

CONSOLIDATED FINANCIAL STATEMENTS

VIETNAM ELECTRICAL EQUIPMENT

JOINT STOCK CORPORATION

For the fiscal year ended as at 31 December 2016

(audited)



**To: Shareholders, Board of Directors and Board of Management
Vietnam Electrical Equipment Joint Stock Corporation**

Pursuant to Contract for Service No. 51/2017/HĐ.DV-AASC.KT2 dated 31 March 2017 between Vietnam Electrical Equipment Joint Stock Corporation and AASC Auditing Firm Company Limited about translating the Financial Statement of the fiscal years 2012, 2013, 2014, 2015 and 2016 into English.

The Independent Auditor's Report and audited Consolidated Financial Statement in English attached to this Official dispatch, which is translated from Independent Auditor's Report for the fiscal year 2016 of Vietnam Electrical Equipment Joint Stock Corporation in Vietnamese No.1088/2017/BC.KTTC-AASC.KT2 issued by the AASC Auditing Firm Company Limited.

Yours sincerely,



Vu Xuan Bien
Deputy General Director

VIETNAM ELECTRICAL EQUIPMENT JOINT STOCK CORPORATION

No.52 Le Dai Hanh Street, Le Dai Hanh Ward,
Hai Ba Trung District, Ha Noi City

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VIETNAM ELECTRICAL EQUIPMENT JOINT STOCK CORPORATION

No.52 Le Dai Hanh Street, Le Dai Hanh Ward,
Hai Ba Trung District, Ha Noi City

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors of Vietnam Electrical Equipment Joint Stock Corporation ("the Corporation") presents its report and the Corporation's Consolidated Financial Statements for the fiscal year ended as at 31 December 2016.

THE CORPORATION

Vietnam Electric Equipment Joint Stock Corporation was transformed from State-owned Enterprise - Vietnam Electrical Equipment Corporation under Decision No. 1422/QĐ-TTg on 10 August 2010 of the Prime Minister. The Corporation operates under Business License of joint stock company No 0100100512 issued by Ha Noi Investment and Planning Department for the first time on 01 December 2010. The License was changed for the fifth time on 6 September 2016.

The Corporation's head office is located at: No.52 Le Dai Hanh Street, Le Dai Hanh Ward, Hai Ba Trung District, Ha Noi City.

BOARD OF MANAGEMENT, BOARD OF DIRECTORS AND BOARD OF SUPERVISION

The members of The Board of Management during the fiscal year and to the reporting date are:

Mr. Nguyen Hoa Cuong	Chairman	
Mr. Nguyen Trong Tieu	Member	
Mrs. Nguyen Thi Bich Ngoc	Member	
Mr. Vo Anh Linh	Member	Appointed on 4 March 2016
Mr. Nguyen Van Tuan	Member	Appointed on 16 July 2016
Mr. Pham Manh Ha	Member	Resigned on 16 July 2016
Mr. Do Van Chinh	Member	Resigned on 4 March 2016

The members of The Board of Directors in the fiscal year and to the reporting date are:

Mr. Nguyen Van Tuan	General Director	Appointed on 6 September 2016
Mr. Nguyen Trong Tieu	General Director	Resigned on 6 September 2016
Mr. Nguyen Dinh Hung	Vice Director	Appointed on 16 September 2016
Mrs. Vu Thanh Huong	Chief Financial Director	Appointed on 16 September 2016
Mr. Nguyen Tien Vinh	Vice General Director	Resigned on 1 September 2016
Mr. Pham Manh Ha	Vice General Director	Appointed on 16 July 2016 and resigned on 1 September 2016
Mr. Do Van Chinh	Vice General Director	Resigned on 1 May 2016

The members of the Board of Supervision are:

Mrs. Nguyen Thi Thanh Yen	Head of Control Department	Appointed on 15 September 2016
Mrs. Vu Thanh Huong	Head of Control Department	Appointed on 4 March 2016 and resigned on 15 September 2016
Mrs. Nguyen Thi Thanh Yen	Member	Resigned on 4 March 2016
Mr. Pham The Ngoc	Member	Appointed on 4 March 2016
Mr. Bach Thanh Nam	Member	Resigned on 4 March 2016
Mrs. Truong Thi Huong Lan	Member	Resigned on 4 March 2016

VIETNAM ELECTRICAL EQUIPMENT JOINT STOCK CORPORATION

No.52 Le Dai Hanh Street, Le Dai Hanh Ward,
Hai Ba Trung District, Ha Noi City

AUDITORS

The auditors of the AASC Auditing Firm Company Limited have taken the audit of Consolidated Financial Statements for the Corporation.

STATEMENT OF THE BOARD OF DIRECTORS' RESPONSIBILITY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors is responsible for the Consolidated Financial Statements which give a true and fair view of the financial position of the Corporation, its operating results and its cash flows for the year. In preparing those Consolidated Financial Statements, the Board of Directors is required to:

- Establish and maintain an internal control system which is determined necessary by the Board of Directors and Board of Management to ensure the preparation and presentation of Consolidated Financial Statements do not contain any material misstatement caused by errors or frauds;
- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Consolidated Financial Statements;
- Prepare the Consolidated Financial Statements on the basis of compliance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of Consolidated Financial Statements;
- Prepare the Consolidated Financial Statements on going concern basis unless it is inappropriate to presume that the Corporation will continue in business.

The Board of Directors is responsible for ensuring that accounting records are kept to reflect the financial position of the Corporation, with reasonable accuracy at any time and to ensure that the Consolidated Financial Statements comply with the registered accounting system. It is responsible for safeguarding the assets of the Corporation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

We, The Board of Directors, confirm that the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2016, its operations and cash flows in the year 2016 of Corporation in accordance with the Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and statutory requirements relevant to preparation and presentation of Consolidated Financial Statements.

Other commitments

The Board of Directors pledges that the Corporation does not violate the obligations of information disclosure in accordance with the regulations of the Circular No. 155/2015/TT-BTC dated 06 October 2015 issued by Ministry of Finance guiding the disclosure of information on Securities Market.

On behalf of The Board of Directors

Nguyen Van Tuan
General Director

Ha Noi, March 24, 2017

INDEPENDENT AUDITORS' REPORT

**To: Shareholders, The Board of Management and The Board of Directors
Vietnam Electrical Equipment Joint Stock Corporation**

We have audited the Consolidated Financial Statements of March 24, 2017, as set out on pages 06 to 48, including: Consolidated statement of financial position as at 31/12/2016, Consolidated statement of comprehensive income, Consolidated statement of cash flows and Notes to the Consolidated financial statements for the fiscal year ended as at 31 December 2016.

The Board of Directors' Responsibility

The Board of Directors is responsible for the preparation of Consolidated Financial Statements that give a true and fair view in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of Consolidated Financial Statements and for such internal control as management determines is necessary to enable the preparation of Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of Consolidated Financial Statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Consolidated Financial Statements.

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

Auditor's opinion

In our opinion, the Consolidated Financial Statements give a true and fair view, in all material respects, of the financial position of Vietnam Electrical Equipment Joint Stock Corporation as at 31 December 2016, and of the results of its operations and its cash flows for the fiscal year ended as at 31 December 2016 in accordance with the Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of Financial statements.

AASC Auditing Firm Company Limited

Vu Xuan Bien

Deputy General Director

Certificate of registration to audit practice

No: 0743-2013-002-1

Nguyen Tuan Anh

Auditor

Certificate of registration to audit practice

No: 1369-13-002-1

Ha Noi, 30 March 2017



VIETNAM ELECTRICAL EQUIPMENT JOINT STOCK CORPORATION

No.52 Le Dai Hanh Street, Le Dai Hanh Ward,
Hai Ba Trung District, Ha Noi City

Consolidated Financial Statements

For the fiscal year ended as at 31 December 2016

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2016

Code	ASSETS	Note	31/12/2016	01/01/2016
			VND	VND
100	A. CURRENT ASSETS		6,328,645,878,889	3,098,121,929,560
110	I. Cash and cash equivalents	3	2,912,224,131,908	518,493,494,834
111	1. Cash		551,676,131,908	337,190,219,960
112	2. Cash equivalents		2,360,548,000,000	181,303,274,874
120	II. Short-term investments	4	353,394,502,790	448,433,560,889
123	1. Held-to-maturity investments		353,394,502,790	448,433,560,889
130	III. Short-term receivables		1,489,502,751,011	1,006,793,864,550
131	1. Short-term trade receivables	5	1,235,953,581,919	964,049,114,852
132	2. Short-term prepayments to suppliers	6	40,031,806,525	42,533,295,302
135	3. Short-term loan receivables	7	6,000,000,000	33,193,522,700
136	4. Other short-term receivables	8	244,595,334,365	12,644,761,572
137	5. Provision for short-term doubtful debts (*)		(37,077,971,798)	(46,632,565,353)
139	6. Shortage of assets awaiting resolution		-	1,005,735,477
140	IV. Inventories	10	1,540,458,703,992	1,089,029,229,696
141	1. Inventories		1,546,458,431,143	1,094,473,019,541
149	2. Provision for devaluation of inventories (*)		(5,999,727,151)	(5,443,789,845)
150	V. Other short-term assets		33,065,789,188	35,371,779,591
151	1. Short-term prepaid expenses		3,500,945,005	2,406,586,738
152	2. Deductible VAT		25,951,710,367	32,948,871,522
153	3. Taxes and other receivables from State budget	16	3,613,133,816	16,321,331
200	B. NON-CURRENT ASSETS		2,456,499,987,197	1,819,382,361,671
210	I. Long-term receivables		441,000,000	395,000,000
216	1. Other long-term receivables	8	441,000,000	395,000,000
220	II. Fixed assets		1,023,040,244,851	981,971,979,497
221	1. Tangible fixed assets	12	975,880,073,518	925,140,436,177
222	- Historical costs		1,911,762,321,559	1,715,524,224,347
223	- Accumulated depreciation (*)		(935,882,248,041)	(790,383,788,170)
227	2. Intangible fixed assets	13	47,160,171,333	56,831,543,320
228	- Historical costs		58,439,178,735	68,819,552,152
229	- Accumulated amortization (*)		(11,279,007,402)	(11,988,008,832)
240	IV. Long-term assets in progress	11	233,426,742,295	44,873,799,497
242	1. Construction in progress		233,426,742,295	44,873,799,497
250	V. Long-term investments	4	1,003,976,347,979	646,827,240,129
252	1. Investments in joint ventures and associates		1,000,267,658,228	638,870,867,329
253	2. Equity investments in other entities		3,495,681,301	8,491,514,600
254	3. Provision for devaluation of long-term investments (*)		(386,991,550)	(535,141,800)
255	4. Held-to-maturity investments		600,000,000	-
260	VI. Other long-term assets		195,615,652,072	145,314,342,548
261	1. Long-term prepaid expenses	14	189,278,626,743	143,919,494,156
262	2. Deferred income tax assets		6,337,025,329	1,394,848,392
270	TOTAL ASSETS		8,785,145,866,086	4,917,504,291,231

VIETNAM ELECTRICAL EQUIPMENT JOINT STOCK CORPORATION

No.52 Le Dai Hanh Street, Le Dai Hanh Ward,
Hai Ba Trung District, Ha Noi City

Consolidated Financial Statements

For the fiscal year ended as at 31 December 2016

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2016

(continued)

Code	CAPITAL	Note	31/12/2016	01/01/2016
			VND	VND
300	C. LIABILITIES		5,508,403,128,098	1,924,215,058,500
310	I. Current liabilities		3,386,760,296,729	1,800,610,784,387
311	1. Short-term trade payables	15	559,236,044,059	571,664,467,750
312	2. Short-term prepayments from customers		38,263,732,896	95,368,632,658
313	3. Taxes and other payables to State budget	16	57,562,288,051	29,164,746,632
314	4. Payables to employees		124,492,002,513	110,252,303,880
315	5. Short-term accrued expenses	17	49,531,866,288	34,017,384,934
318	6. Short-term unearned revenue		20,332,886,290	18,530,302,185
319	7. Other short-term payables	18	321,691,299,837	365,956,116,354
320	8. Short-term borrowings and finance lease liabilities	19	1,998,916,461,904	504,114,164,978
321	9. Provisions for short-term payables	20	171,927,161,506	43,641,992,233
322	10. Bonus and welfare fund		44,806,553,385	27,900,672,783
330	II. Non-current liabilities		2,121,642,831,369	123,604,274,113
336	1. Long-term unearned revenue		46,945,637,558	36,865,162,057
337	2. Other long-term payables	18	102,812,274,095	8,900,875,882
338	3. Long-term borrowings and finance lease liabilities	19	1,890,468,227,369	17,213,189,000
341	4. Deferred income tax liabilities		660,216,395	234,802,801
342	5. Provisions for long-term payables	20	40,384,873,750	49,382,894,377
343	6. Science and technology development fund		40,371,602,202	11,007,349,996
400	D. OWNER'S EQUITY		3,276,742,737,988	2,993,289,232,731
410	I. Owner's equity	21	3,272,769,249,866	2,981,559,990,574
411	1. Contributed capital		1,550,000,000,000	1,550,000,000,000
411a	Ordinary shares with voting rights		1,550,000,000,000	1,550,000,000,000
412	2. Share Premium		66,378,000,000	66,378,000,000
414	3. Other capital		77,388,963,577	47,050,714,170
415	4. Treasury shares		(5,026,115,259)	(5,025,000,000)
417	5. Exchange rate differences		83,604,392	84,376,333
418	6. Development and investment funds		208,668,128,206	123,438,566,724
421	7. Retained earnings		677,140,203,246	744,300,401,229
421a	Retained earnings accumulated till the end of the previous year		215,405,554,558	423,190,425,666
421b	Retained earnings of the current year		461,734,648,688	321,109,975,563
429	9. Non-controlling interests		698,136,465,704	455,332,932,118
430	II. Non-business funds and other funds		3,973,488,122	11,729,242,157
431	1. Non-business funds		(25,923,000)	4,011,662,947
432	2. Funds that form fixed assets		3,999,411,122	7,717,579,210
440	TOTAL CAPITAL		8,785,145,866,086	4,917,504,291,231

Duong Viet Nga
PreparerPham Tuan Anh
Chief AccountantNguyen Van Tuan
General Director
Ha Noi, March 24, 2017

VIETNAM ELECTRICAL EQUIPMENT JOINT STOCK CORPORATION

No.52 Le Dai Hanh Street, Le Dai Hanh Ward,
Hai Ba Trung District, Ha Noi CityConsolidated Financial Statements
For the fiscal year ended as at 31 December 2016**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

Year 2016

Code	ITEMS	Note	Year 2016	Year 2015
			VND	VND
01	1. Revenue from sales of goods and rendering of services	23	7,409,353,474,617	8,630,723,684,053
02	2. Revenue deductions	24	112,240,139,749	248,016,241,157
10	3. Net revenue from sales of goods and rendering of services		7,297,113,334,868	8,382,707,442,896
11	4. Cost of goods sold	25	6,328,866,193,807	7,276,539,684,313
20	5. Gross revenue from sales of goods and rendering of services		968,247,141,061	1,106,167,758,583
21	6. Financial income	26	247,494,914,074	130,147,064,204
22	7. Financial expense	27	75,035,117,287	130,345,487,560
24	8. Share of joint ventures and associates' profit or loss		(18,053,965,426)	5,198,438,999
25	9. Selling expenses	28	148,661,288,583	201,090,967,584
26	10. General and administrative expense	29	253,579,232,454	338,748,091,893
30	11. Net profit from operating activities		720,412,451,385	571,328,714,749
31	12. Other income		8,239,472,445	6,462,728,666
32	13. Other expense		29,009,873,831	3,388,813,123
40	14. Other profit		(20,770,401,386)	3,073,915,543
50	15. Total net profit before tax		699,642,049,999	574,402,630,292
51	16. Current corporate income tax expense		119,789,766,028	118,297,862,487
52	17. Deferred corporate income tax expense		357,066,668	108,281,913
60	18. Profit after corporate income tax		<u>579,495,217,303</u>	<u>455,996,485,892</u>
61	19. Profit after tax attributable to owners of the parent		461,734,648,688	321,109,975,563
62	20. Profit after tax attributable to non-controlling interest		117,760,568,615	134,886,510,329
70	21. Basic earnings per share	30	2,989	2,208
71	22. Diluted earnings per share	31	1,995	

Duong Viet Nga
PreparerPham Tuan Anh
Chief AccountantNguyen Van Tuan
General Director

Ha Noi, March 24, 2017

CONSOLIDATED STATEMENT OF CASH FLOWSYear 2016
(Indirect method)

Code ITEMS	Note	Year 2016	Year 2015
		VND	VND
I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	1. Profit before tax	699,642,049,999	574,402,630,292
	2. Adjustment for		
02	- Depreciation and amortization of fixed assets and investment properties	125,995,802,391	97,653,503,258
03	- Provisions	6,922,799,298	74,716,618,222
04	- Exchange gains / losses from retranslation of monetary items denominated in foreign currency	(1,399,338,600)	(2,145,269,575)
05	- Gains / losses from investment	(216,397,198,026)	(172,372,046,107)
06	- Interest expense	67,726,821,032	54,828,381,840
07	- Other adjustments	-	-
08	3. Operating profit before changes in working capital	682,490,936,094	627,083,817,930
09	- Increase or decrease in receivables	(77,850,159,753)	(215,694,534,103)
10	- Increase or decrease in inventories	345,923,720,112	(128,528,629,928)
11	- Increase or decrease in payables (excluding interest payable/ corporate income tax payable)	(535,639,237,202)	194,224,395,547
12	- Increase or decrease in prepaid expenses	(47,417,193,163)	(28,788,629,089)
13	- Increase or decrease in trading securities	-	-
14	- Interest paid	(55,722,805,787)	(55,392,795,264)
15	- Corporate income tax paid	(112,938,901,052)	(131,795,278,086)
16	- Other receipts from operating activities	11,795,857,545	40,217,626,226
17	- Other expenses on operating activities	(63,981,574,353)	(295,788,764,748)
20	Net cash flow from operating activities	146,660,642,441	5,537,208,485
II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	1. Purchase or construction of fixed assets and other long-term assets	(379,654,472,396)	(201,507,426,652)
22	2. Proceeds from disposals of fixed assets and other long-term assets	384,745,165	702,080,000
23	3. Loans and purchase of debt instruments from other entities	(681,574,588,946)	(459,193,246,676)
24	4. Collection of loans and resale of debt instrument of other entities	886,789,206,156	282,085,422,960
25	5. Equity investments in other entities	(755,196,492,305)	(95,653,040,249)
26	6. Proceeds from equity investment in other entities	42,889,376,109	-
27	7. Interest and dividend received	189,632,396,012	120,822,728,550
30	Net cash flow from investing activities	(696,729,830,205)	(352,743,482,067)

CONSOLIDATED STATEMENT OF CASH FLOWS*Year 2016*
(Indirect method)

Code ITEMS	Note	Year 2016	Year 2015
		VND	VND
III CASH FLOWS FROM FINANCING ACTIVITIES			
31	1. Proceeds from issuance of shares and receipt of contributed capital	2,211,060,000	224,306,340,000
32	2. Repayment of capital contributions and repurchase of stock issued	-	-
33	3. Proceeds from borrowings	5,455,770,445,434	1,473,067,321,335
34	4. Repayment of principal	(2,361,061,793,228)	(1,377,507,233,285)
35	5. Repayment of financial principal	-	-
36	6. Dividends or profits paid to owners	(153,614,446,335)	(225,079,517,819)
40	<i>Net cash flow from financing activities</i>	<i>2,943,305,265,871</i>	<i>94,786,910,231</i>
50	Net cash flows in the year	2,393,236,078,107	(252,419,363,351)
60	Cash and cash equivalents at the beginning of the year	518,493,494,834	770,927,664,834
61	Effect of exchange rate fluctuations	494,558,967	(14,806,649)
70	Cash and cash equivalents at the end of the year	<u>3</u> <u>2,912,224,131,908</u>	<u>518,493,494,834</u>

Duong Viet Nga
PreparerPham Tuan Anh
Chief AccountantNguyen Van Tuan
General Director*Ha Noi, March 24, 2017*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year 2016

1 . GENERAL INFORMATION OF THE CORPORATION

Form of Ownership

Vietnam Electric Equipment Joint Stock Corporation was transformed from State-owned Enterprise - Vietnam Electrical Equipment Corporation under Decision No. 1422/QĐ-TTg on 10 August 2010 of the Prime Minister. The Corporation operates under Business License of joint stock company No 0100100512 issued by Ha Noi Investment and Planning Department for the first time on 01 December 2010. The License was changed for the fifth time on 6 September 2016.

The Corporation's head office is located at: No.52 Le Dai Hanh Street, Le Dai Hanh Ward, Hai Ba Trung District, Ha Noi City.

Corporation's Charter capital: VND 1,550,000,000,000. Equivalent to 155,000,000 shares with the price of VND 10,000 per share.

Business section

Main business activity of the Corporation is: Designing, manufacturing, trading electric meter products with the GELEX-EMIC brand such as single phase electricity meter, three phase mechanical; One-phase, three-phase intelligent multifunction electronic meter; Current transformers, voltage transformers, medium and low voltage measurement and other electronic measuring devices. Business hotel services.

Business field

The Corporation's business fields are:

- Manufacturing and trading electrical equipments used in industry, agriculture and civil;
- Designing, manufacturing, trading and repairing 1 or 3-phase electrical measuring equipments (DC and AC) with voltage levels: low, medium voltage and high voltage up to 220 kV;
- Construction and installation of transmission lines, substations up to 220KV;
- Construction of civil buildings, industrial, transportation, irrigation works
- Trading in real estate, hotel services, tourism and office for rent, houses, workshops, warehouses, business of organizing domestic and international travel services;
- Trading, import and export of materials and equipment, machinery and spare parts.

For conditional business lines, enterprises may only conduct business when they fully meet the conditions prescribed by law.

The Corporation's operation in the year that affects the Consolidated Financial Statements

In 2016, the parent company and its member companies are doing business with profit increasing over the same period last year. On the other hand, during the year the Corporation divested its capital at Hai Duong Pump Manufacturing JSC, Hanoi Materials and Construction JSC resulted in financial income and profit after corporate income tax increase suddenly over the same period last year.

VIETNAM ELECTRICAL EQUIPMENT JOINT STOCK CORPORATION

No.52 Le Dai Hanh Street, Le Dai Hanh Ward,
Hai Ba Trung District, Ha Noi City

Consolidated Financial Statements
For the fiscal year ended as at 31 December 2016

Group structure

- The Group's subsidiaries consolidated in Consolidated Financial Statements as at 31 December 2016 include:

<u>Name of company</u>	<u>Head office</u>	<u>Proportion of ownership</u>	<u>Voting rights held</u>	<u>Principal activities</u>
Vietnam Electric Cable Corporation (CADIVI)	Ho Chi Minh City	74.73%	74.73%	Manufacturing and trading electric wires and cables
Hanoi Electromechanical manufacturing JSC (HEM)	Ha Noi City	65.88%	65.88%	Producing, manufacturing and trading of electrical equipment
GELEX Investment and Construction JSC (GELEX ICC)	Ha Noi City	81.25%	81.25%	Civil and industrial construction
GELEX Cambodia CO.,LTD	Phnom Penh, Cambodia	100.00%	100.00%	Business, distribution of electrical equipment
Electrical Equipment JSC (THIBIDI)	Dong Nai Province	70.79%	70.79%	Producing, manufacturing and trading of electrical equipment
Electrical Measuring Instrument CO.,LTD (GELEX EMIC)	Ha Noi City	100.00%	100.00%	Manufacturing Electrical Measuring Equipment
GELEX Energy CO., LTD	Ha Noi City	100.00%	100.00%	Production, transmission and distribution of electricity

- The Group's associates and jointly controlled entities that are accounted for using the equity method in these Consolidated Financial Statements as at 31 December 2016 include:

<u>Name of company</u>	<u>Head office</u>	<u>Proportion of ownership</u>	<u>Voting rights held</u>	<u>Principal activities</u>
Vietnam - Hungary Electrical Machinery Manufacturing JSC (VIHEM)	Ha Noi City	34.27%	34.27%	Producing, manufacturing and trading electrical equipments
EMIC Production and Trading JSC (EPT)	Ha Noi City	25.50%	25.50%	Producing, manufacturing and trading electrical equipments
CFT Vina Copper CO., LTD (CFT)	Dong Nai	36.35%	36.35%	Producing copper wire and tinned copper wire
SAS - CTAMAD CO., LTD	Ha Noi City	23.14%	23.14%	Hotel business, tourist services
Electrical Devices JSC No1 (VINAKIP)	Ha Noi City	49.24%	49.24%	Producing, manufacturing and trading electrical equipments
South Logistics JSC (SOTRANS)	Ho Chi Minh City	24.93%	24.93%	Producing, manufacturing and trading electrical equipments

Information about the Group's restructuring:

- In the year, Electrical Devices JSC No1 completed the issuance of increased charter capital from VND 34 billion to VND 45.6 billion. The Corporation purchased 510,305 additional shares equivalent to VND 6,233,660,000. This led to the reduction of the Corporation's voting interest and voting ratio from 51.03% to 49.24%. The completion date of the capital increase is 18 January 2016. Therefore, in the consolidated financial statements for the year ended at 31/12/2016, the investment in Electrical Devices JSC No1 is presented as investments in associates under the equity method.

- During the year, the Corporation has divested all 1.793.758 shares of Hai Duong Pump Manufacturing JSC held by the Corporation in the period as at 13 June 2016. Therefore, the figures in the consolidated balance sheet as at 31/12/2016 do not include data from Hai Duong Pump Manufacturing JSC; the figures in the consolidated income statement and consolidated cash flow statement for fiscal year 2016 and the notes to the consolidated financial statements respectively included the data of Hai Duong Pump Manufacturing JSC for the period from 01 January 2016 to 30 June 2016.

- During the year, the Corporation has divested all of the Corporation's contributed capital in Hanoi Materials and Construction JSC. Therefore, at 31/12/2016, Hanoi Materials and Construction JSC is no longer an associate of the Corporation and is not consolidated into the Corporation's financial statements.

- During the year, the Corporation purchased additional 2.8 million shares of Vietnam Electric Cable Corporation, which led to the increase in voting power and benefits of the Corporation from 65,006% to 74,73%.

- During the year, the Corporation purchased additional 26,727,705 shares of Electrical Equipment JSC (THIBIDI) resulting in a higher voting rate and benefit of the Corporation from 43.44% to 70.79% %. As a result, the investment in THIBIDI is presented as an investment in the Subsidiary and incorporated in the Corporation's consolidated financial statements for the fiscal year 2016.

- During the year, the Corporation purchased 21.3 million shares of Southern Logistics JSC (SOTRANS), accounting for 24.93% of total outstanding shares in SOTRANS. This investment as at 31/12/2016 is recognized as Investment in joint ventures, associates.

2 . ACCOUNTING SYSTEM AND ACCOUNTING POLICY

2.1 . Accounting period and accounting currency

Annual accounting period commences from 1 January and ends as at 31 December.

The Corporation maintains its accounting records in VND.

2.2 . Standards and Applicable Accounting Policies

Applicable Accounting Policies

The Corporation applies Corporate Accounting System issued under the Circular No. 200/2014/TT-BTC dated 22 December 2014 by the Ministry of Finance, the Circular No. 53/2016/TT-BTC dated 21 March 2016 issued by Ministry of Finance amending and supplementing some articles of the Circular No. 200/2014/TT-BTC and the Circular No. 202/2014/TT-BTC dated 22 December 2014 by the Ministry of Finance guiding the preparation and presentation of Consolidated Financial Statements.

Declaration of compliance with Accounting Standards and Accounting System

The Corporation applies Vietnamese Accounting Standards and supplementary documents issued by the State. Financial Statements are prepared and presented in accordance with regulations of each standard and supplementary document as well as with current Accounting Standards and Accounting System.

2.3 . Basis for the preparation of Consolidated Financial Statements

Consolidated Financial Statements are prepared based on consolidating Separate Financial Statements of the Corporation and Financial Statements of its subsidiaries under its control as at 31 December annually. Control right is achieved when the Corporation has power to govern the financial and operating policies of invested companies to obtain benefits from their activities.

Consistent accounting policies are applied in Financial Statements of subsidiaries and the Corporation. If necessary, adjustments are made to the Financial Statements of subsidiaries to ensure the consistency of application of accounting policies among the Corporation and its subsidiaries.

The operating results of subsidiaries acquired or disposed during the year are included in the Consolidated financial statements from the effective date of acquisition or up to the effective date of disposal.

Balance, main incomes and expenses, including unrealized profits from intra-group transactions are eliminated in full from Consolidated financial statements.

Other accounting methods when preparing the Consolidated Financial Statements:

Transactions of business combination in different stages:

- In case before gaining control, the parent company does not have significant influence on its subsidiaries, investments are presented using the equity method: At the time of achieving control, the investments are revalued at fair value and the differences between fair value and original cost of investments are recognized in the Consolidated Statement of Income.
- In case before the parent company obtains control, the associate is presented under the equity method: At the time of gaining control, the investments are revalued at fair value and the differences between revaluation value and value of investments under the equity method are recorded in Consolidated Statement of Income.

Non – controlling interests

Non – controlling interests represents the portion of profit or loss and net assets of subsidiaries not held by the Corporation.

Profit and loss when there is a change in the Group's ownership in subsidiaries:

- In case the Parent company reduces their investment in subsidiaries without losing control over the subsidiaries: Profit/loss recorded into retained earnings in the Consolidated financial statements is the difference between the receipt from divestment and the total value of net assets transferred to non - controlling interests and corresponding goodwill.
- In case the Parent company reduces their investment in subsidiaries and loses control over the subsidiaries, the subsidiaries become associates: Profit/loss recorded in the Consolidated financial statements is the difference between the receipt from divestment and the total value of net assets transferred and remaining goodwill;
- In case subsidiaries raise additional capital from The owners when preparing Consolidated Financial Statements: The parent Company determines and presents The changes in its ownership and non - controlling interests in The net assets of The subsidiary before and after raising additional capital.

- In case of business combinations under common control: when transferring indirect subsidiaries to direct subsidiaries or vice versa, the Parent company determines and presents the changes in its ownership and non-controlling interests in the net assets of the subsidiary due to the changes of the ownership structure in subsidiaries.

2.4 . Financial Instruments

Initial recognition

Financial assets

Financial assets of the Corporation include cash, cash equivalents, trade receivables, other receivables, lending loans, long-term and short-term investments. At initial recognition, financial assets are identified by purchasing price/issuing cost plus other expenses directly related to the purchase and issuance of those assets.

Financial liabilities

Financial liabilities of the Corporation include borrowings, trade payables, other payables and accrued expenses. At initial recognition, financial liabilities are determined by issuing price plus other expenses directly related to the issuance of those liabilities.

Subsequent measurement after initial recognition

There are currently no regulations on revaluation of financial instruments after initial recognition.

2.5 . Translation of Financial Statements prepared in foreign currencies into Vietnam Dong

Financial Statements prepared in foreign currencies are translated to Financial Statements prepared in Vietnam Dong at the exchange rates as follows: Assets and liabilities are translated at the closing rate at the end of the year; Owner's equity is translated at the historic rate being the exchange rate on the date of contribution; Items of Statement of Income and Statement of Cash flows are translated at the rate ruling at the date of the transaction or the average exchange rate.

2.6 . Foreign currency transactions

The foreign currency transactions during the year are translated into Vietnam Dong using the real exchange rate ruling at the transaction date. Real exchange rates are determined under the following principles:

- When buying or selling foreign currency, applying the exchange rates specified in the contracts of foreign exchange sale between Corporation and commercial banks;
- When recording receivables, applying the bid rate of the commercial bank stipulated by the Corporation for customers to make payment at the transaction time;
- When recording payables, applying the offer rate of the commercial bank where the Corporation expects to conduct transactions at the transaction time;
- When purchasing assets or paying immediately in foreign currency, applying the bid rate of the commercial bank where the Corporation makes payments.

Real exchange rate when revaluating monetary items denominated in foreign currencies at the reporting date of Consolidated Financial Statements is determined under the following principles:

- For asset accounts, applying the bid rate of the commercial bank where the Corporation regularly conducts transaction;
- For foreign currency deposited in bank, applying the bid rate of the bank where the Corporation opens its
- For liability accounts, applying the offer rate of the commercial bank where the Corporation regularly conducts transaction.

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All exchange differences arising from foreign currency transactions in the year and from revaluation of remaining foreign currency monetary items at the end of the year are recorded immediately to operating results of the accounting year.

2.7 . Cash and cash equivalents

Cash comprises cash on hand, demand deposits.

Cash equivalents are short-term investments with the maturity of not over than 3 months from the date of investment, that are highly liquid and readily convertible into known amount of cash and that are subject to an insignificant risk of conversion into cash.

2.8 . Financial investments

Investments held to maturity comprise term deposits (including treasury bills and promissory notes), bonds, preference shares which the issuer is required to repurchase at a certain time in the future and loans, etc. held to maturity to earn profits periodically and other held to maturity investments.

Investments in subsidiaries, joint ventures and associates: During the year, the buyer determines the date of purchase and the cost of investments and implements accounting procedures in accordance with the Accounting Standards on "Business combination" and "Investments in joint ventures and associates". In the Consolidated Financial Statements, investments in joint ventures and associates are accounted for using equity method. Goodwill arose is added to value of investment. Corporation does not distribute goodwill value until associates, joint venture becomes subsidiaries (At the date of becoming subsidiary, parent company must determine the goodwill value again basing on the netreasonable value of the asset at the date of taking control of the subsidiary.

Equity Investments in other entities comprise investments in equity instruments of other entities without having control, joint control, or significant influence on the investee. These investments are initially stated at original cost. After initial recognition, these investments are measured at original cost less provision for devaluation of investments.

Dividends received in the form of shares only monitor the number of shares received but do not record the increase in the value of the investment and financial income.

Provision for devaluation of investments is made at the end of the year as follows:

- With regard to investments held long-term (other than trading securities) without significant influence on the investee: If the investment is made in listed shares or the fair value of the investment is determined reliably, the provisions shall be made on the basis of the market value of the shares; if the fair value of the investment is not determined at the reporting date, the provision shall be made based on the Financial Statements at the provision date of the investee.
- With regard to investments held to maturity, the provision for doubtful debts shall be made based on the recovery capacity in accordance with statutory regulations.

2.9 . Receivables

The receivables shall be recorded in details in terms of due date, entities receivable, types of currency and other factors according to requirements for management of the Corporation.

The provision for doubtful debts is made for receivables that are overdue under an economic contract, a loan agreement, a contractual commitment or a promissory note and for receivables that are not due but difficult to be recovered. Accordingly, the provisions for overdue debts shall be based on the due date stipulated in the initial sale contract, exclusive of the debt rescheduling between contracting parties and the case where the debts are not due but the debtor is in bankruptcy, in dissolution, or missing and making fleeing.

2.10 . Inventories

Inventories are initially recognized at original cost including purchase price, processing cost and other costs incurred in bringing the inventories to their location and condition at the time of initial recognition. After initial recognition, at the reporting date, inventories are stated at the lower of cost and net realizable value.

The cost of inventory is calculated by weighted average method.

Inventory is recorded by perpetual method.

Method for valuation of work in process at the end of the year: The value of work in progress is recorded based on actual cost incurred for each unfinished product

Provision for devaluation of inventories made at the end of the year is based on the excess of original cost of inventory over their net realizable value.

2.11 . Fixed assets, Finance lease assets and Investment properties

Fixed assets (tangible and intangible) are initially stated at the historical cost. During the using time, fixed assets (tangible and intangible) are recorded at cost, accumulated depreciation and carrying amount. Depreciation is computed on a straight-line basis method.

Fixed assets are depreciated (amortised) using the straight-line method over their estimated useful lives as follows:

- Buildings, structures	20 - 50 years
- Machinery, equipment	03 - 15 years
- Vehicles, Transportation equipment	05 - 10 years
- Office equipment and furniture	03 - 10 years
- Others	03 - 05 years
- Management software	03 years

2.12 . Prepaid expenses

The expenses incurred but related to operating results of several accounting periods are recorded as prepaid expenses and are allocated to the operating results in the following accounting periods.

The calculation and allocation of long-term prepaid expenses to operating expenses in each accounting period should be based on the nature of those expenses to select a reasonable allocation method and criteria. Prepaid expenses are allocated gradually into operating expenses on the straight-line basis.

2.13 . Payables

The payables shall be recorded in details in terms of due date, entities payable, types of currency and other factors according to the requirements for management of the Corporation.

2.14 . Borrowings and finance lease liabilities

Borrowings and finance lease liabilities shall be recorded in details in terms of lending entities, loan agreement and terms of borrowings and finance lease liabilities. In case of borrowings or liabilities denominated in foreign currency, they shall be recorded in details in terms of types of currency.

2.15 . Borrowing costs

Borrowing costs are recognized as operating expenses in the year, in which it is incurred unless excepting those which are directly attributable to the construction or production of a qualifying asset are capitalized as part of the cost of that asset in accordance with VAS No. 16 "Borrowing costs". Besides, regarding borrowings serving the construction of fixed assets and investment properties, the interests shall be capitalized even when the construction duration is under 12 months.

2.16 . Accrued expenses

Accrued expenses include payables to goods or services received from the suppliers or provided for the customers during the reporting period, but the payments for such goods or services have not been made and other payables such as annual leave salary, expenses arising from seasonal cessation of production, interest expenses, etc. which are recorded as operating expenses of the reporting period.

The recording of accrued expenses as operating expenses during the year shall be carried out under the matching principle between revenues and expenses during the year. Accrued expenses are settled with actual expenses incurred. The difference between accrued and actual expenses is reverted.

2.17 . Provision for payables

Provision for payables is only recognized when meeting all of the following conditions:

- The Corporation have a present debt obligation (legal obligation or joint obligation) as a result of past events;
- It is probable that the decrease in economic benefits may lead to the requirement for debt settlement;
- Debt obligation can be estimated reliably.

Value recorded as a provision for payable is the most reasonably estimated amount required to settle the present debt obligation at the end of the accounting year.

Only expenses related to the previously recorded provision for payable shall be offset by that provision for payable.

Provisions for payables are recorded as operating expenses of the accounting year. In case provision made for the previous accounting year but not used up exceeds the one made for the current accounting year, the difference is recorded as a decrease in operating expenses. The excess of the provision for payables relating to construction warranty is recorded as other income in the fiscal year.

2.18 . Unearned revenues

Unearned revenues include prepayments from customers for one or many accounting periods relating to asset leasing.

Unearned revenues are transferred to revenue from sale of goods and rendering of services or financial income with the amount corresponding to each accounting period.

2.19 . Owner's equity

Owner's equity is stated at actually contributed capital of owners.

Share premium is recorded at the difference between the par value with costs directly attributable to the issuance of shares and issue price of shares (including the case of re-issuing treasury shares) and can be a positive premium (if the issue price is higher than par value and costs directly attributable to the issuance of shares) or negative premium (if the issue price is lower than par value and costs directly attributable to the issuance of shares).

Treasury shares are shares issued and bought-back by the issuing company itself. Treasury shares are uncanceled and shall be re-issued within the period as regulated by the law on securities. Treasury shares shall be recorded at the actual buyback price and presented on the Statement of Financial position as a decrease in owner's equity. Cost of Treasury shares when being re-issued or used to pay dividend, bonus, etc. shall be calculated using the weighted average method.

Retained earnings are used to present the Corporation's operating results (profit, loss) after corporate income tax and profit appropriation or loss handling of the Corporation. The distribution of net profits is made when the net profit of the Corporation does not exceed the net profit presented on Consolidated Financial Statements after eliminating the profits from cheap purchase. In case dividend payment or profit distribution for the owners exceeds the net profit, the difference shall be recorded as a decrease in contributed capital. Net profit can be distributed to investors based on capital contribution rate after being approved by General Meeting of Shareholders and after being appropriated to funds in accordance with the Corporation's Articles of Incorporation and Vietnamese statutory requirements.

Dividends to be paid to shareholders are recognised as a payable in Statement of Financial position after the announcement of dividend payment from the Board of Management and announcement of cut-off date for dividend payment of Vietnam Securities Depository Center.

2.20 . Revenue

Sales of goods

Revenue from the sale of goods shall be recognised when all the following conditions have been satisfied:

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

Rendering of services

Revenue from rendering of services shall be recognised when all the following conditions have been satisfied:

- The amount of the revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Corporation;
- The stage of the completion of the transaction at the end of the reporting period can be measured reliably; and
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

The stage of the completion of the transaction may be determined by evaluating the volume of work performed .

Revenue from construction contract

- In case the construction contract specifies that the contractor shall be entitled to payment based on the volume of work completed, when the outcome of construction contract can be estimated reliably and confirmed by customers, revenues and expenses associated to construction contract shall be recognized by reference to the stage of completion confirmed by the customer during the year and presented on the issued

Financial income

Revenue arising from the use by the others of the Corporation's assets yielding interest, royalties and dividends shall be recognised when:

- It is probable that the economic benefits associated with the transaction will flow to the Corporation; and
- The amount of the income can be measured reliably;

Dividend income shall be recognised when the Corporation's right to receive dividend is established.

Bonus shares or stock dividends shall not be recognized as income when the right to receive bonus shares or stock dividend is established. Instead, the number of bonus shares or stock dividends will be presented on the related Note to Financial Statements.

2.21 . Revenue deductions

Revenue deductions from sales and service provisions arising in the year include: Trade discounts, sales discounts and sales returns.

Trade discount, sales discount and sales return incurred in the same period of sale of goods and rendering of services are recorded as a decrease in revenue in the incurring period. In case goods and services are sold in the previous periods, but until the next period they are incurred as deductible items, the Corporation records the decrease in revenue under the following principles: If it is incurred prior to the issuance of Financial Statements, it is then recorded as a decrease in revenue on the Financial Statements of the reporting period (the previous period); and if it is incurred after the issuance of Financial Statements, it is recorded as a decrease in revenue of incurring period (the next period).

2.22 . Cost of goods sold

The recognition of cost of goods sold is matched against the revenue in the period and complies with the prudence principle. Cases of loss of materials and goods exceeded the norm, abnormal expenses, and losses of inventories after deducting the responsibility of collective and individuals concerned, etc. is recognized fully and promptly into cost of goods sold in the year.

2.23 . Financial expenses

Items recorded into financial expenses comprise:

- Expenses or losses relating to financial investment activities;
- Borrowing costs;
- Losses from the disposal and transfer of short-term securities, transaction cost of selling securities;
- Provision for diminution in value of trading securities price; provision for losses from investment in other entities, losses from sale of foreign currency, exchange loss, etc.

The above items are recorded by the total amount arising in the year without offsetting against financial income.

2.24 . Corporate income tax

a) Deferred income tax asset and Deferred income tax liability

Deferred income tax asset is recognized for deductible temporary differences and the carrying forward of unused tax losses and unused tax credits. Deferred income tax liability is recognized for taxable temporary differences.

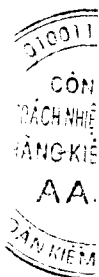
Deferred income tax asset and Deferred income tax liability are determined based on prevailing corporate income tax rate (or corporate income tax rate which is estimated to change in the future if the deferred income tax asset or deferred income tax liability are reversed when the new tax rates have been enacted), tax rates and tax laws enacted at the end of accounting year.

b) Current corporate income tax expenses and Deferred corporate income tax expenses

Current corporate income tax expenses are determined based on taxable income during the year and current corporate income tax rate.

Deferred corporate income tax expenses are determined based on deductible temporary differences, the taxable temporary differences and corporate income tax rate.

Current corporate income tax expenses and deferred corporate income tax expenses are not offset against each other.



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The parties are regarded as related parties if that party has the ability to control or significantly influence the other party in making decisions about the financial policies and activities. The Corporation's related parties

- Companies, directly or indirectly through one or more intermediaries, having control over the Corporation or being under the control of the Corporation, or being under common control with the Corporation, including the Corporation's parent, subsidiaries and associates;
- Individuals, directly or indirectly, holding voting power of the Corporation that have a significant influence on the Corporation, key management personnel including directors and employees of the Corporation, the close family members of these individuals;
- Enterprises that the above-mentioned individuals directly or indirectly hold an important part of the voting power or have significant influence on these enterprises.

In considering the relationship of related parties to serve for the preparation and presentation of Consolidated Financial Statements, the Corporation should consider the nature of the relationship rather than the legal form of the relationship.

3 . CASH AND CASH EQUIVALENTS

	<u>31/12/2016</u>	<u>01/01/2016</u>
	VND	VND
Cash on hand	3,618,795,858	4,581,166,806
Demand deposits	548,057,336,050	332,609,053,154
Cash equivalents	2,360,548,000,000	181,303,274,874
	<u>2,912,224,131,908</u>	<u>518,493,494,834</u>

As at 31 December 2016, cash and equivalents are term deposits less than 3 months are deposited in commercial banks with interest defined in each of bank at any time. The interest rate for these term deposits as at 31 December 2016 is from 4.8%/ year to 5.3%/ year.



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4 . FINANCIAL INVESTMENTS

a) Held to maturity investments

	31/12/2016		01/01/2016	
	Original cost	Book value	Original cost	Book value
	VND	VND		VND
Short-term investments	353,394,502,790	353,394,502,790	448,433,560,889	448,433,560,889
- Term deposits ⁽¹⁾	156,347,794,267	156,347,794,267	448,433,560,889	448,433,560,889
- Bonds ⁽²⁾	197,046,708,523	197,046,708,523	-	-
Long-term	600,000,000	600,000,000	-	-
- Term deposits	600,000,000	600,000,000	-	-
	<u>353,994,502,790</u>	<u>353,994,502,790</u>	<u>448,433,560,889</u>	<u>448,433,560,889</u>

(1) Including term deposits more than 3 months are deposited in commercial banks with interest defined in each of bank at any time.

(2) Include the following specific contracts:

2.1. Bond trading contract No. 06092016/HDMBTP/NGUYENLATHAO-GEX-S99 dated 6 September 2016: 35 bonds of SCI Joint Stock Company with par value of VND 1 billion per bond equivalent to VND 35,709,722,222 Dong; Release Date: 25/12/2015; Date the Corporation bought 06/09/2016; Maturity date: 25/12/2018; Interest rate: 10% / year.

2.2. Bond trading contract No. 27122016/HDMBTP/MHC-GEX-VIX dated 27 December 2016: 50 bonds of IB Securities Joint Stock Company with par value of VND 1 billion/ bond equivalent to 50 billions dong; Release Date: 27/06/2016; Date of the Corporation to be purchased on 27/12/2016; Maturity date: 27/06/2017; Interest rate: 9% / year.

2.3. Bond trading contract No. 27122016/HDMBTP/MHC-GEX-THT dated 27 December 2016: 800 bonds of Tay Ho Tay Real Estate Development Joint Stock Company with par value of VND 100,000,000 / The amount is 81,336,986,301; Release Date: 27/10/2016; Date of the Corporation to be purchased on 27/12/2016; Maturity date: 27/10/2019; Interest rate: 10% / year.

2.4. Bond trading contract No. 27122016/HDMBTP/TXT-GEX-VIX dated 27 December 2016: 30 bonds of IB Securities Joint Stock Company with par value of VND 1 billion / bond equivalent to the amount of 30 billions dong; Release Date: 27/06/2016; Date of the Corporation to be purchased on 27/12/2016; Maturity date: 27/06/2017; Interest rate: 9% / year.



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4 . FINANCIAL INVESTMENTS (NEXT)

b, Investments in Associates

	31/12/2016			01/01/2016				
	Place of establishment and operation	Rate of interest	Rate of voting rights	Book value according equity method VND	Place of establishment and operation	Rate of interest	Rate of voting rights	Book value according equity method VND
- Viet Nam - Hungari Electric Machinery Manufacturing JSC	Ha Noi City	34.27%	34.27%	985,827,730	Ha Noi City	34.27%	34.27%	20,360,017,528
- Hanoi Materials and Construction JSC (*)	Ha Noi City			-	Ha Noi City	45.00%	45.00%	5,528,359,676
- CFT Vina Copper CO., LTD	Dong Nai Province	36.35%	36.35%	108,275,111,882	Dong Nai Province	36.35%	36.35%	114,115,327,257
- EMIC Production and Trading JSC	Ha Noi City	25.50%	25.50%	7,818,599,076	Ha Noi City	25.50%	25.50%	7,049,361,952
- Electrical Equipment JSC (*)	Dong Nai Province			-	Dong Nai Province	43.44%	43.44%	198,878,604,355
- SAS - CTAMAD CO., LTD	Ha Noi City	23.14%	23.14%	279,388,313,061	Ha Noi City	23.11%	23.11%	292,939,196,561
- Electrical Devices JSC No1 (*)	Ha Noi City	49.24%	49.24%	49,506,970,116	Ha Noi City	-	-	-
- South Logistics JSC (*)	Ho Chi Minh City	24.93%	24.93%	554,292,836,363	Ho Chi Minh City	-	-	-
				1,000,267,658,228				638,870,867,329

(*)Detail information related to the fluctuation of these investment is presented in Note No.1 - General information of The Corporation, Group Structure.



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4 . FINANCIAL INVESTMENTS (NEXT)

c) Investments in equity of other entities

	31/12/2016		01/01/2016	
	Historical cost	Provision	Historical cost	Provision
	VND	VND	VND	VND
- Joint Stock Commercial Bank For Foreign Trade of Viet Nam	2,178,670,000	(386,991,550)	2,178,670,000	(535,141,800)
- Viet Thai Electric Cable Corporation	-	-	4,995,833,299	-
- Hi-tech JSC	1,057,011,301	-	1,057,011,301	-
- Vietnam Services and Investment Import - Export JSC (VICOSIMEX)	260,000,000	-	260,000,000	-
	3,495,681,301	(386,991,550)	8,491,514,600	(535,141,800)

The Corporation has not determined the fair value of financial investments because Viet Nam Accounting Standards, Viet Nam Enterprise Accounting System has not guided in detail on the determination of the fair value.

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5 . SHORT-TERM TRADE RECEIVABLES

	31/12/2016	01/01/2016
	VND	VND
- Southern Power Corporation	48,006,417,479	67,408,349,632
- Myanmar Solar Rays Co., Ltd Solar Rays Electrical Trading	42,351,514,666	38,775,578,887
- Thanh Van Production JSC	-	19,260,526,417
- Duc Tuong Group JSC	88,333,399,058	51,114,618,503
- Quy Dan Electrical Equipment JSC	95,321,690,364	61,550,243,456
- Kim Bien Commerce - Machinery JSC	47,051,275,494	63,448,616,616
- Viet Thai Electrical Cable Corporation	-	15,811,537,610
- Sacom Wires and Cable JSC	-	23,736,287,344
- HCM city Electrical Machinery JSC	49,378,466,548	46,710,170,167
- Dong Nai Power CO., LTD	-	6,448,347,775
- Mai Tien Phat Investment JSC	48,742,654,633	44,233,677,915
- Hai Duong Pump Manufacturing JSC	27,671,454,321	-
- Board of Project Management Southern Power Works - Branch of national power transmission corporation	40,127,724,239	-
- Electricite Du Cambodge (EDC)	23,120,618,693	-
- Dai Dung Metallic Manufacture Construction and Trade Corporation	9,186,218,400	-
- Other trade receivables	716,662,148,024	525,551,160,530
	<u>1,235,953,581,919</u>	<u>964,049,114,852</u>
b) Trade receivables from related parties details as in Notes 36.	<u>-</u>	<u>19,260,669,510</u>

6 . SHORT - TERM PREPAYMENTS TO SUPPLIERS

	31/12/2016		01/01/2016	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
- RMM Metallhandel	6,871,886,896	(4,810,320,827)	6,871,886,896	(6,871,886,896)
- Upcast Oy Co.,LTD	11,050,119,208	-	-	-
- EMIC Production and Trading JSC	-	-	5,735,060,102	-
- HK Trade and Investment JSC	5,564,535,848	-	-	-
- Others	16,545,264,573	-	29,926,348,304	-
	<u>40,031,806,525</u>	<u>(4,810,320,827)</u>	<u>42,533,295,302</u>	<u>(6,871,886,896)</u>

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7 . SHORT-TERM LOAN RECEIVABLES

	31/12/2016	01/01/2016
	VND	VND
EMIC Production and Trading JSC	-	16,000,000,000
Vietnam - Hungary Electrical Machinery Manufacturing JSC	2,000,000,000	12,385,120,000
Hanoi Materials and Construction JSC	4,000,000,000	4,500,000,000
Short - term loan of Electrical Devices JSC No1	-	308,402,700
	6,000,000,000	33,193,522,700

8 . OTHER RECEIVABLES

	31/12/2016		01/01/2016	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
a) Short-term				
Receivables from interest of deposit, loan	5,800,265,279	-	2,491,439,432	-
Receivables from employees	4,096,522,722	-	-	-
Receivables from social insurance	51,430,244	-	41,546,350	-
Receivables from health insurance	46,900	-	-	-
Receivables from unemployment insurance	4,550	-	-	-
Advances	11,466,484,760	-	4,890,590,185	-
Deposits	5,877,244,574	-	3,632,172,469	-
Receivables from deposits to buy shares (*)	213,286,200,000	-	-	-
Advanced bonus for the Board of Directors,	3,000,000,000	-	1,100,000,000	-
Others	1,017,135,336	-	489,013,136	-
	244,595,334,365	-	12,644,761,572	-
b) Long-term				
Deposits	441,000,000	-	395,000,000	-
	441,000,000	-	395,000,000	-

(*) Deposits to purchase shares of Phu Thanh My JSC at its subsidiary: GELEX Energy CO., LTD. The offering shares plan: the number of proposed shares to be offered is 28,850,480 shares; the face value is VND 10,000 per share for the strategic shareholder - Vietnam Electricity Equipment Corporation. A subsidiary of the Corporation is the entity that conducts the transaction.

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9 . BAD DEBTS

	31/12/2016		01/01/2016	
	Original cost	Recoverable value	Original cost	Recoverable value
	VND	VND	VND	VND
Total value of receivables, loan overdue or non overdue but hard to be collected				
- Thanh Van Manufacturing JSC ⁽¹⁾	19,260,526,417	-	19,260,526,417	-
- RMM METALLHANDEL GMBH ⁽²⁾	6,871,886,896	2,061,566,069	6,871,886,896	-
- Others	13,932,375,344	925,250,790	30,709,480,227	10,209,328,187
	<u>40,064,788,657</u>	<u>2,986,816,859</u>	<u>56,841,893,540</u>	<u>10,209,328,187</u>

Notes:

(*) The recoverable amount is determined on the basis of the guidance of Circular 228/2009 / TT-BTC dated 7 December 2009. However, the Board of Directors of the Corporation and its subsidiaries determine that bad debts are recoverable because the Corporation and its subsidiaries are going on providing products and goods to those partners.

(1) For the receivable debts from Thanh Van Manufacturing JSC of the subsidiary - Vietnam Power Cable JSC (CADIVI), CADIVI has sued the debtor to court and there was a verdict that forces the debtor to pay CADIVI the amount owed. The execution of the sentence is proceeding. When other information is available about enforcement, CADIVI will disclose information. At 31/12/2016, CADIVI has not assessed the recoverable amount of this liability. This bad debt has been provisioned 100% by CADIVI.

(2) For receivables RMM METALLHANDEL GMBH of the subsidiary - Vietnam Electric Cable Corporation is waiting for the Federal Court of Germany bankruptcy for RMM. At 31/12/2016, CADIVI has not assessed the recoverable amount of this liability. At the request of the tax authorities, CADIVI made a provision for bad debts at 70%. (Receivables at the beginning of the year are provisioned at 100% by CADIVI.)

10 . INVENTORIES

	31/12/2016		01/01/2016	
	Original cost	Provision	Original cost	Provision
	VND	VND	VND	VND
Goods in transit	6,109,305,270	-	6,301,117,300	-
Raw material	473,637,539,103	-	318,564,535,179	-
Tools, supplies	1,569,486,230	-	3,436,578,236	-
Work in progress	287,851,646,496	-	112,003,204,172	-
Finished goods	740,462,640,024	(5,999,727,151)	596,464,177,207	(5,164,038,845)
Goods	36,827,814,020	-	44,288,279,252	(279,751,000)
Consignments	-	-	13,415,128,195	-
	<u>1,546,458,431,143</u>	<u>(5,999,727,151)</u>	<u>1,094,473,019,541</u>	<u>(5,443,789,845)</u>

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11 . LONG-TERM ASSET IN PROGRESS

	31/12/2016	01/01/2016
	VND	VND
Construction in progress	92,397,986,402	40,276,323,737
- Office - Hotel at 10 Tran Nguyen Han Street, Hanoi	4,138,214,910	4,138,214,910
- Head office of the Corporation at 52 Le Dai Hanh, Hanoi	-	4,526,282,862
- The project of electric cable factory and electronic wire factory in Tan Phu Trung of Vietnam Electric Cable JSC	87,341,965,142	7,796,532,540
- Project of Central Cadivi Electric Cable Factory	-	369,500,750
- Project to build factory and office of Dai Dong Industrial Park -	-	16,141,737,636
- Investment project to produce Amorphous MBA	-	5,243,205,244
- Other works	-	2,060,849,795
- Other Construction in progress	917,806,350	-
Procurement of fixed assets	137,921,082,899	3,882,522,088
- ERP Software	3,356,624,504	3,287,000,400
- The right to use land 799 Kinh Duong Vuong (*)	127,243,482,364	-
- Procurement of machinery and equipment from Vietnam Electric Cable Corporation	7,320,976,031	-
- Others	-	595,521,688
Major repairs of fixed assets	3,107,672,994	714,953,672
- Major repairs and upgrades of machinery at Vietnam Electric Cable Corporation	3,107,672,994	622,856,122
- Major overhaul of other properties	-	92,097,550
	<u>233,426,742,295</u>	<u>44,873,799,497</u>

(*) The right to use land at 799 Kinh Duong Vuong at a Subsidiary - Vietnam Electricity Cable JSC being monitored on Construction in progress is the amount the Corporation paid into the State budget according to the notice of temporary payment of using land, area of 5,092 m2 because of converting from annual rent for production into investment projects to build trade centers and high-grade office.

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12 . TANGIBLE FIXED ASSETS

	Buildings, structures	Machinery, equipment	Transportation equipment	Management equipment	Total
	VND	VND	VND	VND	VND
Historical cost					
Beginning balance	754,584,676,524	763,869,478,657	94,295,631,934	102,774,437,232	1,715,524,224,347
- Purchase in the year	8,548,210,062	79,127,498,099	16,784,381,865	762,696,535	105,222,786,561
- Completed construction investment	-	23,893,015,100	-	-	23,893,015,100
- Increase/decrease due to business consolidation	(13,401,258,204)	72,219,174,592	4,373,224,313	3,665,120,856	66,856,261,557
- Increase/decrease due to reclassification	(246,681,818)	5,164,086,081	1,033,806,737	(5,951,211,000)	-
- Adjustment according to the value of completed capital construction settlement	(868,795,880)	4,644,221,878	-	18,339,099,191	22,114,525,189
- Liquidating, disposed	-	(18,047,663,404)	(2,247,993,970)	(192,059,765)	(20,487,717,139)
- Increase/decrease due to the conversion of reports	-	-	52,184,250	3,319,517	55,503,767
- Others decrease	(129,474,461)	(1,134,802,651)	(77,650,043)	(74,350,668)	(1,416,277,823)
Ending balance of the year	748,486,676,223	929,735,008,352	114,213,585,086	119,327,051,898	1,911,762,321,559
Accumulated depreciation					
Beginning balance	248,448,543,538	460,546,486,295	59,367,228,702	22,021,529,635	790,383,788,170
- Depreciation for the year	25,099,121,915	60,255,882,952	9,063,967,085	8,685,450,766	103,104,422,718
- Increase/decrease due to business consolidation	3,909,242,266	53,462,229,117	(791,347,795)	3,549,260,984	60,129,384,572
- Adjustment according to the value of completed capital construction settlement	-	-	-	(813,477,557)	(813,477,557)
- Liquidating, disposed	-	(15,974,957,776)	(938,336,187)	(36,461,250)	(16,949,755,213)
- Increase/decrease due to the conversion of reports	-	-	24,877,326	3,008,025	27,885,351
Ending balance of the year	277,456,907,719	558,289,640,588	66,726,389,131	33,409,310,603	935,882,248,041
Net carrying amount					
Beginning balance	506,136,132,986	303,322,992,362	34,928,403,232	80,752,907,597	925,140,436,177
Ending balance	471,029,768,504	371,445,367,764	47,487,195,955	85,917,741,295	975,880,073,518



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13 . INTANGIBLE FIXED ASSETS

	<u>Land use rights</u>	<u>Computer software</u>	<u>Cộng</u>
	VND	VND	VND
Historical cost			
Beginning balance	58,907,317,659	9,912,234,493	68,819,552,152
- Purchase in the year	-	1,299,481,111	1,299,481,111
- Increase due to consolidated business	<u>(4,791,031,700)</u>	<u>(6,888,822,828)</u>	<u>(11,679,854,528)</u>
Ending balance of the year	<u>54,116,285,959</u>	<u>4,322,892,776</u>	<u>58,439,178,735</u>
Accumulated depreciation			
Beginning balance	7,851,827,153	4,136,181,679	11,988,008,832
- Depreciation for the year	-	1,085,920,467	1,085,920,467
- Others increase	-	<u>(1,794,921,897)</u>	<u>(1,794,921,897)</u>
Ending balance of the year	<u>7,851,827,153</u>	<u>3,427,180,249</u>	<u>11,279,007,402</u>
Net carrying amount			
Beginning balance	<u>51,055,490,506</u>	<u>5,776,052,814</u>	<u>56,831,543,320</u>
Ending balance	<u>46,264,458,806</u>	<u>895,712,527</u>	<u>47,160,171,333</u>

14 . LONG-TERM PREPAID EXPENSES

	<u>31/12/2016</u>	<u>01/01/2016</u>
	VND	VND
Dispatched tools and supplies	11,176,235,188	11,812,029,259
Major repairs of fixed assets	8,926,571,530	6,104,468,867
Infrastructure construction and leveling expenses	12,743,034,340	13,276,448,872
Land rental expenses	139,326,117,592	111,421,492,433
Template Expense for GELEX EMIC	7,664,258,054	-
Others	9,442,410,039	1,305,054,725
	<u>189,278,626,743</u>	<u>143,919,494,156</u>

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15 . SHORT-TERM TRADE PAYABLES

	31/12/2016		01/01/2016	
	Outstanding balance	Amount can be paid	Outstanding balance	Amount can be paid
	VND	VND	VND	VND
LG International Company (HK)	-	-	35,028,075,466	35,028,075,466
LS NIKKO COPPER INC.	123,177,248,825	123,177,248,825	33,654,074,601	33,654,074,601
Tan Nghe Nam Production and Trading Co., Ltd	46,820,082,286	46,820,082,286	56,157,913,449	56,157,913,449
Viet Thai Electric Cable Corporation	-	-	17,279,749,520	17,279,749,520
Thin Phat Real Estate - Cables JSC	1,307,728,962	1,307,728,962	51,654,495,103	51,654,495,103
Dong Viet Colored metal and Plastic JSC	816,425,284	816,425,284	73,838,368,564	73,838,368,564
Sacom Wires and Cables JSC	-	-	25,052,616,758	25,052,616,758
Daewoo International Corp	-	-	13,418,105,039	13,418,105,039
CFT Vina Copper Co., Ltd.	62,028,156,183	62,028,156,183	94,473,185,907	94,473,185,907
Shaanxi saame import and export Co.,LTD	-	-	1,740,727,500	1,740,727,500
THIBIDI Trading JSC	132,593,256,382	132,593,256,382	-	-
Others	192,493,146,137	192,493,146,137	169,367,155,843	169,367,155,843
	<u>559,236,044,059</u>	<u>559,236,044,059</u>	<u>571,664,467,750</u>	<u>571,664,467,750</u>
b) Trade payables from related parties (details as in Notes 36.)	<u>62,028,156,183</u>	<u>62,028,156,183</u>	<u>94,580,705,907</u>	<u>94,580,705,907</u>

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16 . TAX AND PAYABLES FROM STATE BUDGET

	Receivable at the opening year	Payable at the opening year	Payable arise in the year	Amount paid in the year	increase/ decrease due to business consolidation	Receivable at the closing year	Payable at the closing year
	VND	VND	VND	VND	VND	VND	VND
Value added tax	9,632,950	2,807,175,258	237,358,290,199	229,123,478,980	(497,470,786)	345,242,520	10,880,125,261
Export, import duties	6,688,381	-	1,510,986,247	1,586,210,967	-	81,913,101	-
Corporate income tax	-	24,083,794,257	131,736,753,361	112,938,901,052	(3,596,427,742)	2,034,912,802	41,320,131,626
Personal income tax	-	2,269,616,877	20,642,171,115	19,764,362,204	(1,258,521,098)	1,151,065,393	3,039,970,083
Property tax and land rental	-	4,160,240	10,040,819,795	9,415,638,905	707,676,960	-	1,337,018,090
Other taxes	-	-	794,869,841	644,473,022	-	-	150,396,819
Fees and other obligations	-	-	912,990,188	78,344,016	-	-	834,646,172
	16,321,331	29,164,746,632	402,996,880,746	373,551,409,146	(4,644,742,666)	3,613,133,816	57,562,288,051

The Corporation's tax settlements are subject to examination by the tax authorities. Because the application of tax laws and regulations on many types of transactions is susceptible to varying interpretations, amounts reported in the financial statements could be changed at a later date upon final determination by the tax authorities.

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17 . SHORT-TERM ACCRUED EXPENSES

	31/12/2016	01/01/2016
	VND	VND
- Interest expense	11,908,524,969	197,007,906
- Accrued expenses on transportation, warehouse rental, security fees, mid-shift meals	2,827,051,190	4,257,853,767
- Accrued expenses for deposit interest and discounts	11,887,647,865	14,196,798,172
- Copyright license fee of Lixang AVK contract	-	3,070,875,500
- Land rental costs at No.16 Nguyen Schedule, District 5, Ho Chi Minh City of Vietnam Electric Cable Corporation	-	1,413,720,000
- Promotional accrued expenses according to agency	4,039,765,125	6,974,241,959
- Others	18,868,877,139	3,906,887,630
	49,531,866,288	34,017,384,934

18 . OTHER PAYABLES

	31/12/2016	01/01/2016
	VND	VND
a) Short-term		
- Surplus of assets awaiting resolution	-	711,508,637
- Trade union fee	763,173,340	1,827,363,518
- Social insurance	1,960,852,981	643,113,182
- Health insurance	-	72,090,053
- Unemployment insurance	501,598,273	57,320,033
- Short-term deposits, collateral received	279,174,926,965	301,399,158,645
- Dividends or profits payable	9,863,439,719	130,320,000
- Interest payables	617,961,637	325,463,455
- Dividends to uncontrolled shareholders in subsidiaries	-	8,847,566,054
- Deposit for project Headquarters No. 10 Tran Nguyen Han, Hanoi	20,000,000,000	20,000,000,000
- EMIC Production and Trading JSC	-	16,699,815,109
- Shareholders of Electrical Devices JSC No1 contributed additional capital	-	7,796,340,000
- Payable to the Bonus and welfare fund of Vietnam Electric Cable Corporation	-	5,307,769,345
- Payables to shareholders on purchasing additional issuing shares at the parent company(*)	737,100,000	-
- Payables to shareholders on purchasing additional issuing shares at Vietnam Electric Cable Corporation	1,473,960,000	-
- Other payables	6,598,286,922	2,138,288,323
	321,691,299,837	365,956,116,354
b) Long-term		
- Long-term deposits, collateral received	12,812,274,095	8,900,875,882
- IB Securities JSC ordered to buy warrants (**)	90,000,000,000	-
	102,812,274,095	8,900,875,882

(*) According to the Resolution of the Extraordinary Shareholders' Meeting in 2016 No. 27/TBDVN/NQ-DHM on 1 August 2016, The Corporation approved the plan to issue shares to increase charter capital with

- + The number of shares expected to issue: 77,250,000 shares;
- + Type of issued shares: Common stock;
- + Issuer: existing shareholders;
- + Issuing rate: the rate to implement the right to buy shares is 2:1;
- + Issue price: VND18,000 / share.

(**) IB Securities JSC ordered to buy warrants for the following main contents:

1. Ordering Warrants Contract No.20161206/HĐ/IBSC-GEX dated 06 December 2016:

- + The number of warrants ordered to buy: 1,000 warrants;
- + Issuing date: 08 December 2016
- + The maximum validity period: 36 months;
- + Purchase price: VND 50,000,000/warrant;
- + The number of shares issued per warrant: 50,000 shares.
- + The share purchasing price will be applied at the time of issuing the warrant-linked bond at the rate of VND 20,000 per share. The purchasing price per each share when implementing the warrants is adjusted in accordance with the anti-dilution clause under the contract and in any case, the share purchasing price when conducting the warrants is not less than VND 10,000/share.
- + Time of implementing the warrants: 2 times during the validity period of the warrants. The first time is no later than 30 June 2018, the second times is no later than 30 June 2019.

2. Ordering Warrants Contract No.20161212/HĐ/IBSC-GEX on 12 December 2016 with the main followings contents:

- + The number of warrants ordered to buy: 800 warrants;
- + Issuing date: 13 December 2016
- + The maximum validity period: 36 months;
- + Purchase price: VND 50,000,000/warrant;
- + The number of shares issued per warrant: 50,000 shares.
- + The share purchasing price will be applied at the time of issuing the warrant-linked bond at the rate of VND 20,000 per share. The purchasing price per each share when implementing the warrants is adjusted in accordance with the anti-dilution clause under the contract and in any case, the share purchasing price when conducting the warrants is not less than VND 10,000/share.
- + Time of implementing the warrants: 2 times during the validity period of the warrants. The first time is no later than 30 June 2018, the second times is no later than 30 June 2019.

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19 . BORROWINGS AND FINANCE LEASE LIABILITIES

	31/12/2016	01/01/2016
	VND	VND
a) Short-term borrowings		
Short-term borrowings from Banks	1,966,640,639,904	478,082,619,923
- Vietnam Joint Stock Commercial Bank for Industry and Trade - Hai Duong Branch	-	59,174,463,176
- Vietnam Joint Stock Commercial Bank for Industry and Trade - West Hanoi Branch	2,042,312,400	5,091,823,440
- Joint Stock Commercial Bank for Foreign Trade of Vietnam - Ho Chi Minh Branch	220,963,842,568	157,108,792,439
- Vietnam International and Commercial Joint Stock Bank - Hai Duong Branch	-	22,825,223,351
- Military Commercial Joint Stock Bank	-	130,605,674,167
- Vietnam Bank for Agriculture and Rural Development or Agribank	118,868,494,156	94,409,634,132
- Shinhan Bank Vietnam Limited - Hanoi Branch	32,923,334,035	5,485,982,888
- CTBC Bank Co.,Ltd - Ho Chi Minh City Branch	43,219,444,717	3,381,026,330
- International Commercial Joint Stock Bank - Ba Dinh Branch	31,113,920,806	-
- A&Z Bank	12,836,927,594	-
- Vietnam Joint Stock Commercial Bank for Industry and Trade - Transaction Office 2	26,803,777,975	-
- Vietnam Export Import Commercial Joint Stock Bank	112,017,624,104	-
- Vietnam International Bank (VIB)	25,184,118,400	-
- Vietcombank - Dong nai Branch	214,303,904,061	-
- Vietnam Joint Stock Commercial Bank for Industry and Trade - Hanoi Branch	1,126,362,939,088	-
Short-term borrowings from institutions	1,272,000,000	1,350,000,000
- Trade union of Hanoi Electromechanical Manufacturing JSC	1,272,000,000	1,300,000,000
- Trade Union of Hanoi Technology College	-	50,000,000
Personal Borrowings	16,811,133,000	10,493,545,055
Long term loans due to date	14,192,689,000	14,188,000,000
- Finance and Investment State owned Company	14,192,689,000	14,188,000,000
	<u>1,998,916,461,904</u>	<u>504,114,164,978</u>
b) Long-term		
- Finance and Investment State owned Company	-	14,192,689,000
- Joint Stock Commercial Bank for Foreign Trade of Vietnam - Ho Chi Minh Branch	76,754,591,005	3,020,500,000
- CTBC Bank Co.,Ltd - Ho Chi Minh City Branch	20,000,000,000	-
- Common bonds (*)	1,793,713,636,364	-
	<u>1,890,468,227,369</u>	<u>17,213,189,000</u>



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(*) Detailed information relating to the Corporation's bond

The ordering bonds Contract No.612/2016/HDDM.TP/VIB-GELEX between the Corporation and Vietnam International Commercial Joint Stock Bank - Ba Dinh Branch on 06 December 2016 with the following details:

- + Purpose of issuing bonds: Contribute capital to establish Gelex Real Estate CO., LTD, additional capital for business activities, restructuring debts of enterprises and other lawful purposes;
- + Number of bonds: 1.000 (One thousand) Bonds;
- + Issuing Date: 08 December 2016;
- + Maturity date: 08 December 2019;
- + Bond's face value: 1,000,000,000 (One billion dong).
- + Collateral: The value of bonds is secured by 20.5 million ordinary shares of Vietnam Electrical Cable JSC (Cadivi); 20.5 million common shares of Cadivi which the Corporation expected to buy in the first quarter of 2017 and the capital contributed by the Corporation to the Gelex real estate CO., LTD formed from that capital issuing bonds.

The ordering bonds Contract No. 01.2016/HDDM/TPBANK-GELEX on 12 December 2016 between the Corporation and Tien Phong Commercial Joint Stock Bank with the following details:

- + Purpose of issuing bonds: Contribute capital to establish Gelex Energy CO., LTD, additional capital for business activities and other lawful purposes;
- + Number of bonds: 1.000 (One thousand) Bonds;
- + Issuing Date: 12 December 2016;
- + Maturity date: 12 December 2019;
- + Bond's face value: 1,000,000,000 (One billion dong).
- + Collateral: The value of bonds is secured by work on land is Gelex Tower building at No. 52 Le Dai Hanh, 10,946,969 shares Vietnam Electronic Equipment JSC (THIBIDI), 24 242 .245 shares of Hanoi Electromechanical Manufacturing JSC (HEM), 23.6 million restricted shares of Vietnam Electric Equipment JSC(Thibidi) and the contribution capital of the issuer at Public Gelex Energy CO., LTD derived from bonds.

20 . PROVISION FOR PAYABLES

	<u>31/12/2016</u>	<u>01/01/2016</u>
	VND	VND
a) Short-term		
- Provision for product warranty	171,927,161,506	43,641,992,233
	<u><u>171,927,161,506</u></u>	<u><u>43,641,992,233</u></u>
b) Long-term		
- Provision for product warranty	40,384,873,750	49,382,894,377
	<u><u>40,384,873,750</u></u>	<u><u>49,382,894,377</u></u>

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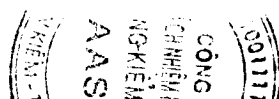
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21 . OWNER'S EQUITY

a) Changes in owner's equity

	Contributed capital	Share premium	Other capital	Treasury shares	Foreign exchange differences	Development and investment funds	Other funds belonging to owner's equity	Retained earnings	Non – Controlling Interest	Total
	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND
Beginning balance of previous year	1,400,000,000,000	-	47,513,826,624	(7,125,000,000)	960,044,030	107,862,750,909	198,392,508	629,439,175,337	548,863,726,600	2,727,712,916,008
Increase in capital in previous year	150,000,000,000	66,378,000,000	-	-	-	-	-	-	-	216,378,000,000
Profit/(loss) for previous year	-	-	-	-	-	-	-	321,109,975,563	134,886,510,329	455,996,485,892
Profit distribution of the parent company	-	-	-	-	-	29,500,000,000	-	(45,655,000,000)	-	(16,155,000,000)
Profit distribution of subsidiaries	-	-	-	-	-	8,981,561,604	-	(22,646,866,490)	(8,405,162,687)	(22,070,467,573)
Dividend payments of parent company	-	-	-	-	-	-	-	(167,400,000,000)	-	(167,400,000,000)
Dividend payments of subsidiaries	-	-	-	-	-	-	-	-	(63,560,472,904)	(63,560,472,904)
Effect when subsidiaries increase capital	-	-	-	-	-	(1,756,701,142)	-	(1,131,258,777)	13,106,839,919	10,218,880,000
Effect upon conversion of subsidiary into associate company	-	-	(463,112,454)	2,100,000,000	(838,620,418)	(21,149,044,647)	(198,392,508)	30,577,383,041	(169,558,509,139)	(159,530,296,125)
Conversion of reports	-	-	-	-	(37,047,279)	-	-	6,992,555	-	(30,054,724)
Ending balance of previous year	1,550,000,000,000	66,378,000,000	47,050,714,170	(5,025,000,000)	84,376,333	123,438,566,724	-	744,300,401,229	455,332,932,118	2,981,559,990,574
Beginning balance of current year	1,550,000,000,000	66,378,000,000	47,050,714,170	(5,025,000,000)	84,376,333	123,438,566,724	-	744,300,401,229	455,332,932,118	2,981,559,990,574
Current year increase in capital	-	-	-	-	-	-	-	-	-	-
Increase in capital of this year	-	-	-	-	-	-	-	461,734,648,688	117,760,568,615	579,495,217,303
Profit distribution	-	-	-	-	-	94,344,781,743	-	(142,848,167,282)	(16,763,185,967)	(65,266,571,506)
Buying treasury stock	-	-	-	-	-	-	-	-	-	-
Profit distribution of the parent company	-	-	-	-	-	-	-	(154,500,000,000)	-	(154,500,000,000)
Dividend payments of subsidiaries	-	-	-	-	-	-	-	-	(39,752,277,631)	(39,752,277,631)
Current year decrease in capital	-	-	-	-	-	-	-	-	-	-
Effect upon conversion of associate company into subsidiary	-	-	-	-	-	-	-	-	319,520,811,101	319,520,811,101
Effect while reducing subsidiaries	-	-	-	-	-	(9,117,465,668)	-	(55,743,868,984)	(64,660,541,438)	(129,521,876,090)
Conversion of reports	-	-	-	-	(771,941)	-	-	-	-	(771,941)
Adjustment due to change in the benefit interest in the subsidiary	-	-	-	-	-	-	-	(191,092,826,777)	(72,772,378,223)	(263,865,205,000)
Effect when subsidiaries pay dividends in shares	-	-	30,338,249,407	(1,115,259)	-	2,245,407	-	15,500,371,604	(289,751,159)	45,550,000,000
Other decrease	-	-	-	-	-	-	-	(210,355,232)	(239,711,712)	(450,066,944)
Ending balance of this year	1,550,000,000,000	66,378,000,000	77,388,963,577	(5,026,115,259)	83,604,392	208,668,128,206	-	677,140,203,246	698,136,465,704	3,272,769,249,866



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According to Resolution No. 19/TBDVN/NQ-DHCD dated 04 March 2016, issued by General Meeting of shareholders, the Corporation announced its profit distribution plan as follows:

	Rate (%)	Amount VND
Profit after tax	100.00%	249,651,441,276
Contribution to Investment and development fund	31.11%	77,656,441,276
Contribution to Bonus Fund for Executive Board	1.00%	2,495,000,000
Contribution to Reward and welfare funds	6.01%	15,000,000,000
Paid dividends (10% charter capital)	61.89%	154,500,000,000

b) Details of owner's invested capital

	Rate (%)	31/12/2016 VND	Rate (%)	01/01/2016 VND
GEX Investment JSC	23.09%	357,968,000,000	0.00%	-
Other shareholders	76.58%	1,187,032,000,000	99.68%	1,545,000,000,000
Treasury stock	0.32%	5,000,000,000	0.32%	5,000,000,000
	100%	1,550,000,000,000	100%	1,550,000,000,000

c) Capital transactions with owners and distribution of dividends and profits

	Year 2016 VND	Year 2015 VND
Owner's invested capital	1,550,000,000,000	1,550,000,000,000
- At the beginning of year	1,550,000,000,000	1,400,000,000,000
- Increase in the year	-	150,000,000,000
- At the ending of year	1,550,000,000,000	1,550,000,000,000

d) Stock

	31/12/2016	01/01/2016
Quantity of Authorized issuing stocks	155,000,000	155,000,000
Quantity of issued stocks	155,000,000	155,000,000
- Common stocks	155,000,000	155,000,000
Quantity of repurchased stocks	500,000	500,000
- Common stocks	500,000	500,000
Quantity of circulation stocks	154,500,000	154,500,000
- Common stocks	154,500,000	154,500,000
Par value per stock (VND)	10,000	10,000

e) Company's funds

	31/12/2016 VND	01/01/2016 VND
Investment and development fund	208,668,128,206	123,438,566,724
	208,668,128,206	123,438,566,724

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22 . OFF-STATEMENT OF FINANCIAL POSITION ACCOUNTS

a) Foreign currencies

	<u>31/12/2016</u>	<u>01/01/2016</u>
US dollar (USD)	988,000.52	1,410,425.78
GBP (GBP)	-	196.59
Danish Krone (DKK)	-	1,923.75
Euro (EUR)	3,385.48	585.48
Australian dollar (AUD)	12,050.00	-
Japanese Yen (JPY)	906,000.00	33,000.00
Copper Reil Cambodia (Reil)	10,431,616.00	62,028,859.00

b) Bad debts written off

	<u>31/12/2016</u>	<u>01/01/2016</u>
	VND	VND
	14,400,654,422	9,524,621,748

23 . TOTAL REVENUE FROM SALE OF GOODS AND RENDERING OF SERVICES

	<u>Year 2016</u>	<u>Year 2015</u>
	VND	VND
Revenue from sale of finished goods, merchandise	7,245,516,959,000	8,445,635,826,757
Revenue from rendering of services	143,672,586,163	173,654,338,144
Revenue from construction contracts	20,163,929,454	11,433,519,152
	<u><u>7,409,353,474,617</u></u>	<u><u>8,630,723,684,053</u></u>

24 . DEDUCTIBLE ITEMS

	<u>Year 2016</u>	<u>Year 2015</u>
	VND	VND
Trade discount	97,481,015,224	233,769,642,562
Sales return	14,759,124,525	14,246,598,595
	<u><u>112,240,139,749</u></u>	<u><u>248,016,241,157</u></u>

25 . COSTS OF GOODS SOLD

	<u>Year 2016</u>	<u>Year 2015</u>
	VND	VND
Costs of finished goods, merchandise sold	6,215,456,254,325	7,147,148,755,363
Costs of services rendered	96,308,434,003	106,028,536,499
Operating costs of investment properties	18,165,150,889	11,054,072,040
Diminution and losses of inventories	-	196,106,412
Provision for/reversal of provision inventories obsolescence	(1,063,645,410)	12,112,213,999
	<u><u>6,328,866,193,807</u></u>	<u><u>7,276,539,684,313</u></u>

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26 . FINANCIAL INCOME

	Year 2016	Year 2015
	VND	VND
Interest income, interest from loans	32,574,930,824	28,544,412,931
Payment discount, interest from installment sales	-	306,138,901
Gain from selling investments	41,509,941,593	220,000,000
Dividends, profits earned	160,366,291,035	93,702,479,511
Realized gain from foreign exchange difference	2,930,837,483	5,161,566,853
Unrealized gain from foreign exchange difference	1,426,753,038	2,177,708,362
Others	8,686,160,102	34,757,646
	<u>247,494,914,074</u>	<u>130,147,064,204</u>

27 . FINANCIAL EXPENSES

	Year 2016	Year 2015
	VND	VND
Interest expenses	67,726,821,032	54,828,381,840
Payment discount, interest from installment sales	970,726,763	587,490,486
Loss from disposal of investments	-	65,888,679,265
Realized loss from foreign exchange difference	6,680,641,291	8,837,688,344
Unrealized loss from foreign exchange difference	27,414,438	32,438,787
Provisions for devaluation of trading securities and investments	(765,375,190)	(466,203,037)
Others	394,888,953	637,011,875
	<u>75,035,117,287</u>	<u>130,345,487,560</u>

28 . SELLING EXPENSES

	Year 2016	Year 2015
	VND	VND
Raw materials	4,522,713,957	3,307,483,018
Labor expenses	18,180,505,758	32,134,567,198
Depreciation expenses	4,085,810,363	1,943,037,244
Expenses of outsourcing services	60,625,721,300	75,187,838,260
Other expenses in cash	44,742,544,790	49,438,713,020
Warranty expenses	16,503,992,415	39,079,328,844
	<u>148,661,288,583</u>	<u>201,090,967,584</u>

29 . GENERAL AND ADMINISTRATIVE EXPENSES

	Year 2016	Year 2015
	VND	VND
Raw materials	12,302,940,124	11,088,792,801
Labor	109,657,440,454	166,065,862,040
Depreciation expenses	8,857,627,272	11,799,799,878
Tax, Charge, Fee	6,929,077,766	12,313,895,849
Provision expenses/reversal of provision	(7,752,172,517)	16,148,019,389
Expenses of outsourcing services	33,071,439,384	39,322,843,229
Other expenses in cash	90,512,879,971	82,008,878,707
	<u>253,579,232,454</u>	<u>338,748,091,893</u>

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30 . BASIC EARNINGS PER SHARE

Earning per share distributed to common shareholders of the Corporation is calculated as follows :

	<u>Year 2016</u>	<u>Year 2015</u>
	VND	VND
Profit after tax	461,734,648,688	321,109,975,563
Profit distributed for common stocks	461,734,648,688	321,109,975,563
Average circulated common stocks in the year	154,500,000	145,458,242
Basic earnings per share	<u>2,989</u>	<u>2,208</u>

The Corporation has not planned to deduct Bonus and welfare from the profit after tax for the fiscal year ended as at 31 December 2016.

31 . DILUTED EARNINGS PER SHARE

According to the resolution of the Extraordinary General Meeting of Shareholders No. 27/TBĐVN/NQ-HĐ on 01 August 2016, the Corporation plans to issue more shares to increase capital. Accordingly, the calculation of diluted earnings per share can be distributed to shareholders owning ordinary shares of the Corporation based on the following figures:

	<u>Year 2016</u>
	VND
Net profit after tax	461,734,648,688
Profit distributed to common shares	461,734,648,688
Average number of outstanding common shares in circulation in the year	154,500,000
The number of common shares expected to be additionally issued	77,000,000
Diluted earnings per share	<u>1,995</u>

Information relating to the issuance of capital increase is disclosed in Note 34- 'Events after the balance sheet date'.

32 . BUSINESS AND PRODUCTIONS COST BY ITEMS

	<u>Year 2016</u>	<u>Year 2015</u>
	VND	VND
Raw materials	5,299,209,427,139	4,525,048,849,562
Labour expenses	361,523,475,809	482,804,251,997
Depreciation expenses	104,190,343,185	109,191,574,562
Expenses of outsourcing services	124,825,093,309	202,367,873,401
Other expenses in cash	183,832,605,634	227,534,719,752
	<u>6,073,580,945,076</u>	<u>5,546,947,269,274</u>

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33 . FINANCIAL INSTRUMENTS

The types of financial instruments of the Company:

	Carrying amount			
	31/12/2016		01/01/2016	
	Original Cost VND	Provision VND	Original Cost VND	Provision VND
Financial Assets				
Cash and cash equivalents	2,912,224,131,908	-	518,493,494,834	-
Trade and other receivables	1,480,989,916,284	(37,077,971,798)	977,088,876,424	(46,632,565,353)
Loans	162,947,794,267	-	481,627,083,589	-
Short term investments	196,446,708,523	-	-	-
Long term investments	4,095,681,301	(386,991,550)	8,491,514,600	(535,141,800)
	<u>4,756,704,232,283</u>	<u>(37,464,963,348)</u>	<u>1,985,700,969,447</u>	<u>(47,167,707,153)</u>

	Carrying amount	
	31/12/2016	01/01/2016
	VND	VND
Financial Liabilities		
Borrowings and debts	3,889,384,689,273	521,327,353,978
Trade and other payables	983,739,617,991	946,521,459,986
Accrued expenses	49,531,866,288	34,017,384,934
	<u>4,922,656,173,552</u>	<u>1,501,866,198,898</u>

Financial assets and financial liabilities are not revalued according to fair value at the end of the year because the Circular No. 210/2009/TT-BTC and prevailing statutory regulations require to present Financial Statements and Notes to financial instruments but do not provide any relevant instruction for assessment and recognition of fair value of financial assets and liabilities, excluding provision for doubtful debts and provision for diminution in value of trading securities which are presented in relevant notes.

Financial risk management

The Corporation's financial risks include market risk, credit risk and liquidity risk. The Corporation has developed its control system to ensure the reasonable balance between cost of incurred risks and cost of risk management. The Board of Directors of the Corporation is responsible for monitoring the risk management process to ensure the appropriate balance between risk and risk control

Market risk

The Corporation's business operations will bear the risks of changes in prices, exchange rates and interest rates.

Price Risk:

The Corporation bears price risk of equity instruments from short-term and long-term investments in securities due to the uncertainty of future prices of the securities. As regards, long-term securities held for long-term strategies, at the end of the fiscal year, the Corporation has no plan to sell these investments.

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Exchange rate risk

The Corporation bears the risk of interest rates due to the fluctuation in fair value of future cash flow of a financial instrument in line with changes in market interest rates if the Corporation has time or demand deposits, borrowings and debts subject to floating interest rates. The Corporation manages interest rate risk by analyzing the market competition situation to obtain interest beneficial for its operation purpose.

Interest rate risk

The Corporation bears the risk of interest rates due to fluctuation in fair value of future cash flow of a financial instrument according to changes in market interest rates if the Corporation has time or demand deposits, loans and debts subject to floating interest rates. The Corporation manages interest rate risk by analyzing the market competition situation to obtain any interest profitable for its operation purpose.

Credit Risk

Credit risk is the risk of financial loss to the Corporation if a counterpart fails to perform its contractual obligations. The Corporation has credit risk from operating activities (mainly to trade receivables) and financial activities (including deposits, loans and other financial instruments), detailed as follows:

	<u>Under 1 year</u>	<u>In 1 to 5 years</u>	<u>In more than 5</u>	<u>Total</u>
	VND	VND	years VND	VND
As at 31/12/2016				
Cash and cash equivalents	2,912,224,131,908	-	-	2,912,224,131,908
Trade and other receivables	1,443,470,944,486	441,000,000	-	1,443,911,944,486
Loans	162,947,794,267	-	-	162,947,794,267
Short term investments	196,446,708,523	-	-	196,446,708,523
Long term investments	-	3,708,689,751	-	3,708,689,751
	<u><u>4,715,089,579,184</u></u>	<u><u>4,149,689,751</u></u>	<u><u>-</u></u>	<u><u>4,719,239,268,935</u></u>
As at 01/01/2016				
Cash and cash equivalents	518,493,494,834	-	-	518,493,494,834
Trade and other receivables	930,061,311,071	395,000,000	-	930,456,311,071
Loans	481,627,083,589	-	-	481,627,083,589
Long term investments	-	7,956,372,800	-	7,956,372,800
	<u><u>1,930,181,889,494</u></u>	<u><u>8,351,372,800</u></u>	<u><u>-</u></u>	<u><u>1,938,533,262,294</u></u>

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Liquidity Risk

Liquidity risk is the risk that the Corporation has trouble in settlement of its financial obligations due to the lack of funds. Liquidity risk of the Corporation is mainly from different maturity of its financial assets and liabilities.

Due date for payment of financial liabilities based on expected payment under the contracts (based on cash flow of the original debts) as follows:

	<u>Under 1 year</u> VND	<u>In 1 to 5 years</u> VND	<u>In more than</u> <u>5 years</u> VND	<u>Total</u> VND
As at 31/12/2016				
Borrowings and deb	1,998,916,461,904	1,890,468,227,369	-	3,889,384,689,273
Trade and other payables	880,927,343,896	102,812,274,095	-	983,739,617,991
Accrued expenses	49,531,866,288	-	-	49,531,866,288
	<u>2,929,375,672,088</u>	<u>1,993,280,501,464</u>	<u>-</u>	<u>4,922,656,173,552</u>
As at 01/01/2016				
Borrowings and deb	504,114,164,978	17,213,189,000	-	521,327,353,978
Trade and other payables	937,620,584,104	8,900,875,882	-	946,521,459,986
Accrued expenses	34,017,384,934	-	-	34,017,384,934
	<u>1,475,752,134,016</u>	<u>26,114,064,882</u>	<u>-</u>	<u>1,501,866,198,898</u>

The Corporation believes that risk level of loan repayment is low. The Corporation has the ability to pay debts matured from cash flows from its operating activities and cash received from matured financial assets.

34 . SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

According to the Resolution of the Extraordinary Shareholders' Meeting No. 27/TBĐVN/NQ-ĐHCD held on August 1, 2016, the Corporation has approved the plan issuing shares to increase charter capital as follows:

- Number of shares expected to issue: 77,250,000 shares;
- Par value: VND 10,000/share;
- Issuer: existing shareholders;

- Issuing rate: the rate to exercise the right to buy shares is 2:1;
- Issuing price: VND18,000/share;
- Proposed execution time: Authorize the Board of Directors to decide upon the issuance of licenses by the State Securities Commission;
- Using capital plan:
 - + Increase the percentage of ownership in Electrical Equipments JSC through the purchase of shares offered to strategic shareholders (578.2 billion dong);
 - + Investments in logistics industry through finding, negotiating to buy the controlling shares of enterprises are operating effectively in the industry, including South Logistics JSC and other enterprises (812.3 billions dong).

Authorizing the Board of Directors to prepare and approve a detailed capital use plan for each of the mentioned purposes.

According to the Report on the results of the issuance shares to the public No. 20/2017/GELEX-BC on 23 January 2017 of the Vietnam Electrical Equipment Corporation and Official Letter No. 534/UBCK-QLCB on 23 January 2017 confirming the receipt of that report, the number of shares successfully issued is 77 million shares, raising the charter capital of the Corporation up to 2,320 billion dong.

According to the Board of Directors Resolution No. 12/2017/GELEX/NQ-HDQT on March 1, 2017 approving the increase of charter capital of GELEX Energy CO., LTD, the new charter capital after registration is VND 1,250,000,000,000.

According to the results of the public offering on March 10, 2017, the Corporation has completed the acquisition of additional 22,299,983 shares of Southern Logistics JSC (Sotrans) raising the percentage of shareholding After the tender offer of the Corporation to 51.03% of charter capital of Sotrans. The investment in Sotrans in 2017 is presented by the Corporation as an investment in a subsidiary.

According to Resolution No. 15/2017/GELEX /NQ-HDQT on March 2017, the Corporation plans to divested all 510,000 shares correspondingly to 25.5% of charter capital at the EMIC Manufacturing and Trading JSC, and the Company is no longer an associate of the Corporation. Expected time is from 17 March 2017 to 17 April 2017.

There have been no significant events occurring after the reporting fiscal year, which would require adjustments or disclosures to be made in the Consolidated Financial Statements.

35 . SEGMENT REPORTING

More than 90% of the Corporation's operations are manufacturing and trading in electrical equipment and more than 90% of its operations took place in Vietnam. Therefore, the Corporation does not present segment reporting by business field and by geographical area.

VIETNAM ELECTRICAL EQUIPMENT JOINT STOCK CORPORATION

 No.52 Le Dai Hanh Street, Le Dai Hanh Ward,
 Hai Ba Trung District, Ha Noi City

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36 . TRANSACTION AND BALANCES WITH RELATED PARTIES

In the fiscal year, the Company has the transactions and balances with related parties as follows:

Transactions during the year:

	<u>Relation</u>	<u>Year 2016</u> VND	<u>Year 2015</u> VND
Sales of goods and services		56,088,351,836	73,561,575,920
Vietnam - Hungary Electrical Machinery Manufacturing JSC	Associate	14,082,000	-
CFT Vina Copper CO.,LTD	Associate	487,090,869	471,927,233
EMIC Production and Trading JSC	Associate	53,541,859,967	70,720,334,187
Electrical Devices JSC No1	Associate	2,045,319,000	2,369,314,500
Purchasing goods and services		639,600,558,217	583,659,952,483
Vietnam - Hungary Electrical Machinery Manufacturing JSC	Associate	5,660,806,538	119,592,220
CFT Vina Copper CO.,LTD	Associate	544,438,093,123	452,947,619,761
EMIC Production and Trading JSC	Associate	89,182,795,835	130,185,666,462
SAS - CTAMAD CO., LTD	Associate	268,954,321	-
Electrical Devices JSC No1	Associate	49,908,400	407,074,040
Lending capital		-	10,000,000,000
EMIC Production and Trading JSC	Associate	-	10,000,000,000
Interest on loans		851,553,600	1,201,440,533
Vietnam - Hungary Electrical Machinery Manufacturing JSC	Associate	371,553,600	743,107,200
EMIC Production and Trading JSC	Associate	480,000,000	458,333,333
Dividends, profits divided		90,468,207,500	73,466,488,311
Vietnam - Hungary Electrical Machinery Manufacturing JSC	Associate	-	1,490,700,000
CFT Vina Copper CO.,LTD	Associate	24,378,127,500	15,940,708,311
EMIC Production and Trading JSC	Associate	1,020,000,000	765,000,000
SAS - CTAMAD CO., LTD	Associate	61,600,000,000	51,800,000,000
Electrical Devices JSC No1	Associate	3,470,080,000	3,470,080,000
Contributed capital		560,416,496,363	-
Southern Logistics JSC (*)	Associate	554,292,836,363	-
Electrical Devices JSC No1	Associate	6,123,660,000	-

(*) Mr. Nguyen Van Tuan - General Director of the Corporation is also the Chairman of the Southern Logistics JSC 's Board of Management.

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Up to financial statements date, payments which have not been made with related parties are as follows:

	<u>Relation</u>	<u>31/12/2016</u>	<u>01/01/2016</u>
		VND	VND
Short-term trade receivables		-	19,260,669,510
EMIC Production and Trading JSC	Associate	-	19,260,669,510
Loans receivables		2,000,000,000	28,385,120,000
Vietnam - Hungary Electrical Machinery Manufacturing JSC	Associate	2,000,000,000	12,385,120,000
EMIC Production and Trading JSC	Associate	-	16,000,000,000
Loans interest receivables		-	2,195,706,096
Vietnam - Hungary Electrical Machinery Manufacturing JSC	Associate	-	1,917,372,763
EMIC Production and Trading JSC	Associate	-	278,333,333
Trade payables		62,028,156,183	94,580,705,907
Hanoi Materials and Construction JSC	Associate	-	107,520,000
CFT Vina Copper CO.,LTD	Associate	62,028,156,183	94,473,185,907
Prepayments to suppliers		-	5,813,037,664
Hanoi Materials and Construction JSC	Associate	-	77,977,562
EMIC Production and Trading JSC	Associate	-	5,735,060,102
Loans interest receivables		2,288,926,363	1,917,372,763
Vietnam - Hungary Electrical Machinery Manufacturing JSC	Associate	2,288,926,363	1,917,372,763
Other receivables		-	1,000,000
Vietnam - Hungary Electrical Machinery Manufacturing JSC	Associate	-	1,000,000
Other payables		-	16,699,815,109
EMIC Production and Trading JSC	Associate	-	16,699,815,109

Transactions with other related parties:

	<u>Year 2016</u>	<u>Year 2015</u>
	VND	VND
Remuneration to members of The Board of Directors and The Board of Management	9,689,278,415	4,321,100,000

37 . COMPARATIVE FIGURES

The corresponding figures are those taken from the accounts for the fiscal year ended as at 31 December 2015, which was audited by AASC Auditing Firm Company Limited.

Duong Viet Nga
Preparer

Pham Tuan Anh
Chief Accountant

Nguyen Van Tuan
General Director
Ha Noi, March 24, 2017