

**VINH SON - SONG HINH HYDRO-POWER JOINT STOCK
COMPANY**
(Incorporated in the Socialist Republic of Vietnam)

**REVIEWED CONSOLIDATED
FINANCIAL STATEMENTS**

For the period from 01 January 2012 to 30 June 2012



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STATEMENT OF THE BOARDS OF MANAGEMENT AND DIRECTORS

The Boards of Management and Directors of Vinh Son - Song Hinh Hydro-power Joint Stock Company ("the Company") presents this report together with the Company's consolidated financial statements for the period from 01 January 2012 to 30 June 2012.

THE BOARDS OF MANAGEMENT AND DIRECTORS

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

Board of Management

Mr. Nguyen Van Thanh	Chairman
Mr. Vo Thanh Trung	Member
Mr. Nguyen Viet Thang	Member
Mr. Nguyen Duc Doi	Member
Mr. Phan Hong Quan	Member

Board of Directors

Mr. Vo Thanh Trung	General Director
Mr. Hoang Anh Tuan	Deputy General Director
Mr. Duong Tan Tuong	Deputy General Director
Mr. Pham Van Dung	Deputy General Director

THE BOARDS OF MANAGEMENT AND DIRECTORS' STATEMENT OF RESPONSIBILITY

The Board of Management is entitled to the ultimate power to exercise all rights and obligations on behalf of the Company, except for the rights relating to the Board of Shareholders.

The Board of Directors of the Company is responsible for preparing the consolidated financial statements of each period, which give a true and fair view of the financial position of the Company and of its results and cash flows for the period. In preparing these consolidated 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 consolidated financial statements;
- Prepare the consolidated 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 consolidated financial statements so as to minimise errors and frauds.

The Board of Directors is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the financial position of the Company and that the consolidated financial statements comply with Vietnamese Accounting Standards, Vietnamese Accounting System and prevailing relevant regulations in Vietnam. The Board of Directors is also responsible for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of frauds and other irregularities.

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VINH SON - SONG HINH HYDRO-POWER JOINT STOCK COMPANY

21 Nguyen Hue Street, Quy Nhon City

Binh Dinh Province, S.R. Vietnam

STATEMENT OF THE BOARDS OF MANAGEMENT AND DIRECTORS (Continued)

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

The Board of Management confirms that these consolidated financial statements for the period from 01 January 2012 to 30 June 2012 were read and approved by the Board of Management.

For and on behalf of the Boards of Management and Directors,



Nguyen Van Thanh
Chairman of the Board of Management

15 August 2012

Vo Thanh Trung
General Director

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No.: 265/Deloitte-AUDHN-RE

REVIEW REPORT

**To: The Shareholders, the Boards of Management and Directors
Vinh Son - Song Chinh Hydro-power Joint Stock Company**

We have reviewed the accompanying consolidated balance sheet of Vinh Son - Song Chinh Hydro-power Joint Stock Company ("the Company") as at 30 June 2012, the related consolidated statements of income and cash flows for the period from 01 January 2012 to 30 June 2012 and the notes thereto (collectively referred to as "the consolidated financial statements"), as set out from page 5 to page 27. The accompanying consolidated financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these consolidated financial statements based on our review.

Except for the matter mentioned in the following paragraphs, we conducted our review in accordance with Vietnamese Standard on Auditing No. 910 - Engagements to review financial statements. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the consolidated financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

As presented in Note 5 of the Notes to the consolidated financial statements, the loans to Electricity of Vietnam (EVN) under loan contracts with amounts of VND 100 billion and VND 200 billion matured on 25 August 2011 and 25 September 2011, respectively. Up to the date of these consolidated financial statements, these contracts had not been extended. The Company temporarily calculated the loan interest of VND 5,250,000,000 for the first 6 months of 2012 which will be adjusted upon mutual agreement by the two parties on interest rates.

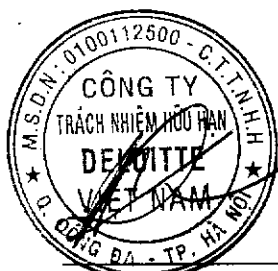
As presented in Note 15 of the Notes to the consolidated financial statements, at the date of these consolidated financial statements, the Company and Electricity of Vietnam has not reached a final agreement on the electricity prices for the period from January 2010 to June 2012. The Company has recorded revenue from electricity generation and trading of 2010 and the first 11 months of 2011 on the basis of the unit price equal to 90% of the unit price of 2009. The Company has recorded the revenue of December 2011 and the first 6 months of 2012 on the basis of the unit price equal to 76% and 61% of the unit price of 2009, respectively.

Based on our review, except for the effects of the above-mentioned matters, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not give a true and fair view of, in all material respects, the financial position of the Company as at 30 June 2012 and the results of its operations and cash flows for the period from 01 January 2012 to 30 June 2012 in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System and prevailing relevant regulations in Vietnam.

REVIEW REPORT (Continued)

We would like to draw readers' attention to the following issue:

As presented in Note 3 of the Notes to the consolidated financial statements, foreign exchange differences related to construction activities of Thuong Kon Tum Hydro-power plant project was presented in the consolidated balance sheet. As at 30 June 2012, the foreign exchange loss recorded in the consolidated balance sheet is VND 7,580,713,579. The Company plans to establish a subsidiary in order to receive and operate new hydro-power plants when completed. The balance of foreign exchange reserve item on the consolidated balance sheet will be transferred to this subsidiary when the plants have been completed and commence operation. Other foreign exchange differences that are not related to construction activities as mentioned above were recognised in the consolidated income statement.



Dang Chi Dung
Deputy General Director
CPA Certificate No. D.0030/KTV

For and on behalf of
DELOITTE VIETNAM COMPANY LIMITED

15 August 2012
Hanoi, S.R. Vietnam

Nguyen Quang Trung
Auditor
CPA Certificate No. 0733/KTV

VINH SON - SONG HINH HYDRO-POWER JOINT STOCK COMPANY

 21 Nguyen Hue Street, Quy Nhon City
 Binh Dinh Province, S.R. Vietnam

Consolidated financial statements

For the period from 01 January 2012 to 30 June 2012

CONSOLIDATED BALANCE SHEET
As at 30 June 2012
FORM B 01-DN/HN

Unit: VND

ASSETS	Codes	Notes	30/6/2012	31/12/2011
A. CURRENT ASSETS	100		1,415,164,638,911	1,811,131,832,651
I. Cash and cash equivalents	110	4	426,845,900,208	482,797,391,011
1. Cash	111		15,945,900,208	3,797,391,011
2. Cash equivalents	112		410,900,000,000	479,000,000,000
II. Short-term financial investments	120	5	330,685,326,000	699,583,062,000
1. Short-term investments	121		330,685,326,000	709,185,326,000
2. Provision for diminution in value of short-term investments	129		-	(9,602,264,000)
III. Short-term receivables	130		627,307,289,383	603,244,857,655
1. Trade accounts receivable	131		245,418,167,616	218,400,591,186
2. Advances to suppliers	132	6	369,712,900,640	358,806,658,584
3. Other receivables	135		12,176,221,127	26,037,607,885
IV. Inventories	140	7	29,485,177,411	25,420,521,985
1. Inventories	141		37,450,866,921	33,386,211,495
2. Provision for devaluation of inventories	149		(7,965,689,510)	(7,965,689,510)
V. Other short-term assets	150		840,945,909	86,000,000
1. Value added tax deductibles	152		327,070,197	-
2. Other short-term assets	158		513,875,712	86,000,000
B. NON-CURRENT ASSETS	200		1,700,129,295,619	1,534,601,224,067
I. Fixed assets	220		1,683,498,070,498	1,518,890,038,781
1. Tangible fixed assets	221	8	1,014,320,392,439	1,060,821,965,402
- Cost	222		2,950,534,767,060	2,948,317,183,011
- Accumulated depreciation	223		(1,936,214,374,621)	(1,887,495,217,609)
2. Construction in progress	230	9	669,177,678,059	458,068,073,379
II. Long-term financial investments	250		13,912,162,419	12,942,480,766
1. Investments in associates	252	10	13,912,162,419	12,942,480,766
III. Other long-term assets	260		2,719,062,702	2,768,704,520
1. Long-term prepayments	261		104,661,023	154,302,841
2. Deferred tax assets	262		2,614,401,679	2,614,401,679
TOTAL ASSETS	270		3,115,293,934,530	3,345,733,056,718

The notes set out on pages 10 to 27 are an integral part of these consolidated financial statements

VINH SON - SONG HINH HYDRO-POWER JOINT STOCK COMPANY

 21 Nguyen Hue Street, Quy Nhon City
 Binh Dinh Province, S.R. Vietnam

Consolidated financial statements

For the period from 01 January 2012 to 30 June 2012

CONSOLIDATED BALANCE SHEET (Continued)

As at 30 June 2012

FORM B 01-DN/HN

Unit: VND

RESOURCES	Codes	Notes	30/6/2012	31/12/2011
A. LIABILITIES	300		631,950,220,046	1,000,975,875,665
I. Current liabilities	310		397,001,077,346	742,948,979,463
1. Short-term loans and liabilities	311	11	303,934,302,009	522,019,557,378
2. Trade accounts payable	312		11,742,458,023	25,116,453,314
3. Advances from customers	313		645,329,000	985,354,000
4. Taxes and amounts payable to the State budget	314	12	77,872,282,655	58,290,820,405
5. Payables to employees	315		3,734,573,325	5,755,068,146
6. Accrued expenses	316		1,284,630,310	3,779,331,868
7. Other current payables	319		319,064,758	126,696,572,833
8. Bonus and welfare funds	323		(2,531,562,734)	305,821,519
II. Long-term liabilities	330		234,949,142,700	258,026,896,202
1. Long-term loans and liabilities	334	13	234,860,510,407	257,844,485,957
2. Provision for severance allowance	336		88,632,293	182,410,245
B. EQUITY	400		2,483,343,714,484	2,344,757,181,053
I. Shareholders' equity	410		2,481,920,558,418	2,343,097,744,825
1. Charter capital	411	14	2,062,412,460,000	2,062,412,460,000
2. Treasury shares	414	14	(47,117,531,962)	(47,117,531,962)
3. Foreign exchange reserve	416		(7,580,713,579)	(7,752,006,653)
4. Investment and development fund	417		21,500,000,000	21,500,000,000
5. Financial reserve fund	418		26,880,000,000	26,880,000,000
6. Retained earnings	420	14	425,826,343,959	287,174,823,440
II. Other resources and funds	430		1,423,156,066	1,659,436,228
1. Funds for fixed assets acquisition	433		1,423,156,066	1,659,436,228
TOTAL RESOURCES	440		3,115,293,934,530	3,345,733,056,718


 Vo Thanh Trung
 General Director

 Huynh Cong Ha
 Chief Accountant

 Le Van Chuong
 Preparer

15 August 2012

VINH SON - SONG HINH HYDRO-POWER JOINT STOCK COMPANY

21 Nguyen Hue Street, Quy Nhon City
Binh Dinh Province, S.R. Vietnam

Consolidated financial statements

For the period from 01 January 2012 to 30 June 2012

CONSOLIDATED INCOME STATEMENT
For the period from 01 January 2012 to 30 June 2012

FORM B 02-DN/HN

Unit: VND

ITEMS	Codes	Notes	From 01/01/2012	From 01/01/2011
			to 30/6/2012	to 30/6/2011
1. Net sales	10	15	193,889,480,929	269,806,005,160
2. Cost of sales	11	16	82,646,854,386	78,657,834,521
3. Gross profit from sales	20		111,242,626,543	191,148,170,639
4. Financial income	21	18	42,322,874,705	69,065,871,121
5. Financial expenses	22	18	(7,088,303,472)	28,541,324,517
- In which: Interest expense	23		2,513,960,528	1,882,862,393
6. General and administration expenses	25		7,727,306,624	5,476,974,575
7. Operating profit	30		152,926,498,096	226,195,742,668
8. Other income	31		84,837,803	31,818,185
9. Other expenses	32		50,890,400	26,360,937
10. Profit from other activities	40		33,947,403	5,457,248
11. Share of profit in the associate	45	10	969,681,653	767,630,734
12. Accounting profit before tax	50		153,930,127,152	226,968,830,650
13. Current corporate income tax expense	51	19	13,911,276,747	20,404,017,198
14. Net profit after corporate income tax	60		140,018,850,405	206,564,813,452
15. Basic earnings per share	70	20	692	1,021



Vo Thanh Trung
General Director

15 August 2012

Huynh Cong Ha
Chief Accountant

Le Van Chuong
Preparer

VINH SON - SONG HINH HYDRO-POWER JOINT STOCK COMPANY

 21 Nguyen Hue Street, Quy Nhon City
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Consolidated financial statements

For the period from 01 January 2012 to 30 June 2012

CONSOLIDATED CASH FLOW STATEMENT

For the period from 01 January 2012 to 30 June 2012

FORM B 03-DN/HN

Unit: VND

ITEMS	Codes	From 01/01/2012	From 01/01/2011
		to 30/6/2012	to 30/6/2011
I. CASH FLOWS FROM OPERATING ACTIVITIES			
<i>1. Profit before tax</i>	01	153,930,127,152	226,968,830,650
<i>2. Adjustments for:</i>		(948,685,413)	16,664,398,088
- Depreciation and amortisation	02	48,462,492,764	58,238,850,306
- Provisions	03	(9,602,264,000)	6,289,211,400
- Unrealized foreign exchange loss	04	-	19,319,345,110
- Gain from investing activities	05	(42,322,874,705)	(69,065,871,121)
- Interest expense	06	2,513,960,528	1,882,862,393
<i>3. Operating profit before movements in working capital</i>	08	152,981,441,739	243,633,228,738
- Decrease in receivables	09	19,472,700,685	86,117,008,208
- (Increase)/decrease in inventories	10	(4,064,655,426)	1,981,015,761
- (Decrease) in accounts payable (not including accrued interest and corporate income tax payable)	11	(9,478,641,479)	(12,726,688,685)
- Decrease in prepaid expenses	12	49,641,818	31,325,683
- Interest paid	13	(6,150,660,551)	(18,095,759,597)
- Corporate income tax paid	14	(2,000,000,000)	(22,724,881,266)
- Other cash inflows	15	43,620,000	543,678,000
- Other cash outflows	16	(3,069,536,372)	(824,535,000)
<i>Net cash from operating activities</i>	20	147,783,910,414	277,934,391,842
II. CASH FLOWS FROM INVESTING ACTIVITIES			
1. Acquisition and construction of fixed assets	21	(245,260,213,962)	(109,619,242,339)
2. Cash outflow for lending to other entities	23	-	(332,000,000,000)
3. Cash recovered from lending to other entities	24	252,500,000,000	220,000,000,000
4. Deposit interest earned, entrusted loan interest, dividends and profits received	27	29,872,043,664	62,303,758,762
<i>Net cash used in investing activities</i>	30	37,111,829,702	(159,315,483,577)
III. CASH FLOWS FROM FINANCING ACTIVITIES			
1. Proceeds from borrowings	33	312,672,159,910	-
2. Repayment of borrowings	34	(553,519,390,829)	(101,448,768,876)
3. Dividends and profits paid	36	-	(25,206,779,200)
<i>Net cash (used in) financing activities</i>	40	(240,847,230,919)	(126,655,548,076)
Net (decrease) in cash	50	(55,951,490,803)	(8,036,639,811)
Cash and cash equivalents at the beginning of the period	60	482,797,391,011	677,417,788,920
Cash and cash equivalents at the end of the period	70	426,845,900,208	669,381,149,109

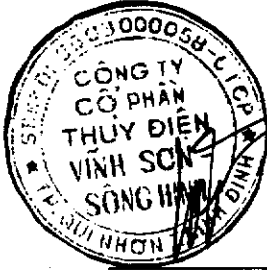
CONSOLIDATED CASH FLOW STATEMENT (Continued)

For the period from 01 January 2012 to 30 June 2012

Supplemental non-cash disclosures

Cash recovered from lending to other entities excludes an amount of VND 126 billion, representing dividends payable to Electricity of Vietnam (EVN) by offsetting against the loan due from EVN in accordance with Official Letter No. BT36/EVN-TCKT dated 29 March 2012. Consequently, changes in accounts payable have been adjusted by the same amount.

Cash outflows for purchases and construction of fixed assets during the period include an amount of VND 31,933,025,233, representing advances to contractors while the volume of completed works have not yet been inspected. Consequently, changes in accounts receivable have been adjusted by the same amount.



Vo Thanh Trung
General Director

15 August 2012

Huynh Cong Ha
Chief Accountant

Le Van Chuong
Preparer

VINH SON - SONG HINH HYDRO-POWER JOINT STOCK COMPANY

21 Nguyen Hue Street, Quy Nhon City
Binh Dinh Province, S.R. Vietnam

Consolidated financial statements
For the period from 01 January 2012 to 30 June 2012

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FORM B 09-DN/HN

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

1. GENERAL INFORMATION

Structure of ownership

Vinh Son - Song Hinh Hydro-power Joint Stock Company was incorporated in Vietnam as a joint stock company which was converted from Vinh Son - Song Hinh Hydro-power Plant, a State-owned enterprise ("the Plant"). Previously, the Plant was a dependent accounting unit of the Electricity of Vietnam ("EVN").

According to Decision No. 219/QD-TTg dated 28 October 2003 issued by the Prime Minister approving the general plan for renovation of State-owned Enterprises under the Electricity of Vietnam in the period from 2003 to 2005 and Decision No. 2992/QD-TCCB of the Ministry of Industry on equitization of Vinh Son - Song Hinh Hydro-power Plant, the Plant is responsible for proceeding equitization in 2004. On 2 December 2004, the Ministry of Industry issued Decision No. 151/2004/QD-BCN on converting Vinh Son - Song Hinh Hydro-power Plant into Vinh Son - Song Hinh Hydro-power Joint Stock Company.

On 4 May 2005, the Plant officially started operating as a joint stock company and under the name of Vinh Son - Song Hinh Hydro-power Joint Stock Company according to the Company's Business Registration Certificate No. 3503000058 issued by the Department of Planning and Investment of Binh Dinh Province on 4 May 2005, as amended.

The Company was approved to trade securities in Hanoi Stock Trading Center in accordance with Decision No. 01/QD-TTGDHN. On 28 June 2006, the Company's stocks were officially permitted to be listed in Ho Chi Minh City Stock Exchange in accordance with Decision No. 54/UBCK-GDNY issued by the State Securities Commission.

The Company has a wholly-owned subsidiary namely VSH Consulting and Technical Service One Member Company Limited and an associate namely Binh Dinh Tourist Joint Stock Company.

The number of employees as at 30 June 2012 was 158 (31 December 2011: 127).

Operating industry and principal activities

The principal activities of the Company are to produce electricity; provide operation management and maintenance services for hydro-power plants; provide consulting services for hydro-power plant projects management and construction supervision; provide design consulting services for irrigation, transportation and hydro-power projects; provide supervision consulting services for the construction of irrigation and transportation projects; test power, trade materials and equipment in hydro-power industry; invest in construction of power projects; and trade real estates.

2. ACCOUNTING CONVENTION AND ACCOUNTING PERIOD

Accounting convention

The accompanying consolidated financial statements, expressed in Vietnam Dong (VND), are prepared under the historical cost convention and in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System and prevailing relevant regulations in Vietnam.

Accounting period

The Company's financial year begins on 01 January and ends on 31 December. These are the interim consolidated financial statements for the period from 01 January 2012 to 30 June 2012.

VINH SON - SONG HINH HYDRO-POWER JOINT STOCK COMPANY

21 Nguyen Hue Street, Quy Nhon City
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Consolidated financial statements
For the period from 01 January 2012 to 30 June 2012

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Estimates

The preparation of consolidated financial statements in conformity with Vietnamese Accounting Standards, the Vietnamese Accounting System and prevailing relevant regulations in Vietnam 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Financial instruments

Initial recognition

Financial assets

At the date of initial recognition, financial assets are recognized 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 short-term investments.

Financial liabilities

At the date of initial recognition, financial liabilities are recognized at cost net of transaction costs that are directly attributable to the issue of the financial liabilities.

Financial liabilities of the Company comprise trade payables and other payables, accruals and borrowings.

Re-measurement after initial recognition

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

Basis of consolidation

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

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

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

All inter-company transactions and balances between group enterprises are eliminated on consolidation.

Minority interests in the net assets of consolidated subsidiaries are identified separately from the Company's equity therein. Minority interests consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Company except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

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21 Nguyen Hue Street, Quy Nhon City
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Consolidated financial statements
For the period from 01 January 2012 to 30 June 2012

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments in associates

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies.

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

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

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.

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 of 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.

The Company's inventories mainly include materials and spare parts for two electricity generators in Vinh Son hydro-power plant and Song Hinh hydro-power plant. These specialised materials and spare parts are used to replace synchronous generators and have been stored since the installation of these generators (in Vinh Son hydro-power plant since 1995 and in Song Hinh hydro-power plant since 2000). Provision for devaluation of these materials has been made since 2007 based on accounting estimates for impaired materials.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation.

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

VINH SON - SONG HINH HYDRO-POWER JOINT STOCK COMPANY21 Nguyen Hue Street, Quy Nhon City
Binh Dinh Province, S.R. Vietnam**Consolidated financial statements**

For the period from 01 January 2012 to 30 June 2012

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**FORM B 09-DN/HN***These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements***3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****Tangible fixed assets and depreciation (Continued)**

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

Assets	From 01/01/2012 to 30/6/2012 (Years)
Buildings and structures	20 - 50
Machinery and equipment	8 - 10
Office equipment	5 - 10
Motor vehicles	5 - 10

Construction in progress

Properties in the course of construction for production, rental or administrative purposes, or for the purposes not yet determined, are carried at cost. Cost includes professional fees, and for qualifying assets, borrowing costs dealt with in accordance with the Company's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Investments in securities

Investments in securities are recognised on transaction dates and are initially measured at cost including directly attributable transaction costs.

At the subsequent reporting dates, investments in securities are measured at cost, less the amount of diminution in value of investments in securities.

Provision for diminution in value of investments in securities is made in accordance with current prevailing accounting regulations which allow provision to be made for freely traded securities whose book value is higher than market price as at the balance sheet date.

Long-term prepayments

Long-term prepayments comprise costs of small tools, supplies and spare parts issued for consumption which are expected to provide future economic benefits to the Company for more than one year. These expenditures have been capitalised as long-term prepayments, and are allocated to the consolidated income statement using the straight-line method over the period of two years in accordance with the current prevailing accounting regulations.

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 at the balance sheet date.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition

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

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

Revenue from the sales of electricity is recognised on a monthly basis upon certification by EVN on the volume of electricity transmitted via the national electricity grid regardless of cash being received or not.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the interest applicable rate. Dividend income from investments is recognised when the Company's right to receive payments has been established.

Foreign currencies

Transactions arising in foreign currencies are translated at exchange rates ruling at the transaction date. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rates of exchange prevailing on the balance sheet date. Exchange differences arising from payment or revaluation of these accounts dominated in foreign currencies, relating to construction activities are recorded under the shareholders' equity section in the balance sheet. The Company's construction activities in the period include construction of new Hydro-power Plants namely Thuong Kon Tum and Vinh Son 2 and 3. According to the Company's commitment with local Government, after Thuong Kon Tum Hydro-power plant is completed and starts generating electricity, a subsidiary will be established (namely Thuong Kon Tum Hydro-power Co., Ltd.) to receive and operate the plant. The balance of foreign exchange reserve item on the balance sheet will be transferred to this subsidiary, when the plants have been completed and commence operation. Other foreign exchange differences which are not related to the Company's construction activities were recognised in the consolidated income statement.

Borrowings costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the cost of those assets.

All other borrowing costs are recognised in the consolidated income statement when incurred.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 period. Taxable profit differs from net profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years (including loss carried forward, if any) and it further excludes items that are never taxable or deductible.

As regulated in Decree No. 164/2003/ND-CP dated 22 December 2003 issued by the Government, Circular No. 128/2003/TT-BTC dated 22 December 2003 issued by the Ministry of Finance, Circular No. 130/2008/TT-BTC dated 26 December 2008 issued by the Ministry of Finance, Decree No. 108/2006/ND-CP dated 22 September 2006 issued by the Government, Official Letter No. 5248/TC-CST dated 29 April 2005 issued by the Ministry of Finance, Official Letter No. 11924/TC-CST dated 20 October 2004 issued by the Ministry of Finance, and Official Letter No. 1591/TCT/DNNN dated 4 May 2006 issued by the General Department of Taxation, the Company is obliged to pay corporate income tax at the rate of 10% of its assessable income generating from electricity production for 15 years from the establishment date. The Company is entitled to tax exemption for 6 years from the first profit-making year and a 50% reduction in tax payable for 6 years thereafter.

Other income is subject to 25% corporate income tax rate in accordance with current prevailing regulations.

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

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

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

The determination of the tax currently payable 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.

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4. CASH AND CASH EQUIVALENTS

	<u>30/6/2012</u>	<u>31/12/2011</u>
	VND	VND
Cash on hand	338,417,859	949,843,016
Cash in bank	15,607,482,349	2,847,547,995
Cash equivalents (i)	410,900,000,000	479,000,000,000
	<u>426,845,900,208</u>	<u>482,797,391,011</u>

- (i) As presented in Note 11 and Note 13, the Company has mortgaged its deposits of VND 181.9 billion in total to secure loans.

5. SHORT-TERM FINANCIAL INVESTMENTS

	<u>30/6/2012</u>	<u>31/12/2011</u>
	VND	VND
Short-term investments in securities (i)	30,685,326,000	30,685,326,000
Other short-term investments include:	300,000,000,000	678,500,000,000
- Over three-month deposits	-	178,500,000,000
- Loan to Electricity of Vietnam (EVN) (ii)	300,000,000,000	500,000,000,000
Provision for diminution in value of short-term investments	-	(9,602,264,000)
	<u>330,685,326,000</u>	<u>699,583,062,000</u>

- (i) Represents an investment in Pha Lai Thermal Power Joint Stock Company. As at 30 June 2012, the Company owned 3,011,866 shares.
- (ii) The loans to Electricity of Vietnam (EVN) under loan contracts with the amounts of VND 100 billion and VND 200 billion matured on 25 August 2011 and 25 September 2011, respectively. Up to the date of these consolidated financial statements, these contracts had not been extended, and the loans had not been recovered. The interest amount of VND 5,250,000,000 has been temporarily calculated and recognised in the consolidated income statement and will be adjusted upon mutual agreement by the two parties on interest rates.

6. ADVANCES TO SUPPLIERS

Advances to suppliers as at 30 June 2012 mainly include VND 255,159,358,214, representing an advance to Hydrochina Huadong - CR18G consortium to design and construct the second stage power line of Thuong Kon Tum Hydro-power plant Project and advances mainly to contractors for construction work items of Thuong Kon Tum Hydro-power plant Project.

7. INVENTORIES

	<u>30/6/2012</u>	<u>31/12/2011</u>
	VND	VND
Raw materials	34,054,365,377	32,138,041,223
Work in progress	3,396,501,544	1,248,170,272
	<u>37,450,866,921</u>	<u>33,386,211,495</u>
Provision for devaluation of inventories	(7,965,689,510)	(7,965,689,510)
Net realisable value	<u>29,485,177,411</u>	<u>25,420,521,985</u>

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Provision for devaluation of inventories is made for materials and spare parts for two electricity generators in Vinh Son hydro-power plant and Song Hinh hydro-power plant. These specialised materials and spare parts are used to replace synchronous generators and have been stored since the installation of these generators (in Vinh Son hydro-power plant since 1995 and in Song Hinh hydro-power plant since 2000). Provision for devaluation of these materials has been made, based on accounting estimates for impaired materials.

8. TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Office equipment	Motor vehicles	Total
	'000VND	'000VND	'000VND	'000VND	'000VND
COST					
As at 01/01/2012	2,053,968,738	857,893,964	9,322,917	27,131,564	2,948,317,183
Additions	-	36,500	135,265	896,100	1,067,865
Transfers from CIP	1,240,784	-	-	-	1,240,784
Decrease	-	(54,468)	-	(36,597)	(91,065)
Reclassification	-	-	(952,582)	952,582	-
As at 30/6/2012	2,055,209,522	857,875,996	8,505,600	28,943,649	2,950,534,767
ACCUMULATED DEPRECIATION					
As at 01/01/2012	(1,047,540,324)	(817,449,993)	(1,928,024)	(20,576,877)	(1,887,495,218)
Charge for the period	(34,082,914)	(13,712,746)	(179,511)	(487,321)	(48,462,492)
Others	-	-	(53,216)	(203,449)	(256,665)
As at 30/6/2012	(1,081,623,238)	(831,162,739)	(2,160,751)	(21,267,647)	(1,936,214,375)
NET BOOK VALUE					
As at 30/6/2012	973,586,284	26,713,257	6,344,849	7,676,002	1,014,320,392
As at 31/12/2011	1,006,428,414	40,443,971	7,394,893	6,554,687	1,060,821,965

As stated in Note 13, under Mortgage Contract No. 01/2006/HDTCTS-TL dated 12 April 2006, the Company has pledged its assets in Song Hinh hydro-power plant with the net book value of VND 362,895,251,184 as at 30 June 2012 (31 December 2011: VND 380,085,179,069) to secure the loans from Branch of Phu Yen Development Fund, currently known as Phu Yen Branch of Vietnam Development Bank.

The cost of the Company's buildings and structures, machinery and equipment, motor vehicles and office equipment as at 30 June 2012 includes VND 860,489,421,797 (31 December 2011: VND 401,545,920,266) of assets which have been fully depreciated but are still in use.

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9. CONSTRUCTION IN PROGRESS

Construction in progress includes:

	30/6/2012	31/12/2011
	VND	VND
Thuong Kontum Hydro-power project (i)	585,074,577,129	382,699,011,611
Vinh Son 2&3 Hydro-power projects (ii)	80,501,829,185	73,003,084,526
Others	3,601,271,745	2,365,977,242
	669,177,678,059	458,068,073,379

- (i) Thuong Kon Tum hydro-power plant project is carried out on the same hydro-power terrace of Se San river. The construction includes reservoir and main system on Dak Nghe river bank, Se San river basin of Dak Koi Commune, Kon Ray District and Dak Tang Commune, Kongplong District, Kon Tum Province, and a power plant locating on Dak Lo river bank, Dak Tang and Ngoc Tem Communes, Kongplong District in Tra Khuc River Basin, Quang Ngai Province. The project was approved in Official letter No. 1774/TTg-CN dated 01 November 2006 issued by the Prime Minister. The previous investor, EVN, has transferred the project to the Company in accordance with Official Letter No. 32EVN/HDQT dated 13 January 2006 issued by EVN.
- (ii) Vinh Son 2&3 Hydro-power project was granted with Investment Certificate dated 07 November 2007 issued by Binh Dinh People's Committee. The Company has completed investment plan, proposal appraisal and has been constructing roads to the major works.

10. INVESTMENTS IN ASSOCIATES

The balance of investments in associates in the consolidated balance sheet as at 30 June 2012 represents investment in Binh Dinh Tourist Joint Stock Company.

Details of the Company's associate as at 30 June 2012 are as follows:

Name of associate	Place of incorporation and operation	Proportion of ownership interest	Proportion of voting power held	Principal activities
	Quy Nhon City			
Binh Dinh Tourist Joint Stock Company	Binh Dinh Province	49.72%	49.72%	Tourism, hospitality, etc.

Summarised financial information in respect of the Company's associates is set out below:

	30/6/2012	31/12/2011
	VND	VND
Total assets	31,205,818,054	29,238,655,095
Total liabilities	3,224,799,512	3,207,921,454
Net assets of the associate	27,981,018,542	26,030,733,641

Details are as follows:

Capital contributed in the associate	19,500,000,000	19,500,000,000
Share premium of the associate	600,000,000	600,000,000
Other funds in the associate	2,067,736,800	2,069,090,997
Retained earnings of the associate	5,813,281,742	3,861,642,644
	From 01/01/2012 to 30/6/2012	From 01/01/2011 to 30/6/2011
	VND	VND
Revenue	8,592,120,323	8,454,070,408
Net profit	2,221,328,853	1,747,127,237
Company's share of associate's net profit	969,681,653	767,630,734

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11. SHORT-TERM LOANS AND LIABILITIES

	<u>30/6/2012</u>	<u>31/12/2011</u>
	VND	VND
Short-term borrowings		
Military Commercial Joint Stock Bank	-	25,000,000,000
Vietnam Joint Stock Commercial Bank for Industry and Trade	15,000,000,000	100,000,000,000
Nam A Commercial Joint Stock Bank	65,414,047,781	138,991,840,328
Ocean Commercial Joint Stock Bank	42,042,000,000	84,084,000,000
Bank for Investment and Development of Vietnam	30,000,000,000	50,000,000,000
Vietnam International Commercial Joint Stock Bank	97,258,112,128	-
Joint Stock Commercial Bank for Foreign Trade of Vietnam	-	20,000,000,000
Vietnam Prosperity Joint Stock Commercial Bank	-	16,000,000,000
Vietnam Maritime Commercial Stock Bank	-	10,000,000,000
Vietnam Technological Commercial Joint Stock Bank	-	9,800,000,000
Western Commercial Joint Stock Bank	-	5,000,000,000
Current portion of long-term loans		
Vietnam Development Bank - Phu Yen Branch	24,764,751,100	24,764,751,100
Vietnam International Commercial Joint Stock Bank	29,455,391,000	38,378,965,950
	<u>303,934,302,009</u>	<u>522,019,557,378</u>

Short-term loan represent the loan from commercial banks, which will fall due within one year from date of withdrawal. Loans are drawn in VND and USD, to supply working capital. The interest rate ranges from 5% per annum to 5.7% per annum for loans in USD and from 11.5% per annum to 17.1% per annum for loans in VND. Loans are secured by deposit contracts with the amount of VND 161.9 billion.

12. TAXES AND AMOUNTS PAYABLE TO THE STATE BUDGET

	<u>30/6/2012</u>	<u>31/12/2011</u>
	VND	VND
Value added tax	-	1,370,170,925
Corporate income tax	46,603,465,095	34,655,328,021
Natural resources tax	2,123,934,179	2,501,079,834
Environment protection fee	29,056,300,880	18,064,621,600
Others	88,582,501	1,699,620,025
	<u>77,872,282,655</u>	<u>58,290,820,405</u>

13. LONG-TERM LOANS AND LIABILITIES

	<u>30/6/2012</u>	<u>31/12/2011</u>
	VND	VND
Vietnam Development Bank (i)	189,132,110,407	201,514,485,957
Vietnam International Commercial Joint Stock Bank (ii)	26,228,400,000	36,830,000,000
Asia Commercial Joint Stock Bank (iii)	19,500,000,000	19,500,000,000
	<u>234,860,510,407</u>	<u>257,844,485,957</u>

- (i) The loan in foreign currency (USD) was transferred from Vinh Son - Song Hinh hydro-power plant, a state-owned enterprise (the Plant), upon equitisation.

On 22 November 2005, the Company signed an ODA Credit Contract No. 01/TDNN with Branch of Phu Yen Development Fund, currently known as Vietnam Development Bank - Phu Yen Branch, to take over the loans to invest in Song Hinh Hydro-power Plant Project. The loans include:

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- The interest-free loan of USD 8,378,301.48 from Nordic Development Fund (NDF) at the management fee of 0.2% p.a. and service fee of 0.75% p.a. of the loan balance. Principal is repayable twice a year on every 31 March and 30 September in 30 years (from 2005 to 2035). The repayment instalment accounts for 2% of the principal (i.e. USD 83,873.01 per each installment) from 2005 to 2014, and 4% of the principal (i.e. USD 167,566.02 per each installment) for the remaining years. The first repayment is on 01 December 2005 and the last repayment is on 31 March 2035. Overdue interest rate is 3% per year.
- The loan of USD 10,725,187.27 from Nordic Investment Bank (NIB), bearing interest rate of LIBOR plus margin rate; the specific rate will be periodically informed by NIB. The management fee is 0.2% p.a. of the loan balance. Principal is repayable twice a year on every 31 March and 30 September in 10 years (from 2005 to 2015) in the equal instalments of USD 510,723.21. The first repayment is on 01 June 2005 and the last repayment is on 31 March 2015. Overdue interest rate is 9% p.a.

The Company has mortgaged fixed assets in Song Hinh Hydro-power plant with the net book value of VND 362,895,251,184 as at 30 June 2012 to secure the loans under Mortgage Contract No. 01/2006/HDTCTS-TL dated 12 April 2006.

(ii) Loans from Vietnam International Commercial Joint Stock Bank ("VIB") - Quy Nhon Branch include:

- The loan under Credit Contract No. 0018/HDTD2-VIB412.10 dated 8 June 2010 with the 60-month term and credit line of VND 52,096,000,000; interest rate is adjusted every 6 months and equal to VIB's interest rate applied for VND inter-fund transfer with the 6-month term plus minimum margin rate of 1.8% p.a., subject to VIB's interest rate policy in each period. The loan is unsecured.
- The loan under Credit Contract No. 0022/HDTD2-VIB412.10 dated 27 September 2010 with the 36-month term and credit line of VND 40,000,000,000; interest rate is equal to VIB's interest rate applied for inter-fund transfer plus minimum margin rate of 1.8% p.a. Principal is repaid every six months; the first repayment is on 06 March 2011. This loan is secured by the Company's accounts at VIB.

(iii) The loan under Credit Contract No. BDL.DN.02231210 dated 26 December 2010 signed with Asia Commercial Joint Stock Bank - Binh Dinh Branch with the credit line of VND 262,000,000,000, loan term of 120 months and grace period of 36 months from the first disbursement. Interest rate is fixed for each month and specified for each withdrawal at the 12-month saving rate with interest paid in arrears plus 3.1% p.a. This loan is secured by the deposits of VND 20,000,000,000.**Long-term loans are repayable as follows:**

	30/6/2012	31/12/2011
	VND	VND
On demand or within one year	54,220,142,100	63,143,717,050
In the second year	41,548,951,101	45,965,951,100
In the third to fifth year inclusive	56,739,240,766	70,841,150,002
After five years	136,572,318,540	141,037,384,855
	<u>289,080,652,507</u>	<u>320,988,203,007</u>
Less: Amount due for settlement within 12 months (shown under current portion of long-term loans)	54,220,142,100	63,143,717,050
Amount due for settlement after 12 months	<u>234,860,510,407</u>	<u>257,844,485,957</u>

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14. SHAREHOLDERS' EQUITY
Movements in shareholders' equity

	<u>Charter capital</u>	<u>Treasury shares</u>	<u>Retained earnings</u>
	VND	VND	VND
Balance as at 01/01/2011	2,062,412,460,000	(47,117,531,962)	364,237,178,628
Profit for the year	-	-	329,035,959,603
Dividends declared	-	-	(404,482,492,000)
Allocation to bonus & welfare funds	-	-	(1,435,822,791)
Others	-	-	(180,000,000)
Balance as at 01/01/2012	2,062,412,460,000	(47,117,531,962)	287,174,823,440
Profit for the period	-	-	140,018,850,405
Funds distribution (*)	-	-	(1,361,100,000)
Others	-	-	(6,229,886)
Balance as at 30/6/2012	2,062,412,460,000	(47,117,531,962)	425,826,343,959

(*) This includes distribution of funds at the Holding company and the Subsidiary with the amount of VND 806,100,000 and VND 555,000,000, respectively. Bonus and welfare funds were temporarily appropriated according to the Resolution No. 27 dated 10 January 2012 of the Board of Management. This amount will be adjusted upon approval in the General Shareholders' Meeting.

Capital contribution structure

	<u>30/6/2012</u>		<u>31/12/2011</u>	
	%	VND	%	VND
The Electricity of Vietnam (EVN)	30.55	630,169,054,175	30.55	630,169,054,175
State Capital Investment Corporation (SCIC)	24.00	494,978,961,600	24.00	494,978,961,600
Other shareholders	45.45	937,264,444,225	45.45	937,264,444,225
	<u>100.00</u>	<u>2,062,412,460,000</u>	<u>100.00</u>	<u>2,062,412,460,000</u>

Shares

	<u>30/6/2012</u>	<u>31/12/2011</u>
- Number of shares issued to public		
Ordinary shares	206,241,246	206,241,246
Preferred shares	-	-
- Number of treasury shares		
Ordinary shares	4,000,000	4,000,000
Preferred shares	-	-
- Number of outstanding shares in circulation		
Ordinary shares	202,241,246	202,241,246
Preferred shares	-	-

The par value of an ordinary share is VND 10,000.

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15. REVENUE

	<u>From 01/01/2012 to 30/6/2012</u>	<u>From 01/01/2011 to 30/6/2011</u>
	VND	VND
Sale of electricity (*)	192,943,541,410	269,532,236,160
Sale of other services	945,939,519	273,769,000
	<u>193,889,480,929</u>	<u>269,806,005,160</u>

- (*) Up to the date of these financial statements, the Company and the Electricity of Vietnam (EVN) had not reached a final agreement on the electricity prices for the period from January 2010 to June 2012. The Company has recorded revenue from electricity generation and trading of 2010 and the first 11 months of 2011 on the basis of the unit price equal to 90% of the unit price of 2009. The Company has recorded the revenue of December 2011 and the first 6 months of 2012 on the basis of the unit price equal to 76% and 61% of the unit price of 2009, respectively.

16. COST OF SALES

	<u>From 01/01/2012 to 30/6/2012</u>	<u>From 01/01/2011 to 30/6/2011</u>
	VND	VND
Cost of electricity sold	82,646,854,386	78,505,577,198
Cost of other sales	-	152,257,323
	<u>82,646,854,386</u>	<u>78,657,834,521</u>

17. PRODUCTION COST BY NATURE

	<u>From 01/01/2012 to 30/6/2012</u>	<u>From 01/01/2011 to 30/6/2011</u>
	VND	VND
Raw materials and consumables	1,542,772,398	1,439,774,501
Labour	11,180,103,260	8,002,193,174
Depreciation and amortisation	48,462,492,764	58,246,204,485
Out-sourced services	1,155,682,150	1,425,419,063
Other expenses	30,159,760,301	17,447,963,112
	<u>92,500,810,873</u>	<u>86,561,554,335</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**FORM B 09-DN/HN***These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements***18. NET PROFIT FROM FINANCIAL ACTIVITIES**

	From 01/01/2012 to 30/6/2012	From 01/01/2011 to 30/6/2011
	VND	VND
Financial income		
Interest income from bank deposits and trust account	42,322,874,705	69,065,871,121
	<u>42,322,874,705</u>	<u>69,065,871,121</u>
Financial expenses		
Interest expense	2,513,960,528	1,882,862,393
Realised foreign exchange losses	-	1,049,897,985
Unrealised foreign exchange losses	-	19,319,352,739
Provision for diminution in value of investments	(9,602,264,000)	6,289,211,400
	<u>(7,088,303,472)</u>	<u>28,541,324,517</u>
Profit from financial activities	<u><u>49,411,178,177</u></u>	<u><u>40,524,546,604</u></u>

19. CORPORATE INCOME TAX

The Company accrued a corporate income tax of VND 13,911,276,747 for the first 6 months of 2012. This amount will be adjusted after the Company has performed corporate income tax settlement for the entire year 2012.

20. BASIC EARNINGS PER SHARE

	From 01/01/2012 to 30/6/2012	From 01/01/2011 to 30/6/2011
	VND	VND
Earnings for the purposes of calculating basic earnings per share	140,018,850,405	206,564,813,452
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	202,241,246	202,241,246
Basic earnings per share	<u><u>692</u></u>	<u><u>1,021</u></u>

21. COMMITMENTS

On 17 September 2010, the Company signed Contract No.786/2010/HD-VSH-LD with a group of contractors, namely Construction Joint Stock Company No. 47, Tien Dung Investment Construction and Trading Limited Company and Power Engineering Consulting Joint Stock Company 1 for designing, supplying equipment and installing the pressure line of Thuong Kon Tum Hydro-power plant Project with the contract value of VND 505,583,654,488. The Company has advanced to the contractors an amount of VND 79,935,487,682 as at 30 June 2012.

On 20 October 2010, the Company signed Contract No. 885/2010/HD-VSH-TH with the group of contractors namely Hydrochina Huadong - CR18G for designing and constructing the second stage power line of Thuong Kon Tum Hydro-power plant Project and Addendum to Contract No. 886/2010/HD-VSH-TH with the group of contractors namely Hydrochina Huadong - CR18G for designing and constructing the water-receiving underground road (from Km0+270 to Km3+000) that belongs to Thuong Kon Tum Hydro-power plant Project with the value of VND 1,324,037,315,815 and USD 25,000,000; on 12 April 2012, the Company signed supplement Contract No. 339/2012/HD-VSH-TH with the group of contractors namely Hydrochina Huadong - CR18G for digging and reinforcing the traffic tunnels of Thuong Kom Tum Hydro-power plant Project with the value of VND 57,752,957,763. The Company had advanced to the contractors the amount of VND 255,159,358,214 as at 30 June 2012.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**FORM B 09-DN/HN***These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements***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 net debt (borrowings disclosed in Note 11 and Note 13 offset by cash and cash equivalents) and equity attributable to the shareholders of the Company (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 instrument are disclosed in Note 3.

Categories of financial instruments

	Carrying amounts	
	30/6/2012	31/12/2011
	VND	VND
Financial assets		
Cash and cash equivalents	426,845,900,208	482,797,391,011
Trade and other receivables	257,594,388,743	244,438,199,071
Short-term investments	330,685,326,000	699,583,062,000
Total	1,015,125,614,951	1,426,818,652,082
Financial liabilities		
Borrowings	538,794,812,416	779,864,043,335
Trade and other payables	12,061,522,781	151,813,026,147
Accruals	1,284,630,310	3,779,331,868
Total	552,140,965,507	935,456,401,350

The Company has not assessed fair value of its financial assets and liabilities as at the balance sheet date since there are no comprehensive guidance under 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 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

Financial risks include market risk (including foreign currency risk, interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Company does not hedge these risk exposures due to the lack of a market to purchase financial instruments.

Market risk

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

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The Company undertakes certain transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company does not hedge this risk due to the lack of any market to purchase such instruments.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Liabilities		Assets	
	30/6/2012	31/12/2011	30/6/2012	31/12/2011
	VND	VND	VND	VND
US Dollars	284,593,077,097	352,822,633,385	-	-

Interest rate risk management

The Company has significant interest rate risks arising from interest bearing loans. The Company's interest bearing loans are arranged at fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

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. The Company does not hedge this risk due to the lack of any market to purchase such instruments.

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 the amount of VND 245,418,167,616 due from Electricity Trading Company - Electricity of Vietnam (a related party).

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 owners 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 liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

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22. FINANCIAL INSTRUMENTS (Continued)
Liquidity risk management (Continued)

30/6/2012	Less than 1 year	More than 1 year	Total
	VND	VND	VND
Trade and other payables	12,061,522,781	-	12,061,522,781
Accruals	1,284,630,310	-	1,284,630,310
Borrowings	303,934,302,009	234,860,510,407	538,794,812,416
31/12/2011	Less than 1 year	More than 1 year	Total
	VND	VND	VND
Trade and other payables	151,813,026,147	-	151,813,026,147
Accruals	3,779,331,868	-	3,779,331,868
Borrowings	522,019,557,378	257,844,485,957	779,864,043,335

The Board of Directors assessed the liquidity risk concentration at low 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.

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets, if any. 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.

30/6/2012	Less than 1 year	More than 1 year	Total
	VND	VND	VND
Cash and cash equivalents	426,845,900,208	-	426,845,900,208
Trade and other receivables	257,594,388,743	-	257,594,388,743
Short-term investments	330,685,326,000	-	330,685,326,000
31/12/2011	Less than 1 year	More than 1 year	Total
	VND	VND	VND
Cash and cash equivalents	482,797,391,011	-	482,797,391,011
Trade and other receivables	244,438,199,071	-	244,438,199,071
Short-term investments	699,583,062,000	-	699,583,062,000

23. RELATED PARTY TRANSACTIONS AND BALANCES

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

	From 01/01/2012 to 30/6/2012	From 01/01/2011 to 30/6/2011
	VND	VND
Sales		
Sales of electricity to EVN	192,943,541,410	269,532,236,160
Interest income from EVN	16,935,333,333	27,094,034,549
Interest income from trusted investment at EVN Finance JSC	-	1,918,819,444
Dividends		
Dividends paid in cash to EVN	-	25,206,779,200
Dividends received from Binh Dinh Tourist JSC	-	484,780,000
Investments		
Trusted investment at EVN Finance JSC	-	50,000,000,000
Loan to EVN	-	200,000,000,000

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**FORM B 09-DN/HN***These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements***23. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)***Related party balances at the balance sheet date were as follows:*

	<u>30/6/2012</u>	<u>31/12/2011</u>
	VND	VND
Trade receivables from EVN	245,418,167,616	218,389,639,601
Dividend payables to EVN	-	126,033,896,000
Loans to EVN	300,000,000,000	500,000,000,000

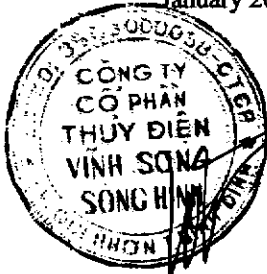
Directors' remuneration

Remuneration paid to the Company's Directors during the period was as follows:

	<u>From 01/01/2012</u>	<u>From 01/01/2011</u>
	<u>to 30/06/2012</u>	<u>to 30/06/2011</u>
	VND	VND
Salaries, bonus and other benefits in kind	981,988,382	846,455,164

24. COMPARATIVE FIGURES

Comparative figures in the consolidated balance sheet are those of the Company's audited consolidated balance sheet as at 31 December 2011. Comparative figures in the consolidated statements of income and cash flows are those of the Company's reviewed consolidated financial statements for the period from 01 January 2011 to 30 June 2011.



Vo Thanh Trung
General Director

15 August 2012

Huynh Cong Ha
Chief Accountant

Le Van Chuong
Preparer