

**PETROVIETNAM NHON TRACH 2 POWER
JOINT STOCK COMPANY**

(Incorporated in the Socialist Republic of Vietnam)

AUDITED FINANCIAL STATEMENTS

For the year ended 31 December 2015

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STATEMENT OF THE BOARD OF DIRECTORS

The Board of Directors of PetroVietnam Nhon Trach 2 Power Joint Stock Company (the "Company") presents this report together with the Company's financial statements for the year ended 31 December 2015.

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

Mr. Uong Ngoc Hai	Chairman (appointed on 6 November 2015)
Mr. Le Tu Hieu	Chairman (resigned on 6 November 2015)
Mr. Hoang Xuan Quoc	Member
Mr. Luong Ngoc Anh	Member
Mr. Pham Cuong	Member (appointed on 6 November 2015)
Mr. Nguyen Minh Tuan	Member (resigned on 6 November 2015)
Mrs. Nguyen Thi Thanh Huong	Member

Board of Directors

Mr. Hoang Xuan Quoc	Director
Mr. Ngo Duc Nhan	Deputy Director
Mr. Tran Quang Thien	Deputy Director
Mr. Tran Quang Man	Deputy Director
Mr. Nguyen Ngoc Hai	Deputy Director
Mr. Trinh Viet Thang	Deputy Director (appointed on 23 November 2015)

THE 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,



Hoang Xuan Quoc
Director

5 February 2016



No. 228 /VNIA-HC-BC

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of PetroVietnam Nhon Trach 2 Power Joint Stock Company (the "Company") prepared on 5 February 2016 as set out from page 4 to page 31, which comprise the balance sheet as at 31 December 2015, the statement of income, the statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Board of Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2015, and its financial performance and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting.

INDEPENDENT AUDITORS' REPORT (Continued)

Emphasis of Matter

As stated in Note 3, since 1 January 2015, the Company has adopted Circular No. 200/2014/TT-BTC issued by the Ministry of Finance on 22 December 2014 ("Circular 200") guiding the accounting regime for enterprises. Accordingly, certain figures of the balance sheet as at 31 December 2015, of the income statement and of the cash flow statement for the year then ended are not comparable with the corresponding figures of 2014 due to effects of adoption of Circular 200 on the preparation and presentation of the financial statements.

Our opinion is not modified in respect of this matter.



[Signature]

Le Chi Nguyen
Audit Partner
Audit Practising Registration Certificate
No. 0049-2013-001-1

For and on behalf of
Deloitte Vietnam Company Limited
5 February 2016
Ho Chi Minh City, S.R. Vietnam

[Signature]

Nguyen Thi Le Trang
Auditor
Audit Practising Registration Certificate
No. 2383-2013-001-1

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BALANCE SHEET
As at 31 December 2015

FORM B 01-DN
Unit: VND

ASSETS	Codes	Notes	31/12/2015	31/12/2014
A. CURRENT ASSETS	100		2,980,677,860,169	2,768,010,209,671
I. Cash and cash equivalents	110	5	1,108,501,344,977	726,126,885,017
1. Cash	111		108,501,344,977	186,126,885,017
2. Cash equivalents	112		1,000,000,000,000	540,000,000,000
II. Short-term receivables	130		1,576,123,809,496	1,766,525,503,825
1. Short-term trade receivables	131	6	1,421,490,243,475	1,592,220,067,017
2. Short-term advances to suppliers	132		147,020,019,418	164,906,169,696
3. Other short-term receivables	136	7	42,952,025,978	43,203,152,894
4. Provision for short-term doubtful debts	137	8	(35,338,479,375)	(33,803,885,782)
III. Inventories	140		287,993,190,464	275,347,492,286
1. Inventories	141	9	287,993,190,464	275,347,492,286
IV. Other short-term assets	150		8,059,515,232	10,328,543
1. Short-term prepayments	151	14	8,049,669,484	-
2. Value added tax deductibles	152		9,845,748	10,328,543
B. NON-CURRENT ASSETS	200		8,663,994,166,651	9,715,538,767,888
I. Long-term receivables	210		367,755,862,894	532,242,417,841
1. Long-term trade receivables	211	6	328,973,109,894	493,459,664,841
2. Other long-term receivables	216	7	38,782,753,000	38,782,753,000
II. Fixed assets	220		7,617,942,026,184	8,305,931,981,670
1. Tangible fixed assets	221	10	7,588,706,105,493	8,275,788,620,334
- Cost	222		11,295,755,880,632	11,294,005,678,629
- Accumulated depreciation	223		(3,707,049,775,139)	(3,018,217,058,295)
2. Intangible assets	227	11	29,235,920,691	30,143,361,336
- Cost	228		30,823,217,421	30,198,260,921
- Accumulated amortisation	229		(1,587,296,730)	(54,899,585)
III. Long-term assets in progress	240		5,694,983,454	304,606,500
1. Construction in progress	242	12	5,694,983,454	304,606,500
IV. Long-term financial investments	250		-	-
1. Equity investments in other entities	253	13	11,140,000,000	11,140,000,000
2. Provision for impairment of long-term financial investments	254		(11,140,000,000)	(11,140,000,000)
V. Other long-term assets	260		672,601,294,119	877,059,761,877
1. Long-term prepayments	261	14	671,669,974,785	877,059,761,877
2. Deferred tax assets	262	15	931,319,334	-
TOTAL ASSETS (270=100+200)	270		11,644,672,026,820	12,483,548,977,559

The notes set out on pages 8 to 31 are an integral part of these financial statements

BALANCE SHEET (Continued)
As at 31 December 2015

FORM B 01-DN
Unit: VND

RESOURCES	Codes	Notes	31/12/2015	31/12/2014
C. LIABILITIES	300		6,876,213,880,783	8,236,865,216,747
I. Current liabilities	310		2,023,085,133,370	2,376,611,799,114
1. Short-term trade payables	311	16	610,604,963,934	810,266,679,604
2. Taxes and amounts payable to the State budget	313	17	141,527,642,896	205,117,531,409
3. Payables to employees	314		30,078,428,592	22,367,282,634
4. Short-term accrued expenses	315	18	118,285,481,506	114,999,951,807
5. Other current payables	319	19	48,265,419,152	169,237,057,523
6. Short-term loans	320	20	1,053,664,813,698	1,051,902,984,892
7. Bonus and welfare funds	322		20,658,383,592	2,720,311,245
II. Long-term liabilities	330		4,853,128,747,413	5,860,253,417,633
1. Long-term loans	338	20	4,811,731,814,220	5,855,706,484,440
2. Scientific and technological development fund	343		41,396,933,193	4,546,933,193
D. EQUITY	400		4,768,458,146,037	4,246,683,760,812
I. Owners' equity	410	21	4,768,458,146,037	4,246,683,760,812
1. Owners' contributed capital	411		2,739,198,430,000	2,560,000,000,000
- Ordinary shares carrying voting rights	411a		2,739,198,430,000	2,560,000,000,000
2. Share premium	412		(113,000,000)	-
3. Other owners' capital	414		-	169,237,381,136
4. Investment and development fund	418		79,801,049,931	20,850,842,750
5. Retained earnings	421		1,949,571,666,106	1,496,595,536,926
- Retained earnings accumulated to the prior year end	421a		1,074,471,803,522	33,632,300,326
- Retained earnings of the current year	421b		875,099,862,584	1,462,963,236,600
TOTAL RESOURCES (440=300+400)	440		11,644,672,026,820	12,483,548,977,559

Le Viet An
Preparer

Nguyen Huu Minh
Chief Accountant



Hoang Xuan Quoc
Director
5 February 2016

INCOME STATEMENT
 For the year ended 31 December 2015

FORM B 02-DN
 Unit: VND

ITEMS	Codes	Notes	2015	2014
1. Gross sales from goods sold	01		6,729,438,340,659	7,064,916,896,183
2. Net sales (10=01)	10	24	6,729,438,340,659	7,064,916,896,183
3. Cost of sales	11		5,087,664,858,289	5,413,263,603,599
4. Gross profit from from goods sold (20=10-11)	20		1,641,773,482,370	1,651,653,292,584
5. Financial income	21	26	65,035,085,646	450,491,826,918
6. Financial expenses	22	27	359,437,861,454	437,192,587,233
- In which: Interest expense	23		183,332,784,973	219,382,885,672
7. Selling expenses	25	28	101,884,233	220,921,866
8. General and administration expenses	26	28	146,225,472,119	74,703,817,112
9. Operating profit (30 = 20+(21-22)-(25+26))	30		1,201,043,350,210	1,590,027,793,291
10. Other income	31		1,303,397,080	1,957,163,967
11. Other expenses	32		537,006,831	1,021,720,658
12. Loss from other activities (40=31-32)	40		766,390,249	935,443,309
13. Accounting profit before tax (50=30+40)	50		1,201,809,740,459	1,590,963,236,600
14. Current corporate income tax expense	51	29	61,113,338,509	-
15. Deferred corporate tax income	52	15	(931,319,334)	-
16. Net profit after corporate income tax (60=50-51-52)	60		1,141,627,721,284	1,590,963,236,600
17. Basic earnings per share	70	30	4,095	5,735



Le Viet An
 Preparer



Nguyen Huu Minh
 Chief Accountant



Hoang Xuan Quoc
 Director
 5 February 2016

CASH FLOW STATEMENT
For the year ended 31 December 2015

FORM B 03-DN
Unit: VND

ITEMS	Codes	2015	2014
I. CASH FLOWS FROM OPERATING ACTIVITIES			
1. Profit before tax	01	1,201,809,740,459	1,590,963,236,600
2. Adjustments for:			
Depreciation and amortisation of fixed assets	02	691,852,622,322	838,694,238,760
Provisions	03	1,534,593,593	9,862,843,446
Foreign exchange loss/(gain) arising from translating foreign currency items	04	9,690,448,915	(403,709,545,794)
Gain from investing activities	05	(38,075,306,380)	(25,626,821,679)
Interest expense	06	183,332,784,973	219,382,885,672
Other adjustments	07	37,000,000,000	-
3. Operating profit before movements in working capital	08	2,087,144,883,882	2,229,566,837,005
Decrease/(Increase) in receivables	09	353,105,408,261	(819,743,571,508)
Increase in inventories	10	(12,645,698,178)	(54,033,434,370)
(Decrease)/Increase in payables	11	(301,490,370,277)	250,937,261,253
Decrease in prepaid expenses	12	197,340,117,608	147,700,655,257
Interest paid	14	(173,788,568,154)	(221,327,916,244)
Corporate income tax paid	15	(35,607,059,592)	-
Other cash outflows	17	(22,710,641,058)	(4,768,038,182)
Net cash generated by operating activities	20	2,091,348,072,492	1,528,331,793,211
II. CASH FLOWS FROM INVESTING ACTIVITIES			
1. Acquisition and construction of fixed assets	21	(5,048,778,835)	(8,152,835,279)
2. Proceeds from sale, disposal of fixed assets and other long-term assets	22	463,829,091	710,313,623
3. Cash recovered from lending, selling debt instruments of other entities	24	-	246,461,181,788
4. Interest earned	27	37,860,207,506	25,144,485,928
Net cash generated by investing activities	30	33,275,257,762	264,163,146,060
III. CASH FLOWS USED IN FINANCING ACTIVITIES			
1. Proceeds from borrowings	33	-	163,619,754,337
2. Repayment of borrowings	34	(1,043,394,610,429)	(1,287,234,522,288)
3. Dividends and profits paid	36	(698,853,979,305)	-
Net cash used in financing activities	40	(1,742,248,589,734)	(1,123,614,767,951)
Net increase in cash during the year (50=20+30+40)	50	382,374,740,520	668,880,171,320
Cash and cash equivalents at the beginning of the year	60	726,126,885,017	57,246,674,887
Effects of changes in foreign exchange rates	61	(280,560)	38,810
Cash and cash equivalents at the end of the year (70=50+60+61)	70	1,108,501,344,977	726,126,885,017

Le Viet An
Preparer

Nguyen Huu Minh
Chief Accountant



Hoàng Xuân Quốc
Director
5 February 2016

The notes set out on pages 8 to 31 are an integral part of these financial statements

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

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

Financial year

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

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

On 22 December 2014, the Ministry of Finance issued Circular No. 200/2014/TT-BTC ("Circular 200") guiding the accounting regime for enterprises. This Circular is effective for financial years beginning on or after 1 January 2015. Circular 200 supersedes 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 has adopted Circular 200 in the preparation and presentation of the financial statements for the year ended 31 December 2015.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Estimates

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

Financial instruments***Initial recognition******Financial assets***

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

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

Inventories

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

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

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. The costs of purchased tangible fixed assets comprise their purchase prices and any directly attributable costs of bringing the assets to their working condition and location for their intended use. The costs of self-constructed or manufactured assets are the actual construction or manufacturing cost plus installation and test running costs.

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

	<u>2015</u> <u>Years</u>
Buildings and structures	05 – 20
Machinery and equipment	05 – 14
Motor vehicles	06 – 10
Office equipment	03 – 06

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

Leasing

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

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***Intangible assets and amortisation**

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

Construction in progress

Properties in the course of construction for production, rental or administrative purposes, or for other purposes, are carried at cost. Cost includes costs that are necessary to form the assets in accordance with the Company's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Prepayments

Prepayments are expenses which have already been paid but relate to results of operations of multiple accounting periods, including short-term and long-term prepayments.

Short-term prepayment represents for insurance fee for factory, which covered for the 1 year insurance.

Long-term prepayments comprise of insurance fees for long-term loans; mobilization fee, variable fee, fixed fee and loan interest expenditure to finance the maintenance contracts of machinery and equipment; medium maintenance expenditure for Nhon Trach 2 Combined Cycle Power Plant and other long-term prepayments.

Detailed information about long-term prepayments related to insurance fees for long-term loans; mobilization fee, variable fee and fixed fee of maintenance contracts of machinery and equipment; medium maintenance expenditure for Nhon Trach 2 Combined Cycle Power Plant and loan interest expense to finance the maintenance contract are disclosed in Note 14.

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

Payable provisions

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

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.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

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

Revenue from selling electricity are recognized monthly based on electricity output distributing to the National Grid, which has confirmed monthly by Electric Power Trading Company (EPTC) multiply with the official electricity price specified in the amendment and supplement contract No. 4 dated 28 May 2014 and No. 05 dated 5 March 2015 of the Power Purchase Contract No. 07/2012/HD-NMD-NT2, which was signed on 6 July 2012. Electric Power Trading Company (EPTC) is notified about this revenue in advance and differences arising are recognized in the current accounting period when the Company determine the exact revenue based on the exchange rate between the United States Dollar and Vietnam Dong announced at the date of issuing invoice.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the applicable interest rate.

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 Official Letter No. 4360/DKVN-TCKT dated 30 June 2015 issued by Vietnam Oil and Gas Group applied for its subsidiaries and affiliates. Vietnam Oil and Gas Group received Official Letter No. 7526/BTC-TCND dated 8 June 2015 from the Ministry of Finance allowing them to apply the foreign exchange rates of Joint Stock Commercial Bank for Foreign Trade of Vietnam to translate transactions arising in foreign currencies and revalue the balances of monetary items denominated in foreign currencies as at the balance sheet date. Accordingly, transactions arising in foreign currencies are retranslated at exchange rates ruling at the transaction date. The balances of monetary items denominated in foreign currencies as at the balance sheet date are translated at the buying exchange rate announced on the same date by Joint Stock Commercial Bank for Foreign Trade of Vietnam. Exchange differences are recognised in the income statement. Unrealised exchange gains at the balance sheet date are not treated as part of distributable profit to shareholders.

Borrowing costs

Borrowing costs are recognised in the income statement when incurred.

Taxation

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

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

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

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

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



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

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

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

5. CASH AND CASH EQUIVALENTS

	<u>31/12/2015</u>	<u>31/12/2014</u>
	VND	VND
Cash on hand	15,427,761	104,330,554
Demand deposits	108,485,917,216	186,022,554,463
Cash equivalents	<u>1,000,000,000,000</u>	<u>540,000,000,000</u>
	<u>1,108,501,344,977</u>	<u>726,126,885,017</u>

Cash equivalents represent term deposits in commercial banks in Vietnam Dong with the terms of less than 3 months or less and earn the interest rate from 4.5% to 5% per annum (2014: from 4.6% to 5% per annum). These deposits at bank are renewed as required by the Company on the maturity date.

6. TRADE RECEIVABLES

	<u>31/12/2015</u>	<u>31/12/2014</u>
	VND	VND
a. Short-term trade receivables		
- Electric Power Trading Company (EPTC)	1,421,455,631,186	1,592,184,154,215
- Others	<u>34,612,289</u>	<u>35,912,802</u>
Total	<u>1,421,490,243,475</u>	<u>1,592,220,067,017</u>
b. Long-term trade receivables		
- Electric Power Trading Company (EPTC)	<u>328,973,109,894</u>	<u>493,459,664,841</u>
Total	<u>328,973,109,894</u>	<u>493,459,664,841</u>

Short-term trade receivables mainly include outstanding amounts of electricity fee charged to Electric Power Trading Company (EPTC) up to 31 December 2015 without invoice issued (VND 1,257 billion), accrued according to regulation of the Power Purchase Contract No. 07/2012/HĐ-NMĐ-NT2 dated 6 July 2012 and addition electricity amount according to official electricity price for Nhon Trach 2 Combined Cycle Power Plant for the period from 01 May 2012 to 31 December 2013 which had collectible term under 12 months (VND 164.5 billion).

Long-term trade receivables represent the addition electricity amount according to official electricity price for Nhon Trach 2 Combined Cycle Power Plant for the period from 01 May 2012 to 31 December 2013 which had collectible term more than 12 months.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

7. OTHER RECEIVABLES

	31/12/2015	31/12/2014
	VND	VND
a. Current		
- Unearned late payment interest income from EPTC	42,153,554,457	42,153,554,457
- Accrued interests	620,472,220	869,202,437
- Advance to employees	136,000,000	140,396,000
- Deposits and mortgages	10,000,000	10,000,000
- Other receivables	31,999,301	30,000,000
Total	42,952,025,978	43,203,152,894
b. Non-current		
- Compensations for site clearance	38,782,753,000	38,782,753,000
Total	38,782,753,000	38,782,753,000

(*) Other short-term receivables represent interest due to late payment from Electric Power Trading Company (EPTC) which was made provision according to Circular No. 228/2009/TT-BTC dated 7 December 2009.

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

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

8. BAD DEBTS

	31/12/2015		31/12/2014	
	Cost	Recoverable amount	Cost	Recoverable amount
Electric Power Trading Company (EPTC)	42,153,554,457	6,815,075,082	42,153,554,457	8,349,668,675
	42,153,554,457	6,815,075,082	42,153,554,457	8,349,668,675

9. INVENTORIES

Inventories as at 31 December 2015 and 31 December 2014 comprise DO oil which has been stored in warehouses and used in electricity production and materials which have been used for maintenance the commercial operation of Nhon Trach 2 Combined Cycle Power Plant.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

10. INCREASES, DECREASES TANGIBLE FIXED ASSETS

	Buildings and structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Total VND
COST					
As at 01/01/2015	2,971,126,226,943	8,287,745,659,419	28,706,600,680	6,427,191,587	11,294,005,678,629
Additions	135,812,195	125,400,005	-	3,003,262,090	3,264,474,290
Disposals	-	-	(1,514,272,287)	-	(1,514,272,287)
As at 31/12/2015	<u>2,971,262,039,138</u>	<u>8,287,871,059,424</u>	<u>27,192,328,393</u>	<u>9,430,453,677</u>	<u>11,295,755,880,632</u>
ACCUMULATED DEPRECIATION					
As at 01/01/2015	478,281,078,959	2,522,537,030,102	14,800,999,931	2,597,949,303	3,018,217,058,295
Charge for the year	148,697,447,797	537,333,773,131	2,905,229,328	1,410,538,875	690,346,989,131
Disposals	-	-	(1,514,272,287)	-	(1,514,272,287)
As at 31/12/2015	<u>626,978,526,756</u>	<u>3,059,870,803,233</u>	<u>16,191,956,972</u>	<u>4,008,488,178</u>	<u>3,707,049,775,139</u>
NET BOOK VALUE					
As at 31/12/2015	<u>2,344,283,512,382</u>	<u>5,228,000,256,191</u>	<u>11,000,371,421</u>	<u>5,421,965,499</u>	<u>7,588,706,105,493</u>
As at 31/12/2014	<u>2,492,845,147,984</u>	<u>5,765,208,629,317</u>	<u>13,905,600,749</u>	<u>3,829,242,284</u>	<u>8,275,788,620,334</u>

As at 31 December 2015, the cost of fixed assets include VND 6,421,444,296 (31 December 2014: VND 4,467,252,377) of fixed assets which have been fully depreciated but are still in use.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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11. INCREASES, DECREASES INTANGIBLE ASSETS

	Land used rights VND	Software VND	Total VND
COST			
As at 01/01/2015	21,602,554,546	8,595,706,375	30,198,260,921
Transferred from construction in progress	-	624,956,500	624,956,500
As at 31/12/2015	21,602,554,546	9,220,662,875	30,823,217,421
ACCUMULATED AMORTISATION			
As at 01/01/2015	-	54,899,585	54,899,585
Charge for the year	-	1,532,397,145	1,532,397,145
As at 31/12/2015	-	1,587,296,730	1,587,296,730
NET BOOK VALUE			
As at 31/12/2015	21,602,554,546	7,633,366,145	29,235,920,691
As at 31/12/2014	21,602,554,546	8,540,806,790	30,143,361,336

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

Software represents equipment and assets management system at the factory, SAP accounting software and company's website.

12. CONSTRUCTION IN PROGRESS

	31/12/2015 VND	31/12/2014 VND
Car acquisition	2,201,818,181	-
Assets for science research	3,493,165,273	-
Accounting software	-	304,606,500
	5,694,983,454	304,606,500

Construction in progress represents the cost of purchasing of fixed assets must undergo installation, testing before being put into use.

13. EQUITY INVESTMENTS IN OTHER ENTITIES

The Company has contributed VND 11,140,000,000 which is equivalent to 1,114,000 shares (par value VND 10,000/share) of the charter capital of High Tech Concrete Investment Joint Stock Company ("Sopewaco") as at 31 December 2015 and 31 December 2014.

Provision for impairment of long-term investments has been made in accordance with the Circular No. 228/2009/TT-BTC dated 7 December 2009 and Circular No. 89/2013/TT-BTC dated 28 June 2013 issued by the Ministry of Finance, the basis used for making this provision of other investment based on Sopewaco's financial statements for the period from 01 January 2015 to 30 September 2015. As at 30 September 2015, Sopewaco's accumulated loss was VND 310,962,184,153 while its charter capital was VND 80,000,000,000. Therefore, the Board of Directors of the Company decided to make full provision for its long-term investment as at balance sheet date.



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14. PREPAYMENTS

	31/12/2015	31/12/2014
	VND	VND
a. Short-term		
Insurance fee for factory	8,049,669,484	-
Total	8,049,669,484	-
a. Long-term		
Insurance fee for long-term loans	380,148,837,329	441,548,675,121
Mobilization fee, variable and fixed fee of maintenance contracts	242,481,734,966	276,363,551,871
Overhaul expenses to be allocated	41,860,145,380	72,899,890,233
Accumulated foreign exchange differences	-	66,380,869,389
Loan interest expense to finance the maintenance contract	-	11,700,012,206
Other expenses	7,179,257,110	8,166,763,057
Total	671,669,974,785	877,059,761,877

Short-term prepayment represents for insurance fee for factory, which covered for the 1 year insurance.

Long-term prepayments include expenditures as follows:

- Insurance fee for long-term loans: According to the export credit contract dated 22 July 2010 and 23 July 2010 between the Company and banks presented by Citibank - an authorized agency. The insurance fee was issued by HERMES and NEXI to guarantee lenders during the credit term of 2.5 years of grace period and 9.5 years of payment. Insurance fee for these loans are allocated using the straight-line method over the durations of such long-term loans.
- Mobilization fee, variable fee and fixed fee of maintenance contracts of machinery and equipment: The maintenance contract No. 68/2011/PVPOWER NT2 – PVPS between PetroVietnam Power Nhon Trach 2 Joint Stock Company and PetroVietnam Power Technical Services Joint Stock Company is to maintain the major equipment and machinery in Nhon Trach 2 Combined Cycle Power Plant for the duration of 11.7 years or 200,000 equivalent operation hours (EOH). Mobilization fee, variable fee and fixed fee had been paid before Nhon Trach 2 Combined Cycle Power Plant was in the commercial operation and these fees are allocated to the income statement in the period based on the actual EOH hours.
- Overhaul expense of Nhon Trach 2 Combined Cycle Power Plant arose when the plant reached 25,000 EOH and the Company had to perform overhaul according to specifications. Accordingly, this expense was recognized and amortized to the income statement for the next 25,000 EOH. On 15 December 2014, the Board of Directors the Company has issued Decision No. 46/QĐ-CPNT2 for the approval of the completion of overhaul, in which the overhaul expense will be allocated based on the actual EOH from the end of overhaul period of the factory.
- The accumulated foreign exchange differences arose from the construction stage of Nhon Trach 2 Combined Cycle Power Plant to date of issuing the PAC certificate on 16 October 2011 and are allocated to the income statement (see Note 26) over a maximum period of five years from the date of issuing of PAC certificate under the Official Letter No. 721/CT-TTH dated 1 March 2012 issued by the Tax Department of Dong Nai Province. Up to 31 December 2015, this accumulated foreign exchange differences was fully allocated to income statement.
- Loan interest expense to finance the maintenance contracts of machinery and equipment: Loan interests arising from payment of the maintenance contract No. 68/2011/PVPOWER NT2 – PVPS between PetroVietnam Power Nhon Trach 2 Joint Stock Company and PetroVietnam Power Technical Services Joint Stock Company. The interest incurred before the commercial operation of Nhon Trach 2 Combined Cycle Power Plant and did not belong to the project investment expenditure. Up to 31 December 2015, this loan interest expense was fully allocated to income statement.

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15. DEFERRED TAX ASSETS

	31/12/2015	31/12/2014
	VND	VND
Corporate income tax rates used for determination of value of deferred tax assets	5%	5%
Deferred tax assets related to deductible temporary differences	931,319,334	-
Deferred income tax assets	931,319,334	-

16. SHORT-TERM TRADE PAYABLES

	31/12/2015		31/12/2014	
	Amount	VND Amount able to be paid off	Amount	VND Amount able to be paid off
a. Short-term trade payables to related parties				
- Petro Vietnam Gas Joint Stock Corporation	559,158,374,502	559,158,374,502	776,373,697,796	776,373,697,796
- Petro Vietnam Power Technical Services Joint Stock Company	38,809,164,052	38,809,164,052	27,386,855,113	27,386,855,113
- Southern Management Board of PVC's project	454,403,426	454,403,426	454,403,426	454,403,426
- Petroleum Power Property Joint Stock Company	1,140,250,000	1,140,250,000	1,140,250,000	1,140,250,000
- Vietnam Petroleum Institute - The Research and Development Centre for Petroleum Safety and Environment	-	-	222,181,661	222,181,661
- Petro Vietnam Insurance Joint Stock Corporation	75,000,000	75,000,000	-	-
- Drilling Mud Corporation	455,697,900	455,697,900	319,788,000	319,788,000
- Petro Vietnam Nhon Trach Power Company	-	-	95,778,900	95,778,900
Total	600,092,889,880	600,092,889,880	805,992,954,896	805,992,954,896
b. Short-term trade payables to third parties				
Others	10,512,074,054	10,512,074,054	4,273,724,708	4,273,724,708
Total	10,512,074,054	10,512,074,054	4,273,724,708	4,273,724,708

17. TAXES AND AMOUNTS PAYABLE TO THE STATE BUDGET

	01/01/2015	Payable during the year	Paid during the year	31/12/2015
	VND	VND	VND	VND
Payables				
Value added tax	201,310,860,413	220,114,051,818	309,250,477,802	112,174,434,429
Corporate income tax	-	61,113,338,509	35,607,059,592	25,506,278,917
Personal income tax	251,871,129	9,589,528,780	9,599,623,290	241,776,619
Natural resources tax	3,554,243,006	39,364,881,580	39,314,366,556	3,604,758,030
Other tax	556,861	2,794,502,612	2,794,664,572	394,901
Total	205,117,531,409	332,976,303,299	396,566,191,812	141,527,642,896

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18. SHORT-TERM ACCRUED EXPENSES

	<u>31/12/2015</u>	<u>31/12/2014</u>
	VND	VND
Maintenance expenses	96,011,933,374	89,648,927,883
Accrual interest expenses	11,549,037,820	13,214,003,762
Others	10,724,510,312	12,137,020,162
	<u>118,285,481,506</u>	<u>114,999,951,807</u>

Short-term accrual expenses mainly are maintenance expenses, accrues according to maintenance contract No. 68/2011/PVPOWER NT2 – PVPS between PetroVietnam Power Nhon Trach 2 Joint Stock Company and PetroVietnam Power Technical Services Joint Stock Company for maintaining machineries and equipments for Nhon Trach 2 Combined Cycle Power Plant for the duration of 11.7 years or 200,000 equivalent operation hours (EOH).

19. OTHER CURRENT PAYABLES

	<u>31/12/2015</u>	<u>31/12/2014</u>
	VND	VND
Late payment interest income payable to Petro Vietnam Gas Joint Stock Company	39,278,284,374	39,278,284,374
Dividends and profits payable	8,473,879,395	128,000,000,000
Other payables	513,255,383	1,958,773,149
	<u>48,265,419,152</u>	<u>169,237,057,523</u>

20. LOANS

	<u>Current portion of long-term loans</u>	<u>Long-term loans</u>
	VND	VND
As at 31/12/2014		
- Amount	1,051,902,984,892	5,855,706,484,440
- Amount able to paid off	1,051,902,984,892	5,855,706,484,440
During the year		
- Increase	1,044,121,928,218	-
+ Transfer from long-term loans	1,044,121,928,218	-
- Decrease	1,042,360,099,412	1,043,974,670,220
+ Transfer to current portion of long-term loans	-	1,044,121,928,218
+ Paid during this year	1,043,394,610,429	-
+ Differences by foreign exchange rate	(1,034,511,017)	(147,257,998)
As at 31/12/2015		
- Amount	1,053,664,813,698	4,811,731,814,220
- Amount able to paid off	<u>1,053,664,813,698</u>	<u>4,811,731,814,220</u>

Detail of long-term loan by lenders as below:

	<u>31/12/2015</u>	<u>31/12/2014</u>
	VND	VND
HERMES, CIRR, NEXI and Citibank	5,537,609,887,691	6,532,996,051,929
Vietnam Prosperity Bank (VPBank)	200,526,931,298	229,173,635,770
- Ho Chi Minh City Branch		
Ho Chi Minh City Development Joint Stock Commercial Bank (HDBank) - Cong Hoa Branch	127,259,808,929	145,439,781,633
	<u>5,865,396,627,918</u>	<u>6,907,609,469,332</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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As at 22 July 2010 and 23 July 2010, the Company entered into a long-term loan contracts with agency banks such as HERMES, CIRR, NEXI and Citibank in which Citibank is a main agency bank for total credit line of USD 215,380,981 and EUR 202,585,883. These loans are guaranteed by the Government of Vietnam and granted the insurance by HERMES and NEXI. The loan bears an interest rate of 6 month Euribor and 6 month Libor plus the adjustment. The loan and interest are repaid every 6 months on 19 half-yearly installment during 9.5 years and the first repayment is on 1 June 2012. The balances of loans as at 31 December 2015 are USD 123,622,299.57 and EUR 112,944,730.03, respectively (31 December 2014: USD 146,099,081.31 and EUR 133,480,135.49).

In 2013, the Company entered into a long-term loan contract with Vietnam Prosperity Bank (VPBank) - Ho Chi Minh City Branch for the total credit line of VND 286,467,044,714 with duration is starting from the first withdrawal to 25 December 2022, include the withdrawal period merely lasted until 30 June 2013. The purpose is to finance construction of Nhon Trach 2 Combined Cycle Power Plant and to replace the credit line of VND 600 billion for the contract No. 02/2011/HĐTD-THD dated 31 March 2011 with Vietnam Joint Stock Commercial Bank for Industry and Trade (VietinBank) - Hanoi Branch. The principal is paid on a six-month basis within 20 installments. The loan is unsecured and bears floating interest rates. Principal balance of this loan at 31 December 2015 was VND 200,526,931,298 (31 December 2014: VND 229,173,635,770).

As at 15 May 2014, the Company entered into a long-term loan contract with Ho Chi Minh City Development Join Stock Commercial Bank - Cong Hoa Branch for the total credit line of VND 163,619,754,337. The purpose is to replace a former loan contract which financed construction of Nhon Trach 2 Combined Cycle Power Plant (replace the loan contract No. 01/2011/HĐTD-THD dated 20 January 2011 signed with Vietnam Joint Stock Commercial Bank for Industry and Trade - Ha Noi City Branch for a credit line of VND 200 billion). The loan duration starts from the first withdrawal to 25 December 2022, include the withdrawal period merely lasted until 30 June 2014. The principal is paid on a six-month basis within 18 installments. The first repayment was on 25 June 2014. The loan is unsecured and bears an 12-month interest rate of term deposits, receiving interests at due date, which is announced by the bank, plus marginal interest rate and the loan interest rate is adjusted every three months. Principal balance of this loan at 31 December 2015 was VND 127,259,808,929 (31 December 2014: VND 145,439,781,633).

Long-term debts are repayable as follows:

	31/12/2015	31/12/2014
	VND	VND
On demand or within one year	1,053,664,813,698	1,051,902,984,892
In the second year	1,053,664,813,698	1,051,902,984,892
In the third to fifth year inclusive	3,160,994,441,094	3,155,708,830,905
After five years	597,072,559,428	1,648,094,668,643
	5,865,396,627,918	6,907,609,469,332
Less: Amount due for settlement within 12 months	(1,053,664,813,698)	(1,051,902,984,892)
Amount due for settlement after 12 months	4,811,731,814,220	5,855,706,484,440

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

	<u>31/12/2015</u>	<u>31/12/2014</u>
- Number of shares issued to public		
+ Common shares	273,919,843	256,000,000
- Number of outstanding shares in circulation		
+ Common shares	<u>273,919,843</u>	<u>256,000,000</u>

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

Details of shareholders as at the balance sheet date as follows:

	<u>31/12/2015</u>		<u>31/12/2014</u>	
	VND	%	VND	%
Petro Vietnam Power Corporation	1,643,520,000,000	60.00%	1,607,661,500,000	62.80%
Technology Development Company Limited	228,808,800,000	8.35%	213,840,000,000	8.35%
Vietnam Posts and Telecommunications Group	-	0.00%	128,000,000,000	5.00%
Vinacomin - Power Holding Corporation Limited	-	0.00%	128,000,000,000	5.00%
Electric Power Development (J-Power - Japan)	-	0.00%	128,000,000,000	5.00%
Other shareholders	866,869,630,000	31.65%	354,498,500,000	13.85%
	<u>2,739,198,430,000</u>	<u>100%</u>	<u>2,560,000,000,000</u>	<u>100%</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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Movement on owners' equity:

	Owners' contributed capital VND	Share premium VND	Other owner's equity VND	Investment and Development fund VND	Retained earnings VND	Total VND
Balance as at 01/01/2014	2,560,000,000,000	-	169,237,381,136	20,439,881,905	37,998,393,675	2,787,675,656,716
Funds appropriation	-	-	-	410,960,845	(4,366,093,349)	(3,955,132,504)
Profit for the year	-	-	-	-	1,590,963,236,600	1,590,963,236,600
Dividends paid	-	-	-	-	(128,000,000,000)	(128,000,000,000)
Balance as at 31/12/2014	2,560,000,000,000	-	169,237,381,136	20,850,842,750	1,496,595,536,926	4,246,683,760,812
Capital increase	179,198,430,000	-	(169,237,381,136)	-	(9,961,048,864)	-
Funds appropriation	-	-	-	59,362,684,540	(99,362,684,540)	(40,000,000,000)
Profit for the year	-	-	-	-	1,141,627,721,284	1,141,627,721,284
Dividends declared	-	-	-	-	(579,327,858,700)	(579,327,858,700)
Other decrease	-	(113,000,000)	-	(412,477,359)	-	(525,477,359)
Balance as at 31/12/2015	2,739,198,430,000	(113,000,000)	-	79,801,049,931	1,949,571,666,106	4,768,458,146,037

According to the Resolution No. 07/NQ-CPNT2 dated 22 April 2015 of the 2015 Annual General Shareholders' Meeting, the Company has appropriated to Investment and Development fund by the amount of VND 59,362,684,540 (2014: VND 401,960,845), Bonus and Welfare fund by the amount of VND 20,000,000,000 (2014: VND 3,955,132,504) and remain dividend 13% coupon equivalent to VND 332,800,000,000 (2014: advance 5% coupon equivalent to VND 128,000,000,000) from retained earnings 2014.

According to the Resolution No. 18/NQ-CPNT2 dated 1 October 2015 of the Board of Management, the Company has advanced dividend 9% coupon by cash equivalent to VND 246,527,858,700 from retained earnings 2014.

According to the Resolution No. 25/NQ-CPNT2 dated 1 December 2015 of the Board of Management, the Company has appropriated for Bonus and Welfare fund by the amount of VND 20,000,000,000 from retained earnings 2015.

During the year, the Company has issued 17,919,843 shares, increased owners' contributed capital from other owners' equity and retained earnings. According to Decision No. 405/QĐ-SGDHCM dated 9 September 2015 of Ho Chi Minh Stock Exchange, the valid of additional issue has been taken effect from 11 September 2015.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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22. OFF BALANCE SHEET ITEMS

Foreign currencies

	Unit	31/12/2015	31/12/2014
United States Dollar	USD	270.28	300.50
Euro	EUR	7.96	16.77

23. BUSINESS AND GEOGRAPHICAL SEGMENTS

The Company's principal activities are to manufacture and consume electricity in domestic. Other business activities make up minor ratio in total revenue and operating result of Company in this period as well as previous financial years. Consequently, financial information has been presented on balance sheet as at 31 December 2014 and 31 December 2015 as well as revenues, expenses have been presented on income statement during the year end and previous financial years are relevant to principle activities. Hence, the Company did not prepare the report by business segment and geographical segments.

24. NET REVENUE

Net revenue from goods sold includes revenue of selling electricity in the period from 1 January 2015 to 30 November 2015 and the period from 1 December 2015 to 31 December 2015 following official electric price as stated in the amendment and supplement contract No. 05 dated 5 March 2015 of Power Purchase Contract No. 07/2012/HĐ-NMĐ-NT2 dated 6 July 2012 between Electric Power Trading Company (EPTC) and PetroVietnam Power Nhon Trach 2 Joint Stock Company.

Revenue of selling electricity in the period from 1 January 2015 to 30 November 2015 is recorded based on the foreign exchange rate as at invoice issuance date. The revenue for the period from 1 December 2015 to 31 December 2015 which is not issued invoice and recorded based on the estimated foreign exchange rate at the reporting date. Therefore, the variance of revenue from selling electricity for the period from 1 December 2015 to 31 December 2015 will be exactly adjusted and recognised after foreign exchange rate are fixed.

25. PRODUCTION COST BY NATURE

	2015	2014
	VND	VND
Raw materials and consumables	3,873,129,578,133	4,041,185,155,330
Labour	77,492,958,360	70,075,846,230
Depreciation and amortization	691,852,622,322	838,694,238,760
Out-sourced services	495,279,139,848	486,729,522,831
Other monetary expenses	96,237,915,978	51,503,579,426
	<u>5,233,992,214,641</u>	<u>5,488,188,342,577</u>

26. FINANCIAL INCOME

	2015	2014
	VND	VND
Interest	37,611,477,289	25,366,508,056
Realised foreign exchange gain	27,423,608,357	21,415,773,068
Unrealized foreign exchange gain	-	403,709,545,794
	<u>65,035,085,646</u>	<u>450,491,826,918</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

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

30. BASIC EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to the ordinary equity holders of the Company is based on the data as below and the certain reclassification has been made to the prior year's figures in accordance with the guidance of Circular 200 to enhance their comparability with the current year's presentation:

	2015	2014
	VND	VND
Profit after tax	1,141,627,721,284	1,590,963,236,600
Bonus and welfare fund appropriation	20,000,000,000	20,000,000,000
Profit after tax for calculating earnings per share	1,121,627,721,284	1,570,963,236,600
Weighted average number of ordinary shares for the purposes of calculating basic earnings per share	273,919,843	273,919,843
Basic earnings per share	4,095	5,735

In 2015, the Company has issued 17,919,843 shares, increased owners' capital from other owners' equity and retained earnings led to a retrospective adjustment to the weighted average number of ordinary shares of the year ended 31 December 2014 as following:

	<u>Weighted average number of ordinary</u>
Under the financial statements for the year ended 31 December 2014	256,000,000
Change of increasing shares from retained earnings of previous years	17,919,843
Adjusted amount	273,919,843

31. SELLING COMMITMENTS

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

32. FINANCIAL INSTRUMENTS

Capital risk management

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

The capital structure of the Company consists of net debt (borrowings disclosed in Note 20, offset by cash and cash equivalents) and owners' equity (comprising capital, share premium, other owners' capital, reserves and retained earnings).

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

Gearing ratio

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

	31/12/2015	31/12/2014
	VND	VND
Borrowings	5,865,396,627,918	6,907,609,469,332
Less: Cash and cash equivalents	1,108,501,344,977	726,126,885,017
Net debt	4,756,895,282,941	6,181,482,584,315
Equity	4,768,458,146,037	4,246,683,760,812
Net debt to equity ratio	1.00	1.46

Significant accounting policies

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

Categories of financial instruments

	Carrying amounts	
	31/12/2015	31/12/2014
	VND	VND
Financial assets		
Cash and cash equivalents	1,108,501,344,977	726,126,885,017
Trade and other receivables	1,796,713,652,972	2,133,711,355,970
Deposits	10,000,000	10,000,000
	2,905,224,997,949	2,859,848,240,987
Financial liabilities		
Borrowings	5,865,396,627,918	6,907,609,469,332
Trade and other payables	658,706,074,481	979,295,159,591
Accrued expenses	118,285,481,506	114,999,951,807
	6,642,388,183,905	8,001,904,580,730

The Company has not yet assessed fair value of its financial assets and liabilities as at the balance sheet date since there are no comprehensive guidance under Circular No. 210/2009/TT-BTC issued by the Ministry of Finance on 6 November 2009 ("Circular 210") and other relevant prevailing regulations to determine fair value of these financial assets and liabilities. While Circular 210 refers to the application of International Financial Reporting Standards ("IFRS") on presentation and disclosures of financial instruments, it did not adopt the equivalent guidance for the recognition and measurement of financial instruments, including application of fair value, in accordance with IFRS.

Financial risk management objectives

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

Financial risks include market risk (including foreign currency risk, interest rate risk and price), 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, interest rates and price. The Company does not hedge these risk exposures due to the lack of active market for the trading activities of financial instruments.

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

Foreign currency risk management

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

	Assets		Liabilities	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	VND	VND	VND	VND
USD	6,067,785	6,424,690	2,775,320,625,347	3,123,598,358,408
EUR	194,678	428,345	2,762,289,262,344	3,409,397,693,521

Foreign currency sensitivity analysis

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

The following table details the Company's sensitivity to a 3% increase and decrease in Vietnam Dong against the relevant foreign currencies. 3% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 3% change in foreign currency rates. For a 3% increase/decrease in the following foreign currencies against Vietnam Dong, the profit before tax in the year would decrease/increase by the following amount as follows:

	2015	2014
	VND	VND
USD	83,259,436,727	93,707,758,012
EUR	82,868,672,030	102,281,917,955
	166,128,108,757	195,989,675,967

Interest rate risk management

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

Interest rate sensitivity

The loan's sensitivity to interest rate changes which may arise at an appropriate level is presented as follow. Assuming all other variables were held constant and the loan balance at the balance sheet date were the outstanding amount for the whole year, if interest rates applicable to floating interest bearing loans had been 200 basis points higher/lower, the Company's profit before tax for the year ended 31 December 2015 would have decreased/increased by VND 110,752,197,754 (2014: VND 130,659,921,039).

Gas price risk management

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

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. At the balance sheet date there is a significant concentration of credit risk arising on sales to Vietnam Electricity in 2015. The maximum exposure to credit risk is represented by the outstanding receivables from related parties as presented in Note 33.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

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

Liquidity risk management

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

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

31/12/2015	Less than 1 year VND	From 1-5 years VND	Total VND
Cash and cash equivalents	1,108,501,344,977	-	1,108,501,344,977
Trade and other receivables	1,428,957,790,078	367,755,862,894	1,796,713,652,972
Deposits	10,000,000	-	10,000,000
	<u>2,537,469,135,055</u>	<u>367,755,862,894</u>	<u>2,905,224,997,949</u>
31/12/2015	Less than 1 year VND	From 1-5 years VND	Total VND
Borrowings	1,053,664,813,698	4,811,731,814,220	5,865,396,627,918
Trade and other payables	658,706,074,481	-	658,706,074,481
Accrued expenses	118,285,481,506	-	118,285,481,506
	<u>1,830,656,369,685</u>	<u>4,811,731,814,220</u>	<u>6,642,388,183,905</u>
Net liquidity gap	<u>706,812,765,370</u>	<u>(4,443,975,951,326)</u>	<u>(3,737,163,185,956)</u>
31/12/2014	Less than 1 year VND	From 1-5 years VND	Total VND
Cash and cash equivalents	726,126,885,017	-	726,126,885,017
Trade and other receivables	1,601,468,938,129	532,242,417,841	2,133,711,355,970
Deposits	10,000,000	-	10,000,000
	<u>2,327,605,823,146</u>	<u>532,242,417,841</u>	<u>2,859,848,240,987</u>
31/12/2014	Less than 1 year VND	From 1-5 years VND	Total VND
Loans	1,051,902,984,892	5,855,706,484,440	6,907,609,469,332
Trade and other payables	979,295,159,591	-	979,295,159,591
Accrued expenses	114,999,951,807	-	114,999,951,807
	<u>2,146,198,096,290</u>	<u>5,855,706,484,440</u>	<u>8,001,904,580,730</u>
Net liquidity gap	<u>181,407,726,856</u>	<u>(5,323,464,066,599)</u>	<u>(5,142,056,339,743)</u>

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

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

33. RELATED PARTY TRANSACTIONS AND BALANCES

List of related parties:

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

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

	2015 <u>VND</u>	2014 <u>VND</u>
Revenue of electricity		
Electricity Power Trading Company (EPTC)	<u>6,729,438,340,659</u>	<u>7,064,916,896,183</u>
Purchases and services		
Petro Vietnam Gas Joint Stock Corporation	4,046,563,551,733	3,844,571,504,991
Petro Vietnam Power Technical Services Joint Stock Company	341,324,572,554	441,509,606,376
Petro Vietnam Insurance Joint Stock Corporation	65,264,878,222	42,762,861,400
Vietnam Electricity	2,659,629,700	5,499,697,000
Drilling Mud Corporation	2,261,358,000	1,941,570,000
Petro Vietnam Nhon Trach Power Company	898,081,000	1,022,648,200
PV Oil Lubricant Joint Stock Company	-	1,424,624,960
Petro Vietnam Power Corporation	731,762,418	666,344,399
Petro Vietnam Oil and Gas Group	15,909,632,366	82,192,008
PVcomBank	802,618,812	821,225,357
Petro Vietnam Energy Technology Corporation	-	<u>300,000,000</u>
Financial income		
Interest income from time deposits at PVcomBank	<u>10,013,162,193</u>	<u>5,093,266,744</u>

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

	2015 <u>VND</u>	2014 <u>VND</u>
Salaries and benefits in kind	<u>6,862,077,706</u>	<u>5,402,483,522</u>

PETROVIETNAM NHON TRACH 2 POWER JOINT STOCK COMPANY

Hamlet 3, Phuoc Khanh Commune, Nhon Trach District
Dong Nai Province, S.R.Vietnam

Financial Statements
For the year ended 31 December 2015

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

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

	31/12/2015	31/12/2014
	<u>VND</u>	<u>VND</u>
Trade Receivables		
Electricity Power Trading Company (EPTC)	1,750,428,741,080	2,085,643,819,056
Petro Vietnam Power Technical Services Joint Stock Company	<u>33,544,089</u>	<u>33,544,089</u>
Advance to suppliers		
Drilling Mud Corporation	35,405,100	228,420,000
Petro Vietnam Power Technical Services Joint Stock Company	<u>144,260,091,974</u>	<u>163,728,626,749</u>
Other Receivables		
Electricity Power Trading Company (EPTC)	42,153,554,457	42,153,554,457
Interest receivable from PVcomBank	<u>225,194,443</u>	<u>238,222,223</u>
Trade Payables		
Petro Vietnam Gas Joint Stock Corporation	559,158,374,502	776,373,697,796
Petro Vietnam Power Technical Services Joint Stock Company	38,809,164,052	27,386,855,113
Southern Management Board of PVC's project	454,403,426	454,403,426
Petroleum Power Property Joint Stock Company	1,140,250,000	1,140,250,000
Vietnam Petroleum Institute - The Research and Development Centre for Petroleum Safety and Environment	-	222,181,661
Drilling Mud Corporation	455,697,900	319,788,000
Petro Vietnam Insurance Joint Stock Corporation	75,000,000	-
Petro Vietnam Nhon Trach Power Company	<u>-</u>	<u>95,778,900</u>
Other payables		
Petro Vietnam Gas Joint Stock Corporation	<u>39,278,284,374</u>	<u>39,278,284,374</u>
Financial investments		
Time deposit in PVcomBank	<u>200,000,000,000</u>	<u>200,000,000,000</u>

34. SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Supplemental non-cash disclosures

Interest earned during the year exclude an amount of VND 620,472,220 (2014: VND 869,202,437), representing additional uncollected interest income during the year that has not yet been received. Consequently, changes in accounts receivable have been adjusted by the same amount.

Interest paid during the year exclude an amount of VND 11,549,037,820 (2014: VND 13,214,003,762) representing interest expenses have not yet been paid. Consequently, changes in accounts payable have been adjusted by the same amount.

Dividends and profits paid during the year exclude an amount of VND 8,473,879,395 (2014: VND 128,000,000,000) representing dividends and profits have not yet been paid fully to shareholders. Consequently, changes in accounts payable have been adjusted by the same amount.

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4. Other current payables	319	358,841,041,074	(189,603,983,551)	169,237,057,523
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INCOME STATEMENT

ITEMS	Codes	Reported amount	Reclassification	After reclassification
		2014	under Cir 200	2014
		VND	VND	VND
1. Other income	31	2,407,163,967	(450,000,000)	1,957,163,967
2. Other expense	32	1,471,720,658	(450,000,000)	1,021,720,658
3. Basic earnings per share	70	4,638	1,097	5,735

CASH FLOW STATEMENT

ITEMS	Codes	Reported amount	Reclassification	After reclassification
		2014	under Cir 200	2014
		VND	VND	VND
1. Cash outflow for lending, buying debt instruments of other entities	23	(293,538,818,212)	293,538,818,212	-
2. Cash recovered from lending, selling debt instruments of other entities	24	-	246,461,181,788	246,461,181,788
3. Cash and cash equivalents at the end of the year	70	186,126,885,017	540,000,000,000	726,126,885,017



Le Viet An
Preparer



Nguyen Huu Minh
Chief Accountant



Hoang Xuan Quoc
Director

5 February 2016

