.525.867.533	23.069.350.717
- Retained earnings accumulated to the end of the previous period	421a		15.988.600.100	-
- Retained earnings of the current period	421b		7.537.267.433	23.069.350.717
12. Construction investment fund	422		-	-
II. Other sources and funds	430		-	-
1. Sources of expenditure	432		-	-
2. Fund to form fixed assets	433		-	-
OWNER'S EQUITY	440		259.944.324.194	257.064.728.939

Nha Trang, 18 July 2017



Tran Le Thanh Binh
Preparer



Vu Thanh Danh
Chief Accountant



Pham Minh Son
General Director

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

INCOME STATEMENT
Second quarter of year 2017

Unit: VND

ITEMS	Code	Note	Quarter 2		Accumulate to quarter 2	
			Year 2017	Year 2016	Year 2017	Year 2016
1. Sales	01	VI.1	64.688.479.813	39.751.595.025	99.614.755.378	70.012.600.894
2. Deductions	02		-	-	-	-
3. Net sales	10		64.688.479.813	39.751.595.025	99.614.755.378	70.012.600.894
4. Costs of goods sold	11	VI.2	49.614.276.161	24.651.535.255	75.653.996.292	46.330.598.831
5. Gross profit / loss	20		15.074.203.652	15.100.059.770	23.960.759.086	23.682.002.063
6. Financial income	21	VI.3	23.069.633	93.434.129	74.699.834	199.185.675
7. Financial expenses	22	VI.4	17.819.637	65.632.999	18.752.276	129.932.897
In which: Loan interest expenses	23		16.664.577	65.632.999	16.664.577	129.224.332
8. Selling expenses	24		-	-	-	-
9. Administrative overheads	25	VI.5	8.803.467.099	11.730.252.112	14.547.461.728	17.808.633.483
10. Net operating profit / loss	30		6.275.986.549	3.397.608.788	9.469.244.916	5.942.621.358
11. Other income	31	VI.6	-	100.000	-	52.205.000
12. Other expenses	32	VI.7	47.660.625	-	47.660.625	-
13. Other profit	40		(47.660.625)	100.000	(47.660.625)	52.205.000
14. Profit / loss before tax	50		6.228.325.924	3.397.708.788	9.421.584.291	5.994.826.358
15. Current corporate income tax	51	V.13	1.245.665.185	679.541.758	1.884.316.858	1.198.965.272
16. Deffed corporate incom tax	52		-	-	-	-
17. Profit / loss after tax	60		4.982.660.739	2.718.167.030	7.537.267.433	4.795.861.086
18. Earning per share	70	VI.8	343	187	519	330
19. Diluted Earning per share	71		-	-	-	-



Nha Trang, 18 July 2017


Tran Le Thanh Binh
Preparer


Vu Thanh Danh
Chief Accountant


Pham Minh Son
General Director

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

CASH FLOWS STATEMENT

(Indirect method)

Second quarter of year 2017

Unit: VND

ITEMS	Code	Note	Current year	Previous year
I. Cash flows from operating activities				
1. Profit/ (loss) before tax	01		9.421.584.291	5.994.826.358
2. Adjustments				
- Depreciation of fixed assets and investment properties	02		1.095.617.193	879.483.079
- Provisions and allowances	03		(5.318.864.000)	-
- Gain/ (loss) from unrealized foreign exchange difference	04		-	-
- Gain/ (loss) from investing activities	05		(53.973.538)	(182.346.665)
- Loan interest expenses	06		16.664.577	129.224.332
- Other adjustments	07		-	-
3. Operating profit/ (loss) before changes of working capital	08		5.161.028.523	6.821.187.104
- Increase/ (decrease) of receivables	09		(9.414.667.966)	(17.320.110.079)
- Increase/ (decrease) of inventories	10		11.623.537.712	2.662.564.352
- Increase/ (decrease) of payables	11		(7.960.217.863)	6.213.158.190
- Increase/ (decrease) of prepaid expenses	12		809.443.407	(75.722.684)
- Increase/ (decrease) of trading securities	13		-	-
- Interests paid	14		(16.664.577)	(41.458.332)
- Corporate income tax paid	15		(1.271.664.342)	(1.758.942.464)
- Other cash inflows	16		6.000.000	10.000.000
- Other cash outflows	17		(959.490.000)	(3.261.579.000)
Net cash flows from operating activities	20		(2.022.695.106)	(6.750.902.913)
II. Cash flows from investing activities				
1. Purchases and construction of fixed assets and other long-term assets	21		-	(229.718.955)
2. Gains from disposals and liquidation of fixed assets and other long-term assets	22		-	-
3. Cash outflow for lending, buying debt instruments of other entities	23		-	-
4. Cash recovered from lending, selling debt instruments of other entities	24		-	-
5. Investments into other entities	25		(4.400.000.000)	-
6. Withdrawals of investments in other entities	26		-	-
7. Interest earned, dividends and profits received	27		68.240.625	182.346.665
Net cash flows from investing activities	30		(4.331.759.375)	(47.372.290)

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

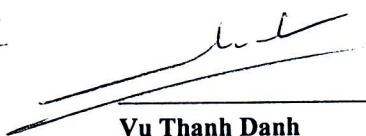
Cash flows statement (cont.)

ITEMS	Code	Note	<u>Current year</u>	<u>Previous year</u>
III. Cash flows from financing activities				
1. Proceeds from issuing stocks and capital contributions from owners	31		-	-
2. Repayment for capital contributions and re-purchases of stocks already issued	32		-	-
3. Proceeds from borrowings	33		9.508.360.000	20.000.000.000
4. Repayment for loan privipal	34		(9.508.360.000)	(20.000.000.000)
5. Payments for financial leasehold assets	35		-	-
6. Dividends and profit already paid to the owners	36		-	(7.255.551.500)
<i>Net cash flows from financing activities</i>	40		<u>-</u>	<u>(7.255.551.500)</u>
Net cash flows during the year	50		(6.354.454.481)	(14.053.826.703)
Beginning cash and cash equivalents	60	V.1	25.256.467.922	22.446.436.893
Effects of fluctuations in foreign exchange rates	61		-	-
Ending cash and cash equivalents	70	V.1	<u>18.902.013.441</u>	<u>8.392.610.190</u>

Nha Trang, 18 July 2017



Tran Le Thanh Binh
Preparer



Vu Thanh Danh
Chief Accountant



Phạm Minh Sơn
General Director

NOTES TO THE FINANCIAL STATEMENTS

Second quarter of year 2017

I. OPERATION FEATURES

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

Associates:

Name of the Company	Address	Principal business activities	Contribution rate	Possessing rate	Voting rate
Buon Don Hydroelectricity Joint Stock Company	Floor 7, Dien Bien Hotel, 1 Ngo Quyen, Thang Loi Ward, Buon Ma Thuot City, Dak Lak Province	Trading in electricity	31%	31%	31%
Son Giang Power Joint Stock Company	No. 14/34 Phan Dang Luu St, Ward 9, Tuy Hoa City, Phu Yen Province, Vietnam	Trading in electricity	30%	30%	30%

Affiliates:

Branches	Address
Branch in Northern	Lot 3 - TT4 Lane 183 - Hoang Van Thai Street - Khuong Trung Ward - Thanh Xuan District - Ha Noi City
Branch in Southern	28B Dang Tat St - Tan Dinh Ward - District 1 - Ho Chi Minh City

7. **Statement of information comparability in the financial statements:**
8. **Number of employees**
As of 30 June 2017, the company has had 457 employees (as of 31 December 2016: 465 employees).

II. FISCAL YEAR AND STANDARD CURRENCY UNIT USED IN ACCOUNTING**1. Fiscal year**

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

2. Standard currency unit

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

III. ACCOUNTING SYSTEM AND STANDARDS

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

Notes to the financial statements (cont.)

1. Accounting system

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

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

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

IV. ACCOUNTING POLICIES

1. Accounting convention

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

2. Foreign exchange rates applied in accounting

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

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

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

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

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

3. Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash in bank, cash in transit and short-term investments of which the due dates can not exceed 3 months from the dates of the investments and the convertibility into cash is easy, and which do not have a lot of risks in the conversion into cash.

4. Financial investement accounting principles

Held-to-maturity investments

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

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

Associates :

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

Associates are recorded at their original costs.

Provisions for loss of investments in other economic organizations are made when these organizations suffer from loss (except for the case that this loss is an approved part of the business plan before making the investment) at the rate equivalent to rate of capital contribution of the company in these organizations.

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

Notes to the financial statements (cont.)

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

Investments in other entities:

Investments in other entities are recorded at their original costs.

5. Receivables

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

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

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

6. Inventories

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

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

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

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

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

7. Prepaid expenses

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

Tool expenses

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

Computer software

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

Vehicles

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

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

8. Tangible fixed assets

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

When a fixed asset is sold or disposed, its historical cost and accumulated depreciation are written off, then any gain/ (loss) arisen are posted into the income or the expenses during the period.

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

Notes to the financial statements (cont.)

Fixed assets are depreciated in accordance with the straight-line method over their estimated useful lives. The depreciation years of fixed assets are as follows:

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

9. Intangible fixed assets

Value of land use right

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

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

Computer software

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

10. Payable liabilities and accrued expenses

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

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

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

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

11. Source of capital

Capital

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

Share premium

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

Other capital

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

Treasury stocks

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

Notes to the financial statements (cont.)

12. Appropriation of net profit

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

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

13. Recognition of sales and income

Sales of service provision

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

Interests

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

Dividends and profit shared

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

14. Borrowing costs

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

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

15. Expenses

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

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

16. Corporate income tax

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

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

Deferred income tax is the amount of corporate income tax payable or refundable due to temporary differences between book values of assets and liabilities serving the preparation of the financial statements and the values for tax purposes. Deferred income tax liabilities are recognized for all the temporary taxable differences. Deferred income tax assets are recorded only when there is an

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

Notes to the financial statements (cont.)

assurance on the availability of taxable income in the future against which the temporarily deductible differences can be used.

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

Deferred income tax assets and deferred income tax liabilities are determined at the estimated rates to be applied in the year when the assets are recovered or the liabilities are settled based on the effective tax rates as of the balance sheet date. Deferred income tax is recognized in the income statement. In the case that deferred income tax is related to the items of the owner's equity, corporate income tax will be included in the owner's equity of the company.

17. Related parties

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

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

V. ADDITIONAL INFORMATION ON THE ITEMS OF THE BALANCE SHEET

1. Cash and cash equivalents

	<u>Ending balance</u>	<u>Beginning balance</u>
Cash on hand	152.019.696	52.895.000
Cash in bank	18.749.993.745	20.203.572.922
Cash equivalents (under 3 months deposit)	-	5.000.000.000
Total	<u>18.902.013.441</u>	<u>25.256.467.922</u>

2. Financial investment

	Ending balance			Beginning balance		
	Cost	Provision	Fair value	Cost	Provision	Fair value
Buon Don Hydroelectricity Joint Stock Company	103.850.000.000	-	103.850.000.000	103.850.000.000	-	103.850.000.000
Son Giang Power Joint Stock Company - EVN	5.000.000.000	-	5.000.000.000	600.000.000	-	600.000.000
International Joint Stock Company - Khanh Hoa - Ha Noi Development Investment Joint Stock Company	1.050.000.000	-	1.050.000.000	1.050.000.000	-	1.050.000.000
Total	<u>110.941.640.000</u>	<u>-</u>	<u>110.941.640.000</u>	<u>106.541.640.000</u>	<u>-</u>	<u>106.541.640.000</u>

Pursuant to Business Registration Certificate No. 6000884487 dated 20 May 2009 of Buon Don Hydroelectricity Joint Stock Company granted by Department of Planning and Investment of Daklak Province, the Company has invested into Buon Don Hydroelectricity Joint Stock Company

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

Notes to the financial statements (cont.)

at amount of VND 103.850.000.000 equivalent to 31% of charter capital. As of the balance sheet date, the Company has fully invested its charter capital.

In performance of Resolution No. 18/NQ-BDHC-ĐHĐCĐ dated 14th July 2017 of the General Assembly of Shareholders of Buon Don Hydropower JSC, on June 2017, BDHC made payment of dividend of year 2016 with the rate of 13.5% by shares. Therefore, in existing, PECC4 keeps 11.786.975 shares at BDHC, equivalent to 31% of BDHC's capital.

Pursuant to Business Registration Certificate No. 4401028708 dated 22 November 2016 of Son Giang Power Joint Stock Company granted by Department of Planning and Investment of Phu Yen Province, the Company has invested into Son Giang Power Joint Stock Company at amount of VND 15.000.000.000 VND equivalent to 30% of charter capital. As of the balance sheet date, the Company has invested VND 1.500.000.000.

Buon Don Hydroelectricity Joint Stock Company are operating in normal condition, there are no material changes in comparison with those of previous year.

Son Giang Power Joint Stock Company was established on 22 November 2016, it is in the process of construction and has not yet come into operation.

3. Receivable

3a. Short-term receivable from customers

	<u>Ending balance</u>	<u>Beginning balance</u>
Customers are belonged to EVN and NPT	34.289.949.213	25.790.652.508
Customers are not belonged to EVN and NPT	44.531.177.499	49.822.642.339
Total	<u>78.821.126.712</u>	<u>75.613.294.847</u>

3b. Long-term receivable from customers

	<u>Ending balance</u>	<u>Beginning balance</u>
Nho Que Power Development and Investment JSC	1.532.762.821	1.532.762.821
Trung Son Hydropower One Member Co., Ltd	138.611.000	138.611.000
Management Board of Hydroelectricity 2	156.818.300	156.818.300
Total	<u>1.828.192.121</u>	<u>1.828.192.121</u>

4. Prepayment to suppliers

	<u>Ending balance</u>	<u>Beginning balance</u>
Customers are belonged to EVN and NPT	1.691.117.279	1.122.997.242
Customers are not belonged to EVN and NPT	4.060.051.791	5.068.621.055
Total	<u>5.751.169.070</u>	<u>6.191.618.297</u>

5. Other receivables

	<u>Ending balance</u>		<u>Beginning balance</u>	
	Cost	Provision	Cost	Provision
Receivable from employees	33.000.000	-	42.500.000	-
Advances for employees of the company	8.443.548.906	-	2.754.421.947	-
Others	8.694.627.206	-	8.672.529.171	-
Total	<u>17.171.176.112</u>	<u>-</u>	<u>11.469.451.118</u>	<u>-</u>

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

Notes to the financial statements (cont.)

6. Bad debts

	Ending balance		Beginning balance	
	Cost	Recoverable amount	Cost	Recoverable amount
Total value of receivables, loans that are overdue or not pass due but hardly recoverable	20.016.401.697	13.047.614.428	25.335.265.697	13.047.614.428

Provision for bad debts

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

	Accumulation from the beginning of the year	
	Current year	Previous year
Beginning balance	12.287.651.269	11.740.310.069
Additional extraction	-	-
Written off	(5.318.864.000)	-
Ending balance	6.968.787.269	11.740.310.069

7. Inventories

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

8. Long-term prepaid expenses

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

9. Tangible fixed assets

	Buiding & structures	Machinery & equipment	Vehicles	Office equipment	Total
Historical costs					
Beginning balance	10.104.595.287	10.314.130.755	12.541.821.147	1.197.226.347	34.157.773.536
New purchases	-	3.017.876.689	348.840.000	171.672.727	3.538.389.416
Ending balance	10.104.595.287	13.332.007.444	12.890.661.147	1.368.899.074	37.696.162.952
<i>In which:</i>					
Fully depreciated but still being in use	773.606.927	7.837.767.082	9.908.142.964	838.752.339	19.358.269.312
Depreciation					
Beginning	4.775.794.463	8.320.444.332	11.209.988.977	970.837.922	25.277.065.694

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

Notes to the financial statements (cont.)

	<u>Buiding & structures</u>	<u>Machinery & equipment</u>	<u>Vehicles</u>	<u>Office equipment</u>	<u>Total</u>
balance					
Depreciation	225.160.596	371.560.945	245.265.021	46.610.713	888.597.275
Ending balance	<u>5.000.955.059</u>	<u>8.692.005.277</u>	<u>11.455.253.998</u>	<u>1.017.448.635</u>	<u>26.165.662.969</u>
Net book values					
Beginning balance	5.328.800.824	1.993.686.423	1.331.832.170	226.388.425	8.880.707.842
Ending balance	<u>5.103.640.228</u>	<u>4.640.002.167</u>	<u>1.435.407.149</u>	<u>351.450.439</u>	<u>11.530.499.983</u>

10. Intangible fixed assets

	<u>Long-term land use right</u>	<u>Fixed-term land use right</u>	<u>Computer's software</u>	<u>Total</u>
Initial costs				
Beginning balance	7.093.957.000	9.463.506.000	2.270.694.411	18.828.157.411
Increases during the year	-	-	1.036.287.000	1.036.287.000
Ending balance	<u>7.093.957.000</u>	<u>9.463.506.000</u>	<u>3.306.981.411</u>	<u>19.864.444.411</u>
<i>In which:</i>				
Fully depreciated but still being in use	-	-	2.107.552.255	2.107.552.255
Amortiation				
Beginning balance	-	1.676.425.305	2.206.150.102	3.882.575.407
Amortization	-	99.752.400	107.267.518	207.019.918
Ending balance	<u>-</u>	<u>1.776.177.705</u>	<u>2.313.417.620</u>	<u>4.089.595.325</u>
Net books value				
Beginning balance	7.093.957.000	7.787.080.695	64.544.309	14.945.582.004
Ending balance	<u>7.093.957.000</u>	<u>7.687.328.295</u>	<u>993.563.791</u>	<u>15.774.849.086</u>

11. Short-term trade payables

	<u>Ending balance</u>	<u>Beginning balance</u>
Customers are belonged to EVN and NPT	983.545.000	983.545.000
Customers are not belonged to EVN and NPT	7.049.312.730	8.023.885.317
Total	<u>8.032.857.730</u>	<u>9.007.430.317</u>

12. Short-term advances from customers

	<u>Ending balance</u>	<u>Beginning balance</u>
Customers are belonged to EVN and NPT	36.647.432.799	41.489.095.898
Customers are not belonged to EVN and NPT	9.122.604.784	4.763.730.792
Total	<u>45.770.037.583</u>	<u>46.252.826.690</u>

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

Notes to the financial statements (cont.)

13. Taxes and other obligations to the State budget

	<u>Beginning balance</u>	<u>Amount payable</u>	<u>Amount already paid</u>	<u>Ending balance</u>
VAT on local sales	3.200.220.834	8.325.359.866	(6.940.907.512)	4.584.673.188
VAT on imports	-	174.337.509	(174.337.509)	-
Corporate income tax	633.012.669	1.884.316.858	(1.271.664.342)	1.245.665.185
Personal income tax	248.303.990	946.512.880	(1.125.417.870)	63.399.000
Tax on using non- agricultural land	-	3.123.300	(3.123.300)	-
Other taxes	-	63.207.843	(63.207.843)	-
Total	<u>4.081.537.493</u>	<u>11.396.858.256</u>	<u>(9.578.658.376)</u>	<u>5.899.737.373</u>

Value added tax

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

Corporate income tax

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

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

	Accumulation from the beginning of the year	
	<u>Current year</u>	<u>Previous year</u>
Total accounting profit before tax	9.421.584.291	5.994.826.358
Increases, decreases of accounting profit to determine income subject to corporate income tax		
- Increase	-	-
- Decrease	-	-
Taxable income	9.421.584.291	5.994.826.358
Corporate income tax rate	20%	20%
Corporate income tax payable	<u>1.884.316.858</u>	<u>1.198.965.272</u>

Other taxes

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

14. Payable to employees

	<u>Ending balance</u>	<u>Beginning balance</u>
Salary paid to employees	11.951.701.609	9.356.201.560
Total	<u>11.951.701.609</u>	<u>9.356.201.560</u>

15. Other short-term payable

	<u>Ending balance</u>	<u>Beginning balance</u>
Trade Union's Expenditure	1.679.658.299	1.714.909.889
Social Insurance	185.433.429	-
Payable for equitization	2.100.000	2.100.000
Payable for EVN	1.659.879.935	1.659.879.935
- Interest on bonds payable	1.659.879.935	1.659.879.935

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

Notes to the financial statements (cont.)

	<u>Ending balance</u>	<u>Beginning balance</u>
Interest on bonds payable	48.118.000	48.118.000
Dividends payable for shareholders	93.749.600	84.154.400
Others	163.438.608	136.919.284
Total	<u>3.832.377.871</u>	<u>3.646.081.508</u>

16. Short-term loans

	<u>Ending balance</u>		<u>Beginning balance</u>	
	<u>Value</u>	<u>Repayable amount</u>	<u>Value</u>	<u>Repayable amount</u>
Loans from bank	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

17. Bonus and welfare funds

	<u>Beginning balance</u>	<u>Increase due to extraction from profit of previous year</u>	<u>Bonus from the Group</u>	<u>Funds paid during the period</u>	<u>Ending balance</u>
Bonus fund	469.426.962	895.538.217	6.000.000	(589.500.000)	781.465.179
Welfare fund	2.266.151.278	-	-	(445.844.376)	1.820.306.902
Remuneration for Executive officers	243.651.000	371.176.000	-	(225.990.000)	388.837.000
Total	<u>2.979.229.240</u>	<u>1.266.714.217</u>	<u>6.000.000</u>	<u>(1.261.334.376)</u>	<u>2.990.609.081</u>

18. Owner's equity

18a. Statements of fluctuation in owner's equity

	<u>Owner's equity</u>	<u>Equity surplus</u>	<u>Business promotion fund</u>	<u>Other funds</u>	<u>Retained earnings</u>	<u>Treasury stocks</u>
Beginning balance of previous year	145.996.140.000	(15.784.110.000)	26.753.260.607	1.721.694.867	22.545.879.288	(745.850.060)
Increases	-	-	-	-	4.795.861.086	-
Decreases	-	-	-	-	(8.010.788.288)	-
Ending balance of previous period	<u>145.996.140.000</u>	<u>(15.784.110.000)</u>	<u>26.753.260.607</u>	<u>1.721.694.867</u>	<u>19.330.952.086</u>	<u>(745.850.060)</u>
Beginning balance in current year	145.996.140.000	(15.784.110.000)	26.753.260.607	1.721.694.867	23.069.350.717	(745.850.060)
Increases	-	-	-	-	7.537.267.433	-
Decreases	-	-	-	-	(7.080.750.617)	-
Ending balance in current period	<u>145.996.140.000</u>	<u>(15.784.110.000)</u>	<u>26.753.260.607</u>	<u>1.721.694.867</u>	<u>23.525.867.533</u>	<u>(745.850.060)</u>

18b. Details of owner's equity

	<u>As of 30 June 2017</u>	
	<u>Share capital</u>	<u>Rate (%)</u>
Electricity of Vietnam	104.478.440.000	71,56
Other shareholders	41.517.700.000	28,44
Total	<u>145.996.140.000</u>	<u>100,00</u>

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

Notes to the financial statements (cont.)

18c. Shares

	<u>Ending balance</u>	<u>Beginning balance</u>
Number of shares allowed to be issued	14.599.614	14.599.614
Number of shares sold to public	14.599.614	14.599.614
Number of shares repurchased	64.523	64.523
Number of outstanding shares	14.535.091	14.535.091

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

18d. Profit distribution

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

• Sharing remaining dividends to shareholders	:	5.814.036.400
• Extraction for bonus and welfare fund	:	895.538.217
• Bonus fund for the Executive Officers	:	371.176.000

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

	<u>Ending balance</u>	<u>Beginning balance</u>
USD	117.023,83	17.389,84

19b. Bad debts already treated

	<u>Ending balance</u>	<u>Beginning balance</u>
Other customers	13.753.924.390	8.435.060.390
Total	<u>13.753.924.390</u>	<u>8.435.060.390</u>

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

	<u>Accumulation from the beginning of the year</u>	
	<u>Current year</u>	<u>Previous year</u>
Gains from survey	61.423.517.036	29.269.610.820
Gains from design	38.191.238.342	40.742.990.074
Total	<u>99.614.755.378</u>	<u>70.012.600.894</u>

2. Costs of goods sold

	<u>Accumulation from the beginning of the year</u>	
	<u>Current year</u>	<u>Previous year</u>
Costs of survey	42.951.014.572	18.888.725.052
Costs of design	32.702.981.720	27.441.873.779
Total	<u>75.653.996.292</u>	<u>46.330.598.831</u>

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

Notes to the financial statements (cont.)

3. Financial income

	Accumulation from the beginning of the year	
	Current year	Previous year
Gains from time-deposits	70.638.115	198.096.117
Gains from foreign exchange difference	4.061.719	1.089.558
Total	74.699.834	199.185.675

4. Financial expenses

	Accumulation from the beginning of the year	
	Current year	Previous year
Loan interest expenses	16.664.577	129.224.332
Loss from selling foreign currencies	2.087.699	708.565
Total	18.752.276	129.932.897

5. Administrative overheads

	Accumulation from the beginning of the year	
	Current year	Previous year
Expenses for employees	8.552.991.056	6.972.894.035
Supplies and office equipments	195.669.103	277.365.100
Depreciation of fixed assets	37.263.690	33.900.548
External service rendered	528.712.687	506.222.346
Other expenses	5.232.825.192	10.018.251.454
Total	14.547.461.728	17.808.633.483

6. Other income

	Accumulation from the beginning of the year	
	Current year	Previous year
Gains from refund of training expenses	-	52.205.000
Total	-	52.205.000

7. Other expenses

	Accumulation from the beginning of the year	
	Current year	Previous year
Fines due to contract violation	47.660.625	65.805.459
Total	47.660.625	65.805.459

8. Earning per share

	Accumulation from the beginning of the year	
	Current period	Previous period
Accounting profit after corporate income tax	7.537.267.433	4.795.861.086
Increase/(decrease) of accounting profit to determine profit attribute shareholders owned ordinary shares	-	-

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

Notes to the financial statements (cont.)

	Accumulation from the beginning of the year	
	<u>Current period</u>	<u>Previous period</u>
Profit attribute shareholders owned ordinary shares	7.537.267.433	4.795.861.086
Outstanding average ordinary shares during the year	14.535.091	14.535.091
Earning per share	519	330

Average outstanding ordinary shares during the year are as follows:

	Accumulation from the beginning of the year	
	<u>Current year</u>	<u>Previous year</u>
Average outstanding ordinary shares at beginning year	14.535.091	14.535.091
Average outstanding ordinary shares during the year	14.535.091	14.535.091

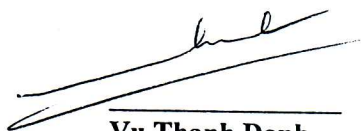
9. Operating expenses

	Accumulation from the beginning of the year	
	<u>Current year</u>	<u>Previous year</u>
Materials and supplies	4.791.435.015	4.011.318.906
Labors	47.516.616.976	38.738.799.051
Depreciation of fixed assets	1.095.617.193	879.483.079
External service rendered	14.554.431.969	3.836.198.098
Other expenses	10.502.958.097	14.032.735.106
Total	78.461.059.250	61.498.534.240

Nha Trang, 18 July 2017



Tran Le Thanh Binh
Preparer



Vu Thanh Danh
Chief Accountant



Phạm Minh Sơn
General Director