



**PETROVIETNAM POWER SERVICES JOINT STOCK
COMPANY**

(Incorporated in the Socialist Republic of Vietnam)

**AUDITED FINANCIAL
STATEMENTS**

For the year ended 31 December 2014



TABLE OF CONTENTS

<u>CONTENTS</u>	<u>PAGE(S)</u>
STATEMENT OF THE BOARD OF DIRECTORS	1
INDEPENDENT AUDITOR'S REPORT	2 - 3
BALANCE SHEET	4 - 5
INCOME STATEMENT	6
CASH FLOW STATEMENT	7
NOTES TO THE FINANCIAL STATEMENTS	8 - 20

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STATEMENT OF THE BOARD OF DIRECTORS

The Board of Directors of PetroVietnam Power Services Joint Stock Company (the "Company") presents this report together with the Company's financial statements for the year ended 31 December 2014.

THE BOARDS OF MANAGEMENT AND DIRECTORS

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

Board of Management

Ms. Cao Thi Lien	Chairman
Mr. Phan Dai Thanh	Member
Mr. Le Ngoc Son	Member
Mr. Edwin Harald Burchardt	Member (resigned on 13 March 2014)
Ms. Tran Thi Thu Trang	Member (appointed on 28 April 2014)
Mr. Nguyen Minh Tuan	Member

Board of Directors

Mr. Phan Dai Thanh	Director
Mr. Bui Duy Nhi	Deputy Director
Mr. Ma Ngoc Ky	Deputy Director
Mr. Vu Quang Dung	Deputy Director
Mr. Vo Khanh	Deputy Director

BOARD OF DIRECTORS' STATEMENT OF RESPONSIBILITY

The Board of Directors of the Company is responsible for preparing the financial statements, which give a true and fair view of the financial position of the Company and of its 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 financial statements, the Board of Directors is required to:

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

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

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

For and on behalf of the Board of Directors,



No.: *748* /VNIA-HN-BC

INDEPENDENT AUDITORS' REPORT

To: **The shareholders
The Board of Management and Board of Directors
PetroVietnam Power Services Joint Stock Company**

We have audited the accompanying financial statements of PetroVietnam Power Services Joint Stock Company (the "Company"), prepared on 17 March 2015 as set out from page 04 to page 20, which comprise the balance sheet as at 31 December 2014, and the statement of income and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information (collectively referred to as the "financial statements").

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

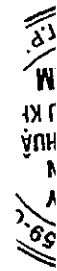
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about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

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

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

Opinion

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



INDEPENDENT AUDITORS' REPORT (Continued)

Emphasis of matters

As described in Note 6 and Note 11 of the Notes to the financial statements, as at 31 December 2014, the balances of inventories and trade accounts payable included an amount of about VND 2,878 billion relating to the cost of materials and equipment imported for the purpose of maintenance of Ca Mau 1 Power Plant, Ca Mau 2 Power Plant and Nhon Trach 2 Combined Cycle Power Plant (as at 31 December 2013: approximately VND 1,537 billion). The cost of the materials and equipment will be finalised and adjusted when the contract signed between the Company and the suppliers of material and equipment expires. Furthermore, as stated in Note 16 and Note 17 of the Notes to the financial statements, in addition to self-rendered services, the Company also recognised revenue and cost of sales regarding services rendered by the OEM sub-contractor and goods actually received and paid by the Company from the power plants and then handed over to the contractors. Our opinion is not qualified in respect of these matters.



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

For and on behalf of
DELOITTE VIETNAM COMPANY LIMITED

17 March 2015
Hanoi, S.R. Vietnam

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

BALANCE SHEET

As at 31 December 2014

FORM B 01-DN
 Unit: VND

ASSETS	Codes	Notes	31/12/2014	31/12/2013
A. CURRENT ASSETS	100		3,373,401,354,228	1,902,982,023,220
(100=110+130+140+150)				
I. Cash and cash equivalents	110	5	66,012,309,533	100,676,705,334
1. Cash	111		13,863,536,716	15,647,538,634
2. Cash equivalents	112		52,148,772,817	85,029,166,700
II. Short-term receivables	130		204,379,387,608	187,763,947,093
1. Trade accounts receivable	131		199,197,975,723	168,056,106,755
2. Advances to suppliers	132		4,773,088,057	19,329,345,785
3. Other receivables	135		408,323,828	378,494,553
III. Inventories	140	6	2,878,468,751,131	1,536,934,270,694
1. Inventories	141		2,878,468,751,131	1,536,934,270,694
IV. Other short-term assets	150		224,540,905,956	77,607,100,099
1. Short-term prepayments	151		5,075,210	5,591,501
2. VAT deductibles	152		223,796,002,987	76,259,301,793
3. Other short-term assets	158	7	739,827,759	1,342,206,805
B. NON-CURRENT ASSETS	200		46,859,561,809	49,064,193,960
(200=220+250+260)				
I. Fixed assets	220		13,599,627,657	14,522,733,578
1. Tangible fixed assets	221	8	13,262,188,860	14,346,814,223
- Cost	222		28,903,483,644	26,280,449,526
- Accumulated depreciation	223		(15,641,294,784)	(11,933,635,303)
2. Intangible assets	227		136,919,355	175,919,355
- Cost	228		348,117,750	348,117,750
- Accumulated amortisation	229		(211,198,395)	(172,198,395)
3. Construction in progress	230		200,519,442	-
II. Long-term financial investments	250		4,401,465,174	4,401,465,174
1. Other long-term investments	258	9	5,040,000,000	5,040,000,000
2. Provision for impairment of long-term investments	259		(638,534,826)	(638,534,826)
III. Other non-current assets	260		28,858,468,978	30,139,995,208
1. Long-term prepayments	261	10	28,653,108,978	29,934,635,208
2. Other non-current assets	268		205,360,000	205,360,000
TOTAL ASSETS (270=100+200)	270		3,420,260,916,037	1,952,046,217,180

The notes set out on pages 8 to 20 are an integral part of these financial statements

BALANCE SHEET (Continued)

As at 31 December 2014

FORM B 01-DN

Unit: VND

RESOURCES	Codes	Notes	31/12/2014	31/12/2013
A. LIABILITIES (300=310)	300		3,232,949,636,020	1,767,858,871,006
I. Current liabilities	310		3,232,949,636,020	1,767,858,871,006
1. Trade accounts payable	312	11	2,962,881,959,220	1,642,703,529,745
2. Advances from customers	313		247,776,898,265	105,351,303,003
3. Taxes and amounts payable to the State budget	314	12	3,616,581,488	3,779,445,234
4. Payables to employees	315		12,202,618,963	7,914,136,938
5. Accrued expenses	316	13	550,680,273	5,697,599,365
6. Other current payables	319	14	3,706,576,200	1,535,140,185
7. Bonus and welfare funds	323		2,214,321,611	877,716,536
B. EQUITY (400=410)	400		187,311,280,017	184,187,346,174
I. Owners' equity	410		187,311,280,017	184,187,346,174
1. Charter capital	411	15	150,000,000,000	150,000,000,000
2. Investment and development fund	417	15	8,576,560,146	7,411,761,952
3. Financial reserve fund	418	15	4,281,189,642	3,479,620,358
4. Retained earnings	420	15	24,453,530,229	23,295,963,864
TOTAL RESOURCES (440=300+400)	440		3,420,260,916,037	1,952,046,217,180

OFF-BALANCE SHEET ITEMS

	31/12/2014	31/12/2013
I. Foreign currencies		
United States Dollar (USD)	106.19	119.14
Euro (EUR)	9,528.36	532.44



Dinh Thuy Lam
Preparer

17 March 2015



To Ngoc Tuyet
Chief Accountant



Phạm Hải Thanh
Director

INCOME STATEMENT

For the year ended 31 December 2014

FORM B 02-DN
 Unit: VND

ITEMS	Codes	Notes	2014	2013
1. Gross revenue	01		1,189,257,624,727	1,060,606,155,480
2. Net revenue (10 = 01)	10	16	1,189,257,624,727	1,060,606,155,480
3. Cost of sales	11	17	1,121,815,604,198	999,282,173,080
4. Gross profit (20=10-11)	20		67,442,020,529	61,323,982,400
5. Financial income	21	18	3,547,572,285	7,414,898,358
6. Financial expenses	22		246,348	638,534,826
7. Selling expenses	24		80,919,148	260,742,288
8. General and administration expenses	25		39,426,948,332	36,658,764,595
9. Operating profit (30=20+(21-22)-(24+25))	30		31,481,478,986	31,180,839,049
10. Other income	31		96,670,103	-
11. Other expenses	32		169,974,236	64,828,157
12. (Loss) from other activities (40=31-32)	40		(73,304,133)	(64,828,157)
13. Accounting profit before tax (50=30+40)	50		31,408,174,853	31,116,010,892
14. Current corporate income tax expense	51	20	6,954,644,624	7,820,047,028
15. Net profit after corporate income tax (60=50-51)	60		24,453,530,229	23,295,963,864
16. Basic earnings per share	70	21	1,630	1,553



Dinh Thuy Lam
 Preparer

17 March 2015



To Ngoc Tuyet
 Chief Accountant



CASH FLOW STATEMENT

For the year ended 31 December 2014

FORM B 03-DN
 Unit: VND

ITEMS	Codes	2014	2013
I. CASH FLOWS FROM OPERATING ACTIVITIES			
<i>1. Profit before tax</i>	01	31,408,174,853	31,116,010,892
<i>2. Adjustments for:</i>			
Depreciation and amortisation	02	4,132,543,363	3,721,486,386
Provisions	03	-	638,534,826
(Gain) from investing activities	05	(3,547,572,285)	(7,414,898,358)
<i>3. Operating profit before movements in working capital</i>	08	31,993,145,931	28,061,133,746
Changes in receivables	09	(163,811,235,464)	73,782,241,217
Changes in inventories	10	(1,341,534,480,437)	253,906,062,462
Changes in accounts payable (not including accrued interest and corporate income tax payable)	11	1,462,773,066,211	(341,884,143,917)
Changes in prepaid expenses	12	1,282,042,521	971,049,236
Corporate income tax paid	14	(7,257,506,032)	(8,390,432,889)
<i>Net cash (used in)/from operating activities</i>	20	(16,554,967,270)	6,445,909,855
II. CASH FLOWS FROM INVESTING ACTIVITIES			
1. Acquisition and construction of fixed assets and other long-term assets	21	(3,209,437,442)	(1,855,753,800)
2. Interest earned, dividends and profits received	27	3,809,045,086	7,629,592,224
<i>Net cash from investing activities</i>	30	599,607,644	5,773,838,424
III. CASH FLOWS FROM FINANCING ACTIVITIES			
1. Dividends paid	36	(18,709,036,175)	(24,888,961,517)
<i>Net cash (used in) financing activities</i>	40	(18,709,036,175)	(24,888,961,517)
Net decrease in cash (50=20+30+40)	50	(34,664,395,801)	(12,669,213,238)
Cash and cash equivalents at the beginning of the year	60	100,676,705,334	113,345,918,572
Cash and cash equivalents at the end of the year (70=50+60)	70	66,012,309,533	100,676,705,334



Dinh Thuy Lam
 Preparer

17 March 2015



To Ngoc Tuyet
 Chief Accountant



Phan Dai Thanh
 Director

NOTES TO THE FINANCIAL STATEMENTS

FORM B 09-DN

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

1. GENERAL INFORMATION

Structure of ownership

PetroVietnam Power Services Joint Stock Company (the "Company") operates under the Enterprise Law and Business Registration Certificate No. 0103021005 dated 27 November 2007 issued by the Hanoi Authority for Planning and Investment. The Company was granted the 6th amended Business Registration Certificate dated 02 October 2012.

The owner (parent company) of the Company is PetroVietnam Power Corporation – One Member Company Limited.

The number of employees as at 31 December 2014 was 288 (31 December 2013: 317).

Operating industry and principal activities

The Company's operating industries include power plant operation, technical services: maintenance, overhaul of power plants including main plant equipment and related parts; trade of materials and machines; trade of materials, equipment, machinery and synchronic chain system for power, information and telecommunication and other industries; training and provision of human resources on operation management, maintenance and technology transfer of power plants and industrial factories; power system installation; design consultation, translation, edition and technical measures improving power plants' productivity, new power saving measures, renewable energy, and industrial equipment system (excluding construction design); construction of substations, transmission line and electricity system, automatically controlled measurement system, telecommunication system and water supply and treatment for industrial and civil works; investment in manufacturing power equipment, parts and materials for power, oil and gas and other industries; telecommunication agent; import and export of the commodities that the Company is authorised to trade; installation of machinery and industrial equipment; other related technical consultation; technical examination and analysis.

The principal activities of the Company are providing maintenance service, maintenance and technical services for power plants.

2. ACCOUNTING CONVENTION AND FINANCIAL YEAR

Accounting convention

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

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

Financial year

The Company's financial year begins on 01 January and ends on 31 December.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

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

3. NEW ACCOUNTING GUIDANCE IN ISSUE NOT YET ADOPTED

On 22 December 2014, the Ministry of Finance issued Circular No. 200/2014/TT-BTC ("Circular 200") guiding the application of accounting regime for enterprises. This Circular is effective for financial years beginning on or after 01 January 2015. Circular 200 will supersede the regulations for accounting regime promulgated under Decision No. 15/2006/QĐ-BTC dated 20 March 2006 issued by the Ministry of Finance and Circular No. 244/2009/TT-BTC dated 31 December 2009 issued by the Ministry of Finance. The Board of Directors is considering the extent of impact of the adoption of this Circular on the Company's financial statements for future accounting periods.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Estimates

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

Financial instruments

Initial recognition

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

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

Subsequent measurement after initial recognition

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

Cash and cash equivalents

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

Provision for doubtful debts

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation.

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

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

	<u>2014</u> Years
Buildings, structures	. 6
Machinery, equipment	5 - 7
Motor vehicles	5 - 10
Management tools	3 - 7

Intangible assets and amortisation

Intangible assets represent accounting software and management software (collectively referred to as "software") that are stated at cost less accumulated amortisation. The cost of software is amortised using the straight-line method over a period of 3 years.

Long-term prepayments

Long-term prepayments comprise prepaid office rentals and costs of small tools, supplies issued for consumption with the estimated useful life of over 1 year, or other expenses which are expected to provide future economic benefits to the Company for over 1 year.

Office rentals represent rentals that have been paid in advance and are charged to the income statement using the straight-line method over the lease term.

Revenue recognition

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition (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 Company;
- (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 Company's right to receive payment has been established.

Foreign currencies

The Company applies the method of recording foreign exchange differences in accordance with Vietnamese Accounting Standard No. 10 (VAS 10) "Effects of changes in foreign exchange rates" and Circular No. 179/2012/TT-BTC dated 24 October 2012 of the Ministry of Finance providing guidance on recognition, measurement and treatment of foreign exchange differences in enterprises. Accordingly, transactions arising in foreign currencies are translated at exchange rates ruling at the transaction date. The balance of monetary items denominated in foreign currencies as at the balance sheet date is 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 the shareholders.

Provisions

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

Taxation

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

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

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 tax authority and the Company intends to settle its current tax assets and liabilities on a net basis.

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

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

5. CASH AND CASH EQUIVALENTS

	<u>31/12/2014</u>	<u>31/12/2013</u>
	VND	VND
Cash on hand	2,491,821,422	1,124,534,080
Cash in banks	11,371,715,294	14,523,004,554
Cash equivalents (i)	52,148,772,817	85,029,166,700
	<u>66,012,309,533</u>	<u>100,676,705,334</u>

(i) Cash equivalents are deposits with maturity of 3 months or less in commercial banks.

6. INVENTORIES

	<u>31/12/2014</u>	<u>31/12/2013</u>
	VND	VND
Raw materials (i)	420,551,457,142	209,285,688,979
Tools and supplies	91,032,600	3,900,000
Work in progress (ii)	2,457,826,261,389	1,327,644,681,715
Total	<u>2,878,468,751,131</u>	<u>1,536,934,270,694</u>
Provision for devaluation of inventories	-	-
Net realisable value	<u>2,878,468,751,131</u>	<u>1,536,934,270,694</u>

(i) The cost of raw materials mainly represents the cost of materials and equipment which were imported for the purpose of maintenance and overhaul of gas turbine combination at Ca Mau 1 Power Plant and Ca Mau 2 Power Plant (under PetroVietnam Power Corporation) and Nhon Trach 2 Combined Cycle Power Plant (under PetroVietnam Power Nhon Trach 2 Joint Stock Company) under long-term maintenance contracts.

(ii) Work in progress mainly includes costs attributable to the purchase of imported materials, equipment and other expenses incurred for the purpose of maintenance of Ca Mau 1 Power Plant, Ca Mau 2 Power Plant and Nhon Trach 2 Combined Cycle Power Plant under the contract between the Company and Siemens contractor (including Siemens Aktiengesellschaft and Siemens Vietnam Company Limited).

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

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

7. OTHER SHORT- TERM ASSETS

	<u>31/12/2014</u>	<u>31/12/2013</u>
	VND	VND
Advances	734,327,759	1,280,600,535
Short-term deposits	5,500,000	61,606,270
	<u>739,827,759</u>	<u>1,342,206,805</u>

8. TANGIBLE FIXED ASSETS

	<u>Building, structure</u>	<u>Machinery, equipment</u>	<u>Motor vehicles</u>	<u>Management tools</u>	<u>Total</u>
	VND	VND	VND	VND	VND
COST					
As at 01/01/2014	131,000,000	7,260,242,361	9,507,317,819	9,381,889,346	26,280,449,526
Purchases	-	175,418,000	2,759,900,000	73,600,000	3,008,918,000
Disposals	-	-	-	(385,883,882)	(385,883,882)
As at 31/12/2014	<u>131,000,000</u>	<u>7,435,660,361</u>	<u>12,267,217,819</u>	<u>9,069,605,464</u>	<u>28,903,483,644</u>
ACCUMULATED DEPRECIATION					
As at 01/01/2014	8,311,586	2,517,419,425	3,389,144,800	6,018,759,492	11,933,635,303
Charge for the year	21,650,904	1,567,754,682	1,260,011,691	1,244,126,086	4,093,543,363
Disposals	-	-	-	(385,883,882)	(385,883,882)
As at 31/12/2014	<u>29,962,490</u>	<u>4,085,174,107</u>	<u>4,649,156,491</u>	<u>6,877,001,696</u>	<u>15,641,294,784</u>
NET BOOK VALUE					
As at 31/12/2014	<u>101,037,510</u>	<u>3,350,486,254</u>	<u>7,618,061,328</u>	<u>2,192,603,768</u>	<u>13,262,188,860</u>
As at 31/12/2013	<u>122,688,414</u>	<u>4,742,822,936</u>	<u>6,118,173,019</u>	<u>3,363,129,854</u>	<u>14,346,814,223</u>

The cost of the Company's fixed assets includes VND 3,342,112,185 (31 December 2013: VND 2,511,226,537) of assets which have been fully depreciated but are still in use.

9. OTHER LONG-TERM INVESTMENTS

Other long-term financial investments represent the Company's capital of VND 5,040,000,000 contributed to Petroleum Information Technology Telecom and Automation Joint Stock Company, equal to the value of 504,000 shares, accounting for 11.9% of the investee's charter capital.

10. LONG-TERM PREPAYMENTS

	<u>31/12/2014</u>	<u>31/12/2013</u>
	VND	VND
Long - term office rental (i)	27,258,908,438	27,886,752,778
Other long-term prepayments	1,394,200,540	2,047,882,430
	<u>28,653,108,978</u>	<u>29,934,635,208</u>

(i) Represent office rental under the Lease Contract with Viet Nguyen Investment and Trading Company Limited for long-term lease of the entire 7th floor, HH3 Song Da Building for 49 years from the contract signing date with the total rental charge of VND 32,402,000,000. Prepaid office rental will be allocated to rental expense over the lease term.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

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

11. TRADE ACCOUNTS PAYABLE

	<u>31/12/2014</u>	<u>31/12/2013</u>
	VND	VND
Siemens Aktiengesellschaft (i)	2,957,096,351,144	1,641,094,201,441
Other suppliers	5,785,608,076	1,609,328,304
	<u>2,962,881,959,220</u>	<u>1,642,703,529,745</u>

- (i) The Company 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.

12. TAXES AND AMOUNTS PAYABLE TO THE STATE BUDGET

	<u>31/12/2014</u>	<u>31/12/2013</u>
	VND	VND
Value added tax	339,093,872	206,480,335
Corporate income tax	2,872,098,618	3,174,960,026
Personal income tax	405,388,998	398,004,873
	<u>3,616,581,488</u>	<u>3,779,445,234</u>

13. ACCRUED EXPENSES

	<u>31/12/2014</u>	<u>31/12/2013</u>
	VND	VND
Expenses for customers	-	1,043,254,900
Inspection fee	-	707,900,000
Labor protection expenses	-	514,276,500
Others	550,680,273	3,432,167,965
	<u>550,680,273</u>	<u>5,697,599,365</u>

14. OTHER CURRENT PAYABLES

	<u>31/12/2014</u>	<u>31/12/2013</u>
	VND	VND
Dividend payable	357,141,092	316,177,267
Others	3,349,435,108	1,218,962,918
	<u>3,706,576,200</u>	<u>1,535,140,185</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

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

15. OWNERS' EQUITY

Movement in owners' equity

	Charter capital	Investment and development fund	Financial reserve fund	Retained earnings
	VND	VND	VND	VND
Balance as at 01/01/2013	150,000,000,000	4,673,577,200	2,574,142,339	27,381,847,523
Profit for the year	-	-	-	23,295,963,864
Dividend paid for 2012	-	-	-	(21,000,000,000)
Profit distribution	-	2,738,184,752	905,478,019	(6,381,847,523)
Balance as at 01/01/2014	150,000,000,000	7,411,761,952	3,479,620,358	23,295,963,864
Profit for the year	-	-	-	24,453,530,229
Dividend paid for 2013 (i)	-	-	-	(18,750,000,000)
Profit distribution (i)	-	1,164,798,194	801,569,284	(4,545,963,864)
Balance as at 31/12/2014	150,000,000,000	8,576,560,146	4,281,189,642	24,453,530,229

(i) According to the Resolution No. 91/NQ-DHDCD-DVKT dated 28 April 2014 passed at the Company's General Meeting of Shareholders, the 2013 profit-sharing plan was approved as follows:

- Financial reserve fund:	VND 801,569,284;
- Investment and development fund:	VND 1,164,798,194;
- Bonus and welfare funds:	VND 2,579,596,386;
- Dividends:	VND 18,750,000,000.

Shares

	31/12/2014	31/12/2013
- Number of shares issued to the public	15,000,000	15,000,000
+ Common shares	15,000,000	15,000,000
+ Preferred shares	-	-
- Number of outstanding shares in circulation	15,000,000	15,000,000
+ Common shares	15,000,000	15,000,000
+ Preferred shares	-	-

A common share has par value of VND 10,000.

Charter capital

According to the 6th amended Business Registration Certificate date 02 October 2012, the Company's charter capital is VND 150,000,000,000. As at 31 December 2014, the charter capital had been fully contributed by shareholders as follows:

	Per Business Registration		Contributed capital as at	
			31/12/2014	31/12/2013
	VND	%	VND	VND
PetroVietnam Power Corporation	76,500,000,000	51	76,500,000,000	76,500,000,000
TYTL Power Service Sdn. Bhd.	27,000,000,000	18	27,000,000,000	27,000,000,000
Others	46,500,000,000	31	46,500,000,000	46,500,000,000
Total	150,000,000,000	100	150,000,000,000	150,000,000,000

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

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

16. NET REVENUE

	<u>2014</u>	<u>2013</u>
	VND	VND
Revenue from OEM subcontracted services (i)	1,014,560,250,792	915,653,671,247
Revenue from actual reimbursed goods (i)	24,612,850,536	12,726,741,046
Revenue from self-rendered services	150,084,523,399	132,225,743,187
	<u>1,189,257,624,727</u>	<u>1,060,606,155,480</u>

(i) With regard to such services and goods, the Company has recognised revenue/receivables from power plants in respect of repairing and maintenance services provided by the Company as an OEM sub-contractor.

17. COST OF SALES

Cost of sales includes cost of the repairing and maintenance services provided by the Company as an OEM sub-contractor and costs matching against the revenue self-generated by the Company.

18. FINANCIAL INCOME

	<u>2014</u>	<u>2013</u>
	VND	VND
Deposit interest	3,547,572,285	7,414,898,358
	<u>3,547,572,285</u>	<u>7,414,898,358</u>

19. PRODUCTION COST BY NATURE

	<u>2014</u>	<u>2013</u>
	VND	VND
Raw materials and consumables	1,709,774,007,032	832,365,335,954
Labour	85,282,271,280	55,222,997,952
Depreciation and amortisation	4,132,543,363	3,721,486,386
Out-sourced services	485,358,502,642	46,295,794,861
Other monetary expenses	6,957,317,835	98,596,064,810
	<u>2,291,504,642,152</u>	<u>1,036,201,679,963</u>

20. CURRENT CORPORATE INCOME TAX

	<u>2014</u>	<u>2013</u>
	VND	VND
Profit before tax	31,408,174,853	31,116,010,892
Less: non-assessable income	-	-
Add back: non-deductible expenses	203,846,166	164,177,220
Assessable income	31,612,021,019	31,280,188,112
Normal tax rate	22%	25%
Current corporate income tax expense	6,954,644,624	7,820,047,028

The determination of the Company's corporate income tax is based on the current tax regulations. However, these regulations change from time to time and the final determination depends on the results of inspection by the tax authorities.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

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

21. BASIC EARNINGS PER SHARE

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

	<u>2014</u>	<u>2013</u>
	VND	VND
Profit for the year for purposes of calculating basic earnings per share	24,453,530,229	23,295,963,864
Weighted average number of ordinary shares	15,000,000	15,000,000
Basic earnings per shares	<u>1,630</u>	<u>1,553</u>

22. FINANCIAL INSTRUMENTS

Capital risk management

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

The capital structure of the Company consists of owners' equity (comprising capital, reserves and retained earnings).

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 instruments are disclosed in Note 4.

Categories of financial instruments

	Carrying amount	
	<u>31/12/2014</u>	<u>31/12/2013</u>
	VND	VND
Financial assets		
Cash and cash equivalents	66,012,309,533	100,676,705,334
Trade and other receivables	199,606,299,551	168,434,601,308
Other long-term investments	4,401,465,174	4,401,465,174
Deposits	210,860,000	266,966,270
Total	<u>270,230,934,258</u>	<u>273,779,738,086</u>
Financial liabilities		
Trade and other payables	6,142,749,168	1,925,505,571
Accrued expenses	550,680,273	5,697,599,365
Total	<u>6,693,429,441</u>	<u>7,623,104,936</u>

The Company 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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

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

22. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives

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

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

Market risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and prices. The Company does not hedge these risk exposures due to the lack of any market to purchase financial instruments.

Foreign currency risk management

The Company undertakes certain transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company believes that the possibility of its exposure to the foreign currency risk is at immaterial level.

Commodity price risk management

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

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has a credit policy in place and the exposure to credit risk is monitored on an on-going basis. As at the balance sheet date, there is a significant concentration of credit risk arising on the receivables from related parties as disclosed in Note 23.

Liquidity risk management

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

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

22. FINANCIAL INSTRUMENTS (Continued)

Liquidity risk management (Continued)

31/12/2014	Less than 1 year	From 1 - 5 years	Total
	VND	VND	VND
Cash and cash equivalents	66,012,309,533	-	66,012,309,533
Trade and other receivables	199,606,299,551	-	199,606,299,551
Other long-term investments	-	4,401,465,174	4,401,465,174
Deposits	5,500,000	205,360,000	210,860,000
Total	265,624,109,084	4,606,825,174	270,230,934,258
Trade and other payables	6,142,749,168	-	6,142,749,168
Accrued expenses	550,680,273	-	550,680,273
Total	6,693,429,441	-	6,693,429,441
Net liquidity gap	258,930,679,643	4,606,825,174	263,537,504,817
31/12/2013	Less than 1 year	From 1 - 5 years	Total
	VND	VND	VND
Cash and cash equivalents	100,676,705,334	-	100,676,705,334
Trade and other receivables	168,434,601,308	-	168,434,601,308
Other long-term investments	-	4,401,465,174	4,401,465,174
Deposits	61,606,270	205,360,000	266,966,270
Total	269,172,912,912	4,606,825,174	273,779,738,086
Trade and other payables	1,925,505,571	-	1,925,505,571
Accrued expenses	5,697,599,365	-	5,697,599,365
Total	7,623,104,936	-	7,623,104,936
Net liquidity gap	261,549,807,976	4,606,825,174	266,156,633,150

The Company's Board of Directors assesses the liquidity risk concentration at low level and believes that the Company will be able to generate sufficient funds to meet its financial obligations as and when they fall due.

23. RELATED PARTY TRANSACTIONS AND BALANCES

List of related parties

Related parties	Relationship
PetroVietnam Power Corporation (PV Power)	Owner
PetroVietnam Ca Mau Power Company Limited (directly under PV Power)	Owner
PetroVietnam Nhon Trach Power Company Limited (directly under PV Power)	Owner
PetroVietnam Nhon Trach 2 Power Joint Stock Company	Having same owner
PetroVietnam Bac Kan Power Company Limited	Having same owner
HuaNa Hydropower Joint Stock Company	Having same owner

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

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

23. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

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

	<u>2014</u>	<u>2013</u>
	VND	VND
Sales		
PetroVietnam Ca Mau Power Company Limited	709,939,026,665	645,573,489,208
PetroVietnam Nhon Trach Power Company Limited	25,155,041,323	27,215,034,656
PetroVietnam Nhon Trach 2 Power Joint Stock Company	441,509,606,377	370,858,285,229
Dividends paid		
PetroVietnam Power Corporation	9,562,500,000	10,710,000,000
Others	9,146,536,175	14,178,961,517
Management fee		
PetroVietnam Power Corporation	214,000,000	200,000,000
Board of Directors' remuneration	3,860,574,833	3,840,719,068

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


	<u>31/12/2014</u>	<u>31/12/2013</u>
	VND	VND
Trade and other receivables		
PetroVietnam Ca Mau Power Company Limited	157,201,069,284	144,301,235,738
PetroVietnam Nhon Trach Power Company Limited	10,793,582,349	6,268,617,265
PetroVietnam Nhon Trach 2 Power Joint Stock Company	27,386,855,113	15,385,139,390
PetroVietnam Bac Kan Power Company Limited	421,661,907	421,661,907
HuaNa Hydropower Joint Stock Company	1,202,499,074	44,140,749
Dividend payables		
PetroVietnam Power Corporation	-	-
Others	357,141,092	316,177,262
Advances from customers		
PetroVietnam Ca Mau Power Company Limited	56,518,020,259	92,768,375,827
PetroVietnam Nhon Trach 2 Power Joint Stock Company	163,728,626,749	12,582,927,176

24. SUBSEQUENT EVENTS


According to Decision No. 19/QĐ-HĐQT dated 26 January 2015, the Company's Board of Management decides to establish the Company's branch in Ha Tinh Province. At the date of this financial statements, the Company is still processing procedures for the the branch's establishment.

25. COMPARATIVE FIGURES

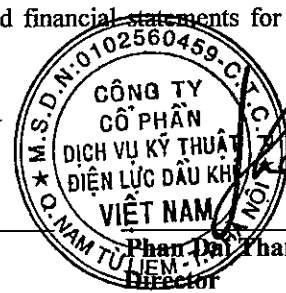
Comparative figures are figures of the Company's audited financial statements for the year ended 31 December 2013.



Dinh Thuy Lam
 Preparer
 17 March 2015



Tô Ngọc Tuyết
 Chief Accountant


Phan Đạt Thành
 Director