



2018

Annual Report



Power Construction Joint Stock Company No.1

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List of abbreviations

RE	Real estate
BOS	Board of supervisors
BOD	Board of Directors
FS	Financial statements
Company	PCC1
CAGR	Compound annual growth rate
O&E	Officers and employees
JSC	Joint Stock Company
NR	Net revenue
EPS	Earnings per share
EVN	Electricity of Vietnam
GDP	Gross domestic product
BOM	Board of Management
PAT	Profit after tax
PCC1	Power Construction No. 1 Joint Stock Company
PM	Project management
ROA	Return on assets
ROE	Return on Equity
IP	Industrial production
MB	Manufacturing business
CI	Corporate income
OMLT	One-member limited liability

Power Contraction Joint Stock Company No.1

Business registration certificate number	0100100745
Charter capital	VND 1,327,702,940,000
Equity	VND 3,273,395,471,373
Headquarters	583 Nguyen Trai - Thanh Xuan – Hanoi
Tel	(84-24) 38 456 329
Fax	(84-24) 38 231 997
Website	http://www.pcc1.vn
Email	pcc1@vnn.vn
Stock code	PC1 (HSX)



MESSAGE FROM CHAIRMAN OF THE BOARD OF DIRECTORS



Mr. Trinh Van Tuan
Chairman of the board

Top Vietnam's **50**
best-performing companies

Top Vietnam's **500**
largest private enterprises in 2018

“ Over the 55-year journey associated with the development of the country, today PCC1 is proud to affirm its No. 1 position in the field of construction and installation of electricity in Vietnam and step by step reached the top 5 in the Southeast Assia region.”

Dear Shareholders!

On behalf of the Board of Directors, I would like to send you a respectful greeting and best wishes.

Following the remarkable results in recent years, sticking to the development strategy of the Company with the goal of always creating and making new breakthroughs, In 2018, PCC1 continued to reap the positive results, that are: Exceeding the planed profit targets, continuing to affirm the number 1 position in Vietnam in implementing the role of EPC contractor of power grid project, continuing to improve prestige and position, investment in hydropower plants and real estate business achieved good results, and being prepared and confident for the plan of 2019 and the following years.

2019 - Resource development, high and substain growth.

Developing resources for quality control and annual growth rate of over 20% is an important and thorough goal of the management board of PCC1, in which:

Affirming its leading position in construction of power grid projects with the goal of focusing on EPC general contractor projects, national key projects, high-tech specific proj-

ects, international-standard EPC project management. Developing products with new design and manufacturing high-voltage and ultra-high-voltage electric poles leading the domestic market and steadfastly aiming to export to many countries in the international market. Establishing a new investment phase in power plants, promoting strengths and creating new resources for rapid growth in efficient power generation by different forms of energy. Affirming to be prestigious investor in Hanoi Real Estate market, supporting important finance for the Company's development goals in a sustainable manner.

One of the key solutions of 2019 to achieve targets production and business value :VND 8,325 billion - an increase of 58% compared to 2018; revenue: VND 6,042 billion - an increase of 19% compared to 2018; Profit after tax reached VND 424 billion; Payment to state budget: VND 249 billion, and at the same time, to reliably control the medium and long-term growth quality tha are: Continuing to improve the system management capacity through additional recruitment plans, organizational chart completeness , training quality improvement, increase of employees' income in the constantly evolving cultural environment of the company. Focusing on research, investment and application of new and advanced equipment and resources in production and business. Investing in information technology to improve the applying ability of company management, project management softwares and e-offices are deployed synchronously.

I believe that with the support, companion, positive sharing of shareholders, the desire and enthusiasm, the responsibility for development of the company of the Board of Directors, the enthusiastic creation of employees of PCC1, we will complete and exceed the planned targets.

Once again, I would like to send the most sincere thanks to PCC1 shareholders, wish you all health and successful. I would also like to send our partners and customers best wishes and hope to continuously receive help, share and cooperation with PCC1 throughout the development path.

Company leaders highly appreciate and acknowledge the efforts and ceaseless creativity of the company's employees throughout the long journey. We will continue to unite and dedicate to a flourishing PCC1.

Your sincerely,

Hanoi, April 17, 2018

Chairman of the board

Trinh Van Tuan

PCC1 - Transparency - Reliability - Cooperation for success

Vision



Become a leading company in Vietnam, top 5 in Southeast Asia, implement EPC general contractor for electrical works and industrial construction works.

Mission



Creatively create smart, modern electric works in connection with national and regional electricity systems.

Create more added values for customers, investors, workers and society.

Core values



Creativity: Creativity is the foundation of development

Speed: Speed action, system thinking leads all activities.

Reliability: Reliability is the power to create sustainable development, the soul of PCC1

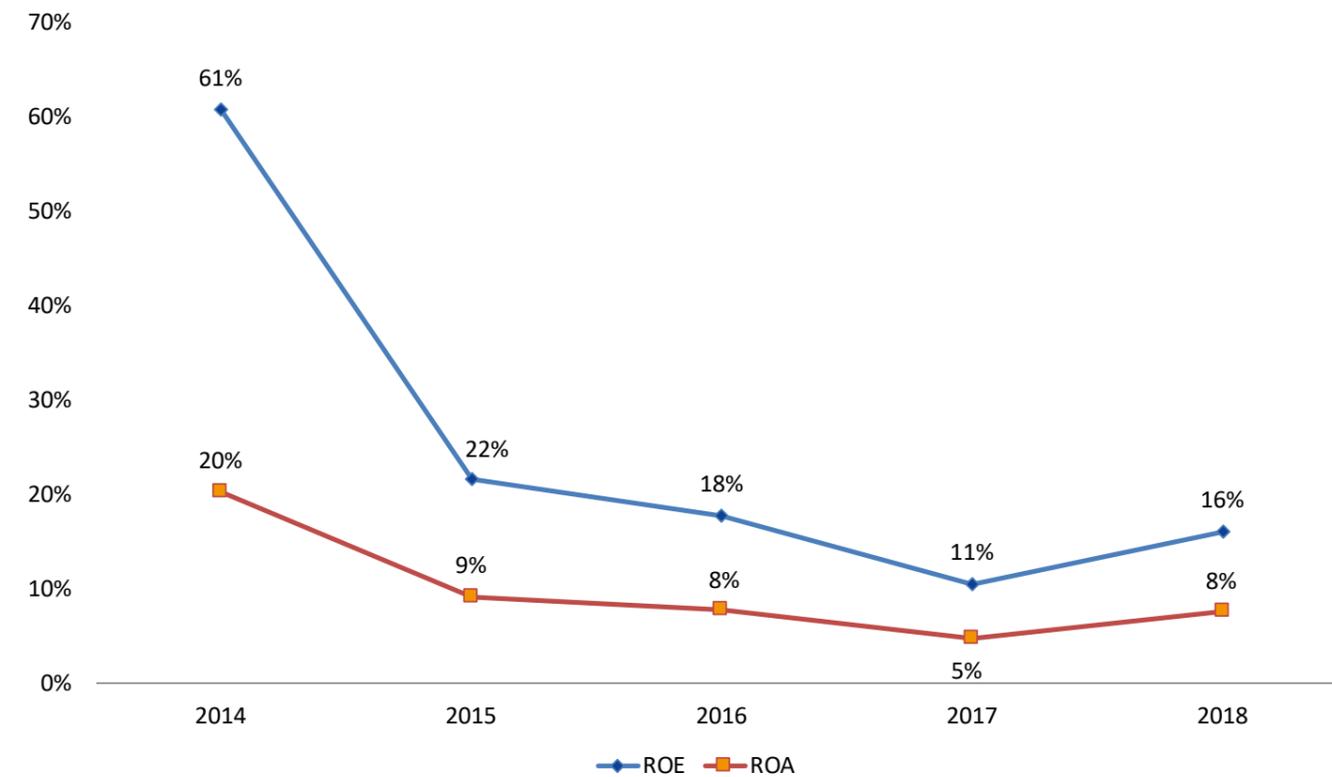


BASIC FINANCIAL INFORMATION

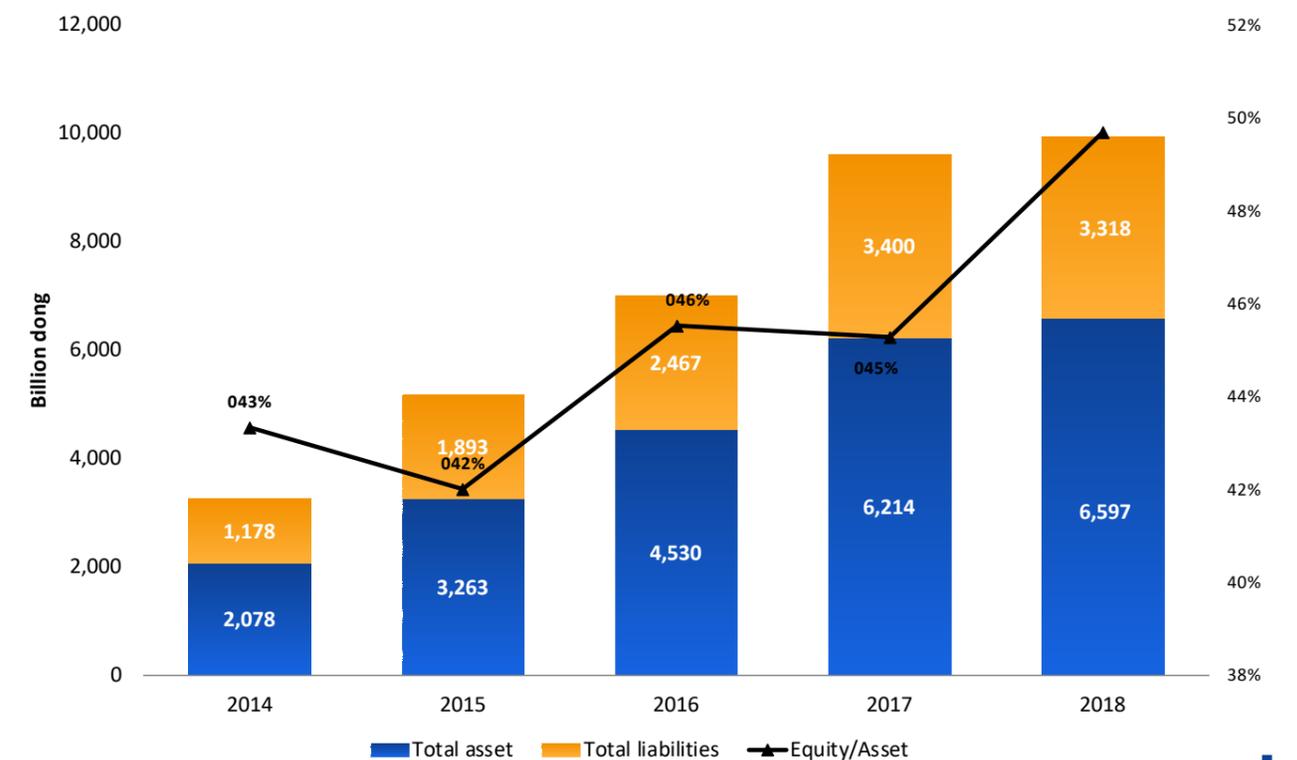
Indicators financial highlights (audited)

Indicators	Unit	2014	2015	2016	2017	2018	CARG	%YOY 2017
Net revenue	Billion dong	3,100	3,101	3,008	3,161	5,084	10.4%	60.9%
Profit after tax	Billion dong	425	246	305	256	491	2.9%	91.6%
EPS	dong	21,064	9,179	3,392	2,336	3,514		50.4%
Total asset	Billion dong	2,078	3,263	4,530	6,214	6,597	26.0%	6.2%
Total liabilities	Billion dong	1,178	1,893	2,467	3,400	3,318	23.0%	-2.4%
Equity	Billion dong	900	1,370	2,063	2,814	3,279	29.5%	16.5%
Equity/Total asset	%	43%	42%	46%	45%	50%		
Total liabilities/Total asset	%	57%	58%	54%	55%	50%		
ROE	%	61%	22%	18%	11%	16%		
ROA	%	20%	9%	8%	5%	8%		

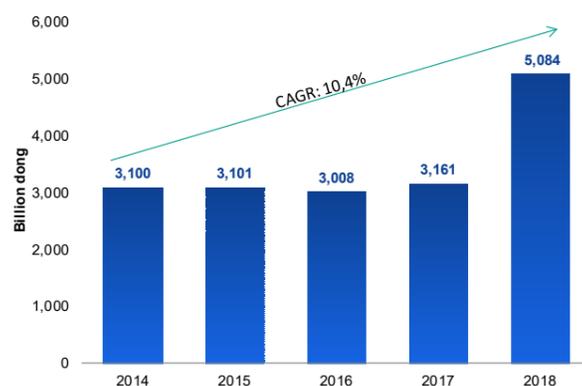
Business Efficiency



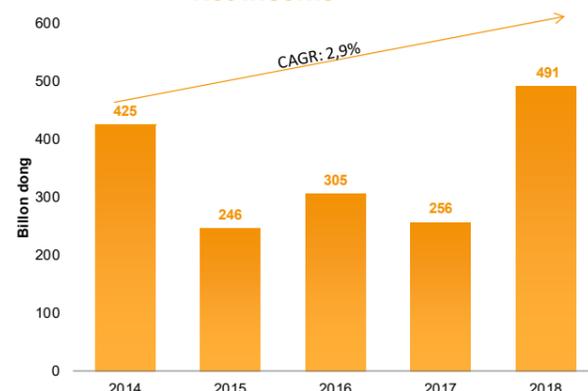
Financial balance



Net Revenue



Net Income



HISTORY OF FORMATION AND DEVELOPMENT



PROMINENT EVENTS 2018

1

Turnover exceeded 5,000 billion VND

2

Completed adjustment of the Company's strategic report 2018 - 2022, vision 2030

3

Electricity construction: Established a new EPC management room

At the right time to overcome overload status in bidding work, as well as developed effectively the construction market outside the industry, the advantages of EPC contracts, and increased the construction scale in the long term.

4

Industrial production: Successfully cooperated and transferred design, production technology of steel pipe tower from the partner AG-Ajikawa Japan

5

Real estate: handed over houses on time- My Dinh Plaza 02 Project in May

6

Energy investment: Commenced 02 hydropower projects which were Song Chuyen and Bao Lac B.

Increase the total number of hydropower plants to 7 plants with a total generating capacity of 180 MW.

AWARDS

TOP VIETNAM'S 50

best-performing companies.



TOP VIETNAM'S 500

largest enterprises



TOP VIETNAM'S 50

best listed Companies in 2017



TOP 50

largest private enterprises in Vietnam



BUSINESS AREAS

Power construction

PCC1 has been leading the country in the field of electrical construction with experience in implementing many national power transmission projects. This is the traditional strength of PCC1 and is also the main field of the company's business areas since its establishment. PCC1 has over 55 years of experience in the field of construction of electrical works, transmission lines and substations. PCC1 has always been the leading unit line construction with many different design capacities up to 500kV spreading across the country.

Some typical projects which have been implemented for EVN

Northern region

- Project of 500kV Quang Ninh substation
- 500kV Quang Ninh - Hiep Hoa transmission line
- 220kV Dong Hoi substation - The first substation using single steel columns in Vietnam
- EPC contract for 110kV Yen Dinh substation

Central region

- 500kV Hiep Hoa substation project
- 200kV Quang Ngai - Quy Nhon transmission line
- 220kV Dak Nong - Phuoc Long - Binh Long Project
- 220kV Vinh Tan - Thap Cham Project

Southern region

- 500kV O Mon machine 2 Substation
- 500kV Tan Dinh Substation
- 500kV Pleiku - My Phuoc - Cau Bong transmission line project
- 500kV Phu Lam - O Mon transmission line Project

Some typical projects which have been implemented for customers outside EVN

- Procurement and Construction of lines and substation for photovoltaic solar power energy generation plant in Thuan Nam district, Ninh Thuan province (BIM)
- Substation of Dam Nai Wind Power Project - Phase 2
- 220KV Dau Tieng substation and 220kV connection line

Besides the domestic market, the company is currently preparing plan for the expansion the electrical construction segment to the markets of Southeast Asia countries in order to pursue the goal of being in group of top 5 electrical construction companies in the region.



BUSINESS AREAS

Industrial production

In the field of industrial production, PCC1 is the only and largest scale unit in Vietnam in designing and manufacturing steel tubular poles 110 KV, 220 KV to 6 circuits and electrical steel structure up to 750 kV with modern technology line integrating CNC control system with a total capacity of over 50,000 tons of products / year.

In 2018, PCC1 received technology transfer for design and complete manufacture of steel pipe tower from partner AG-AJKAWA (Japan). New steel column products of PCC1, with many preeminent features, have been highly appreciated by the leaders of Electricity of Vietnam (EVN) and partners, customers about their suitability that meet the increasing requirements of National power transmission works.

Some projects PCC1 have been providing such as

Steel tubular poles

- Supply 220kV-500kV electric poles for Chile.
- Supply 220kV electric poles for Pakistan.

Steel pipe tower

- 220kV line and substation of BIM solar power plant (Ninh Thuan)
- Supply steel piles for Ha Dong - Van Dinh transmission line. Supply electric poles for the project of connecting 220kV line with Vung Ang Power Plant.

Electrical steel structure

- Supply steel columns for 500kV Son La - Hiep Hoa transmission line. Supply steel piles for the expansion of highway No. 5.
- Provide electric poles for 765kV Shingori line.



Steel tubular pole products



Galvanized steel products



Industrial production member unit



Dong Anh Steel Tower Co., Ltd which has a capacity of 35,000 tons of products / year



“PCC1 is the company that produces hot-dip galvanized steel structure with the most modern scale and technology in Vietnam”

BUSINESS AREAS

Energy investment

PCC1 has strong resources and advanced management processes, good quality control with the core values that the company is having “Creativity-Speed-Reliability”. Investing in a power plant to create a new position, change the structure of production and business activities and create sustainable added value, PCC1 has been making efforts to create superior value for partners, customers, investors, employees and society

Hydropower investment

PCC1 is investing to construct 07 hydropower plants in Cao Bang and Dien Bien provinces with a capacity of nearly 200 MW. Total investment for these 7 factories is over VND 4710 billion, including:

Project	Location	Deployment time	Total investment capital (billion VND)	Debt ratio	Capacity (MW)	Design productivity (million kWh)
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Completed and put into operation

Trung Thu	Dien Bien	08/2014 - 11/2016	900	70%	30	124
Bao Lam 1	Cao Bang	11/2014 - 01/2017	765,7	75%	30	124
Bao Lam 3	Cao Bang	06/2015 - 09/2017	886,3	70%	46	184
Bao Lam 3A	Cao Bang	03/2016 - 11/2017	291,5	75%	8	32

Developing

Bao Lac B	Cao Bang	Q2 2018 - Q4 2019	568,4	70%	18	72
Mong An	Cao Bang	2018 - 2020	922,0	30%	30	120
Song Nhiem 4	Ha Giang	2018 - 2020	196	-	6	-
Total		-	4.905,8	-	180	656

In addition, PCC1 is planning to continue building 02 more hydropower plants in the following years. specifically:

Project	Location	Deployment time	Total investment capital (billion VND)	Debt ratio	Capacity (MW)	Design productivity (million kWh)
Bao Lac A	Cao Bang	Q1/2020 – Q4/2022	862,9	70%	30	117
Thuong Ha	Cao Bang	Q2/2020 – Q4/2022	349,0	70%	13	44

Some hydropower projects of PCC1



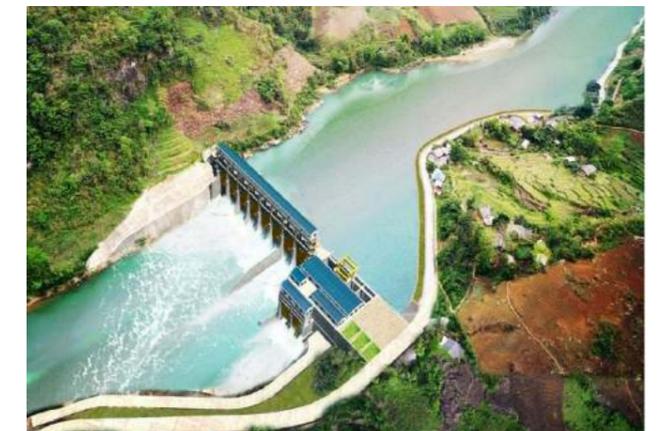
Bao Lam 1 hydropower plant



Mong An hydropower plant



Bao Lam 3 hydropower plant



Bao Lam 3A hydropower plant



“Currently, the company also has plan to study and invest in solar and wind power projects to ensure the target of generating capacity of 600MW in 2025”

BUSINESS AREAS

Real estate investment and trading

Power Construction Joint Stock Company No.1 currently owns over 100,000 m2 of land in the areas of Hanoi, Ninh Binh and Ho Chi Minh. The company has been actively implementing investment and investment cooperation.



Nang Huong real estate project



PCC1 Thanh Xuan real estate project



PCC1 Complex Ha Dong real estate project



My Dinh Plaza 02 real estate project

Real estate investment and trading

Projects that PCC1 has completed

Project	Completed time	Revenue (billion dong)	Gross profit (billion VND)	Location	Project information
Nang Huong	Q1/2011	300	N/A	583 Nguyen Trai, Thanh Xuan, Ha Noi.	Two 21-storey towers; Adjacent villas and houses
My Dinh Plaza 1	Q1/2014	709	282	140 Tran Binh, Cau Giay, Ha Noi.	25-storey high-end apartment tower, 2 basements; 350 apartments
PCC1 Complex Ha Dong	Q1/2016	464	140	Phu Luong, Ha Dong, Ha Noi.	Four 15-storey towers, 3 floors for rent; 540 apartments

The real estate projects that the company has built are designed to leave some downstairs for lease as commercial centers or offices. With 4 completed projects (including My Dinh Plaza 2) PCC1 owns about 22,000 m2 of commercial floors and office. When PCC1 Thanh Xuan comes into operation, it will add 4,000 m2 of floor to the current list.

Projects that PCC1 is implementing

Project	Progress	Commencement	Open for sale	Completion	Total investment (billion VND)	Location	number of apartments
My Dinh Plaza 02	Completed, houses are being handed over	Q2/2016	Q4/2016	Q3/2018	868	No 2, Nguyen Hoang Nam, Tu Liem, Ha Noi.	472
PCC1 Thanh Xuan	Foundation is being constructed	Q3/2017	Q4/2018	Q3/2019	735	No 44, Trieu Khuc, Thanh Xuan, Ha Noi.	480
PCC1 Vinh Hung	Construction licensing has been completed	Q3/2019	N/A	Q2/2021	N/A	số 1, 321 Alleys, Vinh Hung, Thanh Tri, Hoang Mai, Ha Noi.	N/A
Residential buildings project at the North of Co Nhue	Clearance has been completed	Q4/2019	N/A	Q4/2021	1.000 to 2.000	Xuan Dinh, Bac Tu Liem, Ha Noi.	N/A

BUSINESS AREAS

Consultancy and services

- Surveying, designing and constructing electric works, consulting on supervision, compensation and site clearance;
- Consulting management of hydropower projects, management after hydropower investment;
- Measuring cadastral maps, land plots for construction compensation

The company has chaired works and projects including transmission lines and substations of voltage up to 220kV, power grids renovation of cities and towns, Rural energy II projects (RE2), telecommunication projects and many other projects which are implemented with ODA funds, World Bank loans (WB), capital of Vietnam Electricity Group (EVN), Northern Power Corporation (NPC), capital of provinces and customers throughout the country.

A number of typical projects, which have been designed and completed by the Company, includes:

- Ta Co-Son La Hydropower Plant.
- 110kV line from 500kV Thuong Tin Substation to 110kV Thuong Tin-Hanoi Substation.
- Lifting the capacity of 110kV Nhat Tan-Hanoi substation.
- Lifting the capacity of 110kV Phuc Tho substation - Hanoi.
- 110kV Nui Phao-Thai Nguyen Substation.
- Ban Phuc-Son La Nickel Factory.
- 110kV Tang Long-Khe Lech-Lao Cai line.
- Expanding 220kV Thai Binh substation.

BUSINESS LOCATION

PCC1 business area spreads across 3 regions of North - Central - South

Currently PC1 has products exported to foreign markets such as Japan, Indonesia, Laos, Myanmar, ...



ORIENTED DEVELOPMENT

Development orientation

- Improving the capacity of system management, risk management and product quality management.
- Implementing the consolidation, improving the quality of human resources, both in terms of management and professional skills towards high professionalism.
- Continuing to affirm the number 1 position in construction and installation of power transmission works in Vietnam, the roadmap is to become one of the top 5 in Southeast Asia.
- Improving construction capacity, professional operating management, quality assurance, progress of all projects. Improving management capacity of EPC, PC, high-voltage underground cable projects, and foreign projects.
- Maintaining and upholding Vietnam's leading position in designing and supplying high-voltage, ultra-high-voltage electric poles, domestic supply. Promoting products and projects advantages.
- Expanding markets and products outside the electricity industry, developing foreign markets and increasing the implementation proportion of EPC, PC construction projects with all voltage levels.
- Continuing to study investment, apply advanced technology in management, industrial production, construction, installation and investment projects.

The main goals

- Continuing to implement the company strategy 2016-2020 and vision 2030.
- Maintaining its position and role, influence in the market, expanding relationships with investors, traditional customers, developing potential markets.
- Completing the planned targets, increase productivity and efficiency, controlling financial situation well, ensuring employment, and increasing income for employees.
- Continuing to invest in human resources and invest in advanced equipment.
- Conducting research and development of the market in a proactive and professional manner with orientation and suitability with each development stage of the Company.

Vision 2020

Work Construction and machines installation

Focusing on the core sector which is construction and installation of power transmission works, improving competitiveness, developing scale of implementing EPC general contractor, striving to achieve the target of 50% market share of high and super high-voltage grid in the country. Determining this is still the main business sector which accounts for a major proportion in the entire revenue and profit structure of the Company. PCC1 affirms its leading position in Vietnam and aims to be in the list of top 5 electrical construction and installation companies in Southeast Asia.

Industrial production

Investing in modernizing and expanding production scale of galvanized steel structures, supplying the domestic market and boosting the export market, selectively developing a number of new products and improving competitiveness in the process of implementing EPC contracts.

PCC1 focuses on research and application of advanced science and technology in designing, manufacturing and processing electrical equipment, taking product quality to build and affirm its reputation and brand.

Investment in power plants

Well managing the invested projects to ensure the schedule and put the project into operation as planned. Selecting and conducting investment in new projects to create sustainable added value for the Company.

Real estate investment and trading

Conducting market analysis and evaluation to select effective new investment projects to increase financial resources for long-term investment and development.

Consultancy and service activities

Continuing to improve the quality of services to synchronize with other fields of the Company as well as while to meet and satisfy the high demands of customers and markets.

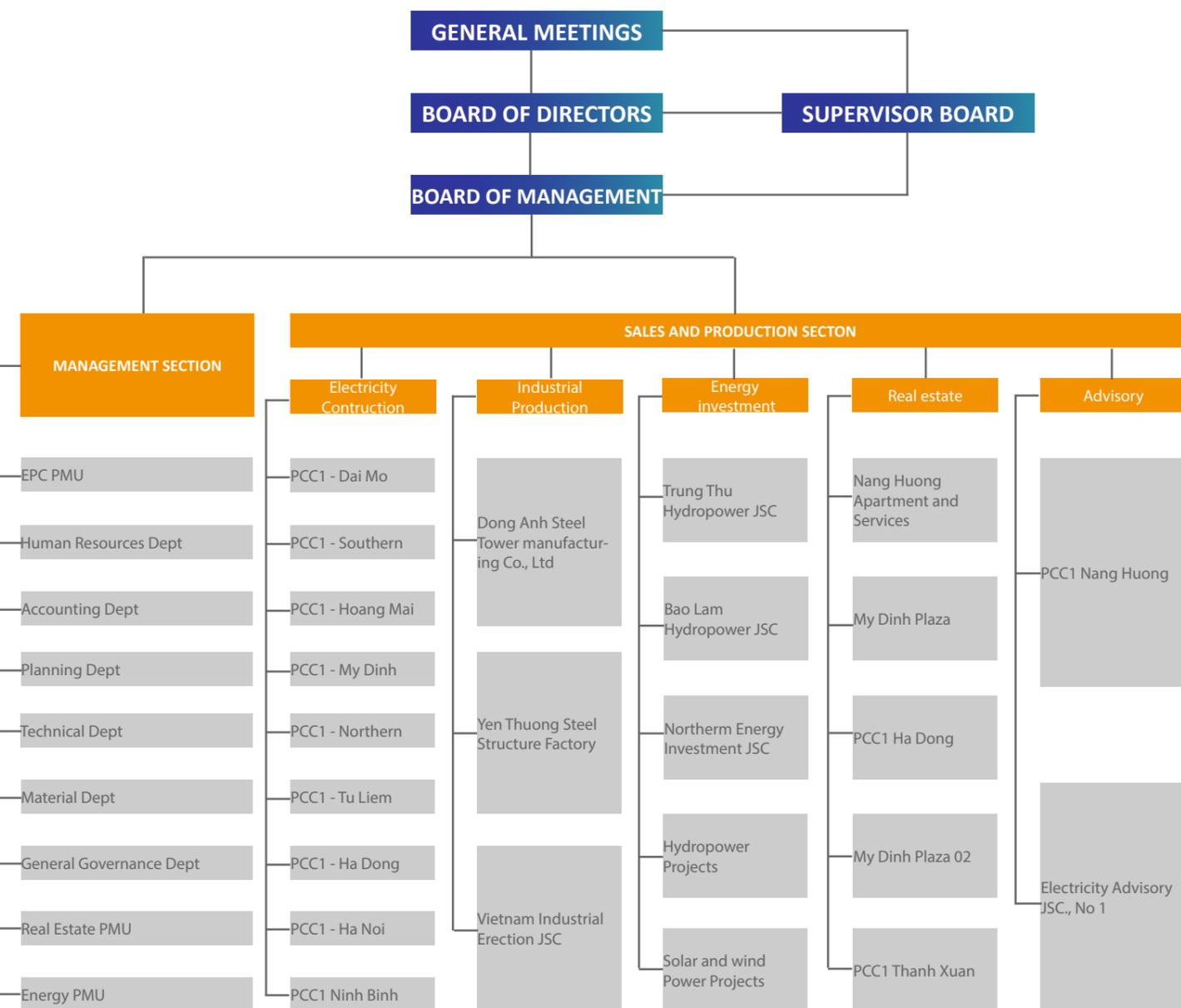
COMPANY GOVERNANCE



ORGANIZATION MODEL

PCC1 operates as a joint stock company. The management apparatus of PCC1 is organized and operated under the Enterprise Law and the Organization and Operation Charter approved by the General Meeting of Shareholders.

Coporate Governance Model



General Meeting of Shareholders

Is the highest competent organ which makes decision on duties and powers under the law and the Organization and Operation Charter of PCC1. The General Meeting of Shareholders is the body approving the investment and development policies of the Company, deciding the capital structure, approving the business and production plan, deciding the managing and operating production and business apparatus of the Company.

Board of Directors

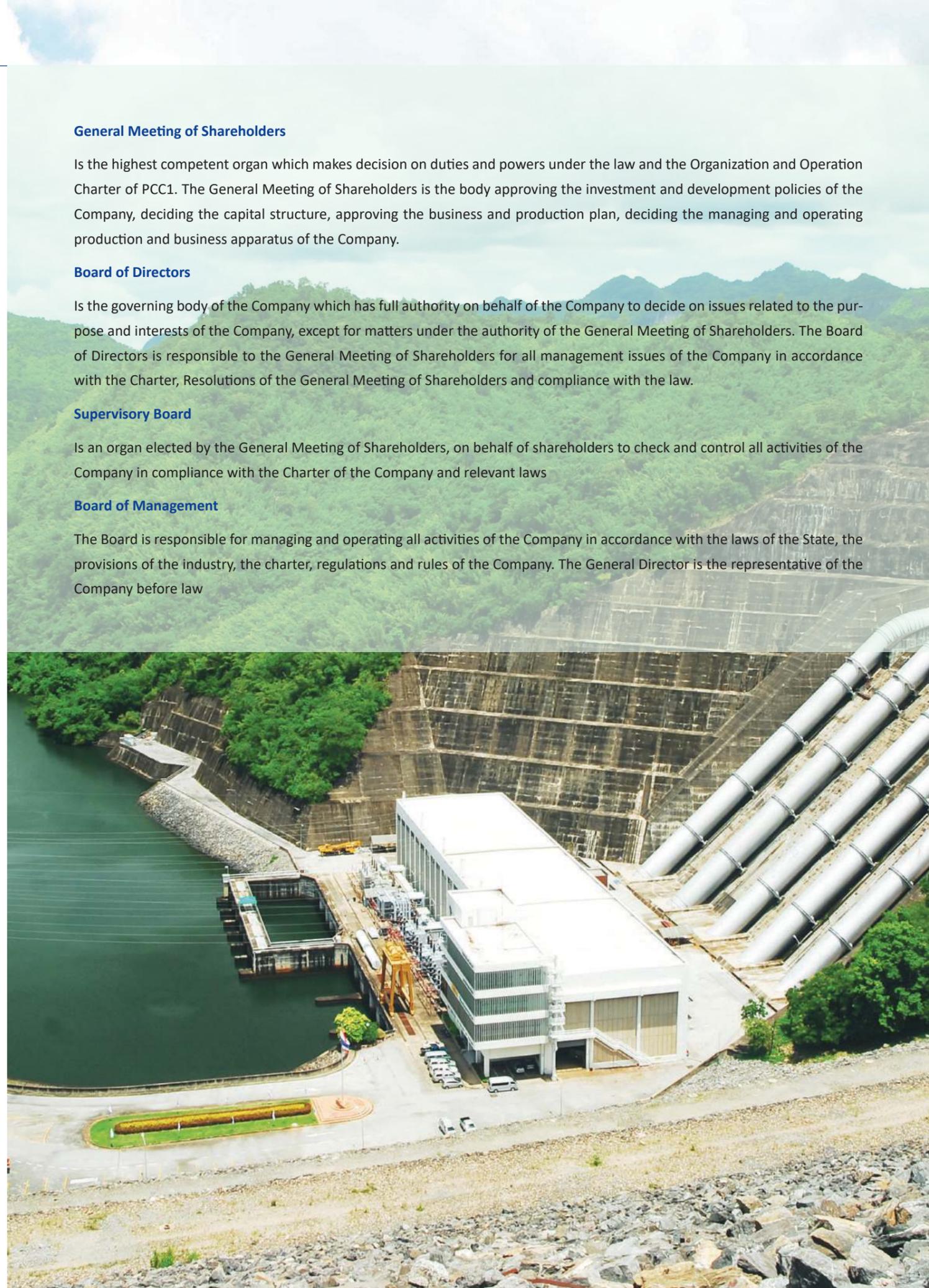
Is the governing body of the Company which has full authority on behalf of the Company to decide on issues related to the purpose and interests of the Company, except for matters under the authority of the General Meeting of Shareholders. The Board of Directors is responsible to the General Meeting of Shareholders for all management issues of the Company in accordance with the Charter, Resolutions of the General Meeting of Shareholders and compliance with the law.

Supervisory Board

Is an organ elected by the General Meeting of Shareholders, on behalf of shareholders to check and control all activities of the Company in compliance with the Charter of the Company and relevant laws

Board of Management

The Board is responsible for managing and operating all activities of the Company in accordance with the laws of the State, the provisions of the industry, the charter, regulations and rules of the Company. The General Director is the representative of the Company before law



MANAGEMENT BOARD

Board of Directors and Board of Management



Mr. Trinh Van Tuan

Chairman of the Board cum General Director

Year of birth: 1962

Qualifications: Electrical Engineer - Hanoi University of Science and Technology, Master's degree in management of National Economics University

Working process

- From June 1999 to March 2001: Head of business planning department of Electric Construction Enterprise
- From April 2001 to June 2002: Deputy Director of Electrical Installation and Construction Enterprise
- From July 2002 to December 2002: Department of planning and administration of Power Construction Company No.1
- From December 2002 to October 2003: Construction site manager of 500KV Pleiku-Da Nang line of Power Construction Joint Stock Company No.1
- From October 2003 to August 2005: Director of Factory Installation and Civil Construction - PCC1
- September 2005 to September 2007: Chairman of the Board of Directors cum Director of Thang Long TIC., JSC
- From October 2007 to March 2010: Member of the Board of Directors cum General Director of PCC1
- From 04/2010 to now: Chairman of the Board of Directors cum General Director of PCC1



Mr. Vu Van Tu

Member of the Board of Directors cum Deputy General Director

Year of birth: 1959

Qualification: Electrical engineer

Working process

- From December 1993 to August 1999: Vice-captain of Power construction team 2 - Power Construction Company No.1
- From September 1999 to August 2005: Team leader of Power Construction Team 2 - Power Construction Company No.1
- From September 2005 to April 2006: Director of Power Construction Enterprise - Power Construction Company No.1
- From May 2006 to September 2007: Deputy General Director of Power Construction Company No.1
- From October 2007 to March 2010: Chairman of the Board of Directors cum Deputy General Director of Power Construction Joint Stock Company No.1
- From April 2010 to April 2015: Vice Chairman of the Board of Directors cum Deputy General Director of Power Construction Joint Stock Company No.1
- From April 2015 to present: Member of Board of Directors, Deputy General Director - Power Construction JSC I



Mr. Vo Hong Quang

Member of the Board of Directors cum Deputy General Director

Year of birth: 1975

Qualification: Electrical engineer

Working process

- July 2001 to May 2002: Deputy head of Marketing Department of Power Construction Company No.1
- June 2002 to June 2007: Head of Southern Board of Representatives of Power Construction Company No.1
- May 2006 to March 2008: Member of the Board of Directors cum Deputy General Director cum Head of Southern Board of Representatives of Power Construction JSC I
- April 008 until now: Member of the Board of Directors cum Deputy General Director of Power Construction JSC I



Mr. Nguyen Minh De

Member of the Board of Directors cum Deputy General Director

Year of birth: 1964

Qualification: Electrical engineer

Working process

- From 2003 - 2005: Head of Technical Department - Electrical Construction and Industrial Works Enterprise
- October 2005: Deputy Head of Technical Department - Power Construction Joint Stock Company No.1.
- From October 2005 to September 2006: Deputy Director cum Technical Manager - Thang Long TIC., JSC
- From October 2006 to July 2008: Director - Thang Long TIC., JSC
- From July 2008 to April 2009: Head of Technical and technology department - Power Construction Joint Stock Company No.1
- From April 2009 to present: Director - Dong Anh Steel tower manufacturing Co., Ltd.
- From April 2014 to present: Deputy General Director of Power Construction Joint Stock Company No.1
- From April 2015 to present: Member of the Board of Directors - Power Construction Joint Stock Company No.1



Ms. Nguyen Thi Huong

Member of the Board of Directors

Year of birth: 1970

Qualifications: College of Business Administration

Working process

- From 1996 to 2002: Specialist of Planning Department - Power Construction Joint Stock Company No.1
- From 2002 to 2005: Deputy head of Planning Department – Power Construction Joint Stock Company No.1
- From 2008 to present: Head of Economic and Planning Department - Power Construction Joint Stock Company No.1
- From April 2015 to present: Member of the Board of Directors - Power Construction Joint Stock Company No.1



Mr. Dang Van Nghia

Deputy General Director

Year of birth: 1959

Qualification: Electrical engineer

Working process

- From October 1992 to September 2003: Captain of the Station Construction Enterprise- Power Construction Joint Stock Company No.1
- From October 2003 to September 2007: Deputy Director of Station Construction Enterprise - Power Construction Joint Stock Company No.1
- From October to September 2008: Head of Technical Department of Power Construction Joint Stock Company No.1
- From October 2008 to present: Deputy General Director of Power Construction Joint Stock Company No.1.



Mr. Nguyen Nhat Tan

Deputy General Director

Year of birth: 1967

Qualifications: Electrical Engineer - Master of Business Administration

Working process

- From May 1995 to April 1997: Head of Chiem Hoa electricity branch, Tuyen Quang electricity.
- From May 1997 to September 1998: Head of Tuyen Quang electricity and power business department
- From October 1998 to June 2003: Deputy Director of Tuyen Quang electricity
- From July 2003 to December 2003: Deputy Secretary of District Committee of Na Hang, Tuyen Quang
- From January 2004 to March 2004: Deputy Permanent Secretary of Town committee of Tuyen Quang
- From April 2004 to April 2009: Chairman of People's Committee of Tuyen Quang town, Tuyen Quang province
- From May 2009 to March 2010: Deputy Director of Department of Planning and Investment of Tuyen Quang province
- From April 2010 to May 2011: Deputy Director of Tuyen Quang Power Company
- From June 2011 to present: Deputy General Director of Power Construction Joint Stock Company No.1



Mr. Vu Anh Duong

Deputy General Director

Year of birth: 1979

Qualifications: Master of Business Administration

Working process

- From 2003 - 2009: Specialist of General Planning Department - Power Construction Joint Stock Company No.1
- From 2009 - 2012: Deputy Head - Market Planning Department - Power Construction Joint Stock Company No.1
- From 2012 - 2013: Head of Market Development Department - Power Construction Joint Stock Company No.1
- From 2013 to 2018: Head of Energy Project Management Board - Power Construction Joint Stock Company No.1
- From January 2019: Deputy General Director of Power Construction Joint Stock Company No.1

Ban Kiểm soát



Ms. Nguyen Thi Hai Ha

Head of Supervisory Board

Year of birth: 1975

Qualifications: Bachelor of accounting

Working process

- From May 1998 to January 2003: Specialist of Department of Finance and Accounting of Power Construction Company No.1
- From February 2003 to May 2004: Deputy head of Finance and Accounting Department of Power Construction Joint Stock Company No.1
- From June 2004 to October 2005: Head of Finance and Accounting Department of Power Construction Joint Stock Company No.1
- From November 2005 to April 2008: Specialist of the Department of General Administration - Post and Telecommunication Training Center
- From May 2008 to December 2009: Head of Finance and Accounting Department - PCC1-Ba La
- From January 2010 to March 2010: Specialist of Department of Finance and Accounting of Power Construction Joint Stock Company No.1
- From April 2010 to present: Head of Supervisory Board of Power Construction Joint Stock Company No.1
- From April 2010 to present: Head of Supervisory Board of Finance and Accounting of Power Construction Joint Stock Company No.1
- From April 2010 to present: Head of Supervisory Board of **Power Construction Joint Stock Company No.1**



Mr. Nguyen Anh Tuan

Member of Supervisory Board

Year of birth: 1982

Qualifications: Energy economics engineer

Working process

- From January 2010 to March 2015: Specialist of Planning and Economic Department
- From May 2015 to present: Deputy Head of Planning and Economic Department - Power Construction Joint Stock Company No.1
- From April 2015 to present: Member of the Supervisory Board of Power Construction Joint Stock Company No.1



Mr. Nguyen Quang Vu

Member of Supervisory Board

Year of birth: 1987

Qualifications: Mechanical Engineer, General Accountant

Working process

- From July 2010 to present: Technical Officer - Power Construction Joint Stock Company No.1
- From April 2015 to now: Member of the Supervisory Board - Power Construction Joint Stock Company No.1

INFORMATION OF STOCK, SHAREHOLDERS AND SHARE

Stock

As of December 31, 2018, Power Construction Joint Stock Company No.1 has issued 132,770,294 shares. In which:

- Number of common stock: 132,770,294 shares
- Number of preferred stock: 0 share
- Number of outstanding stock: 132,769,862 shares
- Number of treasury shares: 432 shares
- Par value of shares: VND 10,000

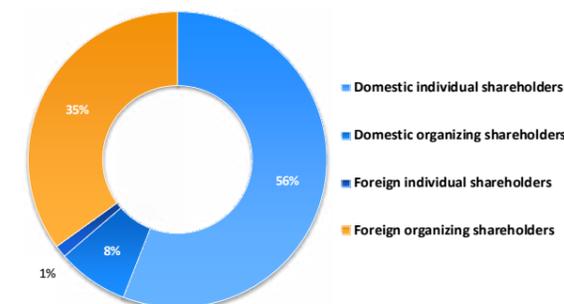
Stock price fluctuations PCC1 2018

Targets	Unit	Value
Price at the beginning of the year (January 02, 2018)	Dong	38.900
Year-end price (December 28, 2018)	Dong	24.800
PC1 stock growth 2018	%	-36,25%
Highest price (January 02, 2018)	Dong	38.900
Lowest price (November 15, 2018)	Dong	20.600
Average daily trading volume (agreement + matching)	Stock	176.070
Average daily trading value	Billion dong	85,59

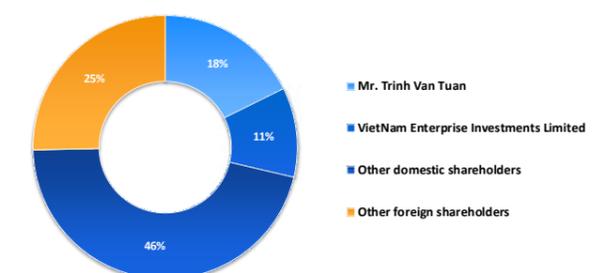
Shareholder structure

Object	Number of stock	Ownership rate
Major shareholders (owning ≥ 5% of equity)	38.063.654	28,67%
Domestic	23.441.482	17,66%
Foreign	14.622.172	11,01%
Treasury shares	432	0,0003%
Other shareholders	94.706.640	71,33%
Domestic	61.064.484	45,99%
Foreign	33.641.724	25,34%
TOTAL	132.770.294	100,00%

Shareholder structure



Shareholder structure (major shareholder)



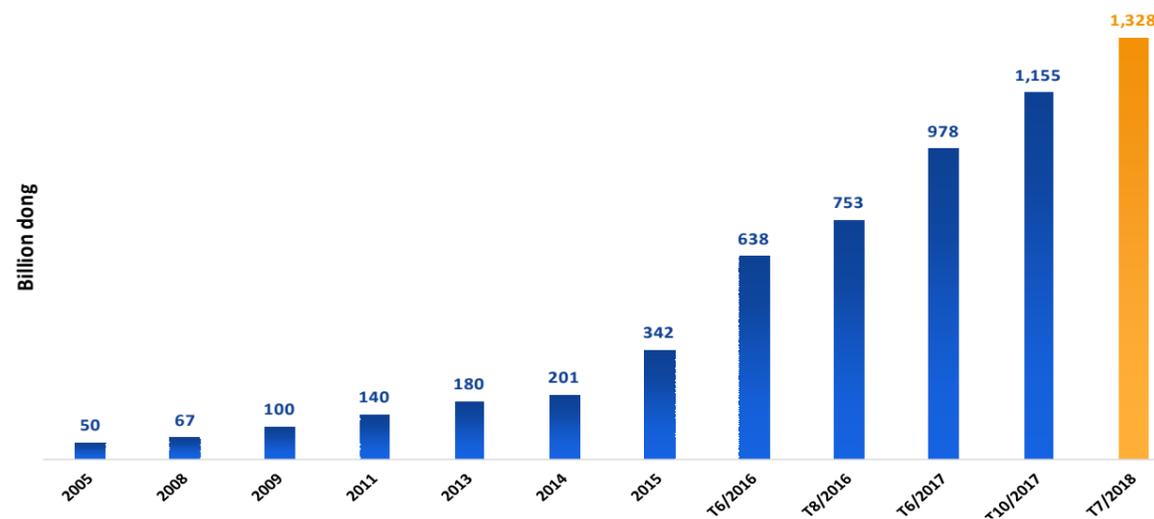
Name of organization / individual	ID card / Passport / Business registration No.	Address	Number of stock	Rate / charter capital
Trinh Van Tuan	012298607	583 Nguyen Trai, Thanh Xuan, Ha Noi	23.441.482	17,66%
VietNam Enterprise Investments Limited	N/A	1501 Mê Linh Point Building, No.2 Ngo Duc Ke, 1 District, Ho Chi Minh City, Viet Nam.	14.622.172	11,01%



Capital increasing process

Year	Charter capital (VND)	Content of capital increase
2005	50,000,000,000	Equitization
2008	66,670,000,000	Issuing to existing shareholders to invest in Nang Huong Apartment and service complex project
2009	100,000,000,000	Issuing to existing shareholders and issued separately to invest in phase 2 of Apartment and service complex project and supplement working capital for the Company.
2011	140,000,000,000	Issuing to existing shareholders to mobilize investment capital for My Dinh project and other investment projects
2013	180,000,000,000	Issuing to pay stock dividends and bonus shares to existing shareholders
2014	201,000,000,000	Paying stock dividends to existing shareholders
2015	341,694,850,000	Issuing and paying stock dividends to existing shareholders
06/2016	637,821,960,000	Issuing and paying stock dividends to existing shareholders
08/2016	752,629,140,000	Issuing separately to mobilize capital to implement investment in Bao Lam 3 Hydropower Project
06/2017	978,413,200,000	Issuing shares to pay dividends in 2016
10/2017	1,154,528,420,000	Issuing separately to supplement capital for investment in Mong An hydropower project (Bao Lam 4), Bao Lac B hydropower plant (Bao Lam 2A) and Thanh Xuan real estate project
07/2018	1,327,702,940,000	Issuing shares to pay dividends in 2017

Capital increasing process



Investor Relation

Annual General Meeting of Shareholders 2018

The company complies with the order and procedures for holding the general meeting of shareholders: closing the list of shareholders, announcing information before the meeting and after the meeting

On April 26, 2018, the General Meeting of Shareholders of Power Construction Joint Stock Company No.1 was held with the participation of 69 shareholders and shareholder representatives who own and represent ownership for 84,863,239 shares with voting right, accounted for 73.5% of the total shares with voting right of the company. The General Meeting has approved 13 voting contents with approval rate of over 90% for all including the following contents:

Contents	Approval rate
1. Approving Report on business results in 2017 and business plan for 2018 of the Board of Directors	97.62%
2. Approving Financial Statements 2017 which was audited by AASC Auditing Company Limited	97.62%
3. Approving the Appraisal Report of the Supervisory Board at the Annual General Meeting of Shareholders 2018	97.62%
4. Approving profit distribution plan 2017 of the Company	97.62%
5. Approving the Profit Plan and expected dividend payment for 2018	94.56%
6. Approving partial capital transfer and change of capital use plan at Mong An Hydropower Project	94.56%
7. Investing in Song Nhiem 4 Hydropower Plant Project	97.62%
8. Approving Real Estate Investment	97.62%
9. Approving the plan to issue shares to increase charter capital in 2018 of the company	97.62%
10. Approving Chairman of the Board of Directors cum General Director of the Company	94.22%
11. Approving remuneration of the Board of Directors, the Supervisory Board of the Company in 2018	97.62%
12. Approving the selection of auditing units of the Company's financial statements 2018	94.22%
13. Approving the amendments and supplements to a number of articles of the Charter and Corporate Governance Regulations	97.62%

Information disclosure in 2018

Information disclosure of financial statements

- Financial statements for quarter I, II, III and IV include separate reports and consolidated reports
- Semi-annual and consolidated financial statements 2018
- Explanation of fluctuations in after-tax profit on the consolidated semi-annual financial statements of 2018
- Explanation of changes in after-tax profits in the audited separate and consolidated financial statements of 2017
- Audited consolidated financial statements 2017

Information disclosure of the Annual General Meeting of Shareholders 2017

- Meeting documents (April 16, 2018)

Investor Exposure Conference

On the afternoon of December 7, 2018, Power Construction Joint Stock Company I (PCC1) held the PC1 Investor Exposure Conference in 2018 which was chaired by Mr. Trinh Van Tuan, Chairman of Board of Directors cum General Director of the Company

Attending the conference were numerous shareholders, investors, representatives of securities companies and fund management companies. This was the official meeting event in 2018 of PCC1 with shareholders and individual investors and organizations to inform about the business situation in 2018 of the enterprise as well as to discuss about business prospects in 2019 and plans for the following years.

The conference was also conducted videoconference at the Mien Nam No.1 Power Construction One Member Company Limited (a subsidiary of PCC1) at An Khang Building, No. 28, Road 19, Quarter 5, An Phu Ward, District 2, Ho Chi Minh City.

In addition, in 2018; PCC1 investor relations department also held meetings to meet investors, investment fund organizations interested in PCC1, analytical departments of securities companies...to help investors have more accurate assessment of value and business prospects of PCC1.

- Minutes of resolution of the General Meeting of Shareholders (April 27, 2018)

Information disclosure of Annual report

- Annual report 2017

Other information disclosure

- Resolutions of the Board of Directors
- Reports on the changes in share ownership, number of voting shares
- Appointment decisions
- Reports on the use of capital
- Report on corporate governance in the first 6 months of 2018



BOARD OF DIRECTORS

Information about the ownership ratio of the Board members

Full name	Position	Ownership rate
Mr. Trinh Van Tuan	Chairman of the Board of Directors	17.66%
Mr. Nguyen Minh De	Member of Executive Board of Directors	1.29%
Mr. Vu Van Tu	Member of Executive Board of Directors	0.23%
Mr. Vo Hong Quang	Member of Executive Board of Directors	1.86%
Ms. Nguyễn Thị Hương	Member of Non-executive Board of Directors	1.12%

Attending proportion of the meeting of Board of Directors

Member of the Board	Position	Starting date of being Board member (Term 2015-2020)	Number of attended Board meetings	Attendance rate	Reason for not attending the meeting
Mr. Trinh Van Tuan	Chairman	26/4/2015	14/14	100%	
Mr. Nguyen Minh De	Commissioner	26/4/2015	14/14	100%	
Mr. Vu Van Tu	Commissioner	26/4/2015	14/14	100%	
Mr. Vo Hong Quang	Commissioner	26/4/2015	14/14	100%	
Ms. Nguyễn Thị Hương	Commissioner	26/4/2015	14/14	100%	

Supervision activities of the Board of Directors toward the Board of Management

The BOD regularly maintains supervision of the Board of Management through the inspection and control of the Supervisory Board, as well as organizes meetings to assess and draw experience in implementing seriously the resolutions of the BOD in the auditing of Financial Statements, and in the production and business planning of the Company;

In 2018, the BOD focused on directing and monitoring the activities of the Board of Management in the following major activities:

- Organizing meeting to evaluate implementation of business and production plans at the Company and its member units; evaluate the performance of the Board of Management and related departments during the year;

- Organizing Annual General Meeting of Shareholders 2018 on April 26, 2018;

The Board of Management continues to affirm its leadership role, together with the effort and capacity of the Leaders/ Head of Departments, Boards of the Company, the efforts of member units and all employees of the Company to implement strategic objectives, continue to affirm PCC1's position and image in the market, overcome difficulties and control

production and business activities and investment. Accordingly, some important results were achieved as follows:

- Completing the adjustment report of the Company strategy 2018-2022, vision 2030; implementing closely the targets of 2018 for business and investment sectors.

- Continuing to improve professional management and governance capacity throughout the company.

- Always being exemplary, promoting the core values of the company: creativity - speed – reliability to create a driving force, actively help to solve difficulties and promoting the system to achieve important targets.

- Adjusting the management diagram, establishing new EPC management department at the right time, overcoming the overload in bidding work, and developing effectively the construction and installation market outside the industry, advantages of EPC contracts, increasing the scale of construction in long term.

- Directing the application of advanced construction solutions, efficient investment and operation of new machinery and equipment, developing new products in manufacturing and construction;

Resolutions of the Board of Directors

Number of Resolutions / Decisions / Minutes	Date	Contents
35/PLYK-PCC1-HĐQT	03/01/2018	Approving the plan: Terminating the investment project of Bao Lam 2 hydropower construction project in Khanh Xuan and Co Ba communes, Bao Lac district, Cao Bang province
05/NQ-PCC1-HĐQT	31/01/2018	Approving the policy of implementing contracts and transactions between Power Construction Joint Stock Company No.1 and related enterprises.
07/NQ-PCC1-HĐQT	31/01/2018	Approving dissolution of PCC1 Representative Office in Cao Bang City
36/PLYK-PCC1-HĐQT	07/03/2018	Allowing Mr. Ha Thanh Hung to retire from the position of chief accountant at Hanoi- No.1 Power Construction Company Limited (PCC1-Hanoi) and assigning Chairman PCC1-Hanoi to sign the decision; Approving the appointment of Mr. Tran Dinh Chung to be the chief accountant of PCC1-Hanoi and assigned Chairman of PCC1-Hanoi to sign the appointment decision.

Resolutions of the Board of Directors (continue)

10/NQ-PCC1-HĐQT	07/03/2018	Approving the time for closing shareholders list who have right to attend the Annual General Meeting of Shareholders 2018 and related contents
15/NQ-PCC1-HĐQT	16/04/2018	Approving the plan of organizing Annual General Meeting of shareholders 2018 and attached documents
37/PLYK-PCC1-HĐQT	04/04/2018	Approving the plan: Rearranging the management apparatus of Mien Nam No1 Power Construction Company Limited
38/PLYK-PCC1-HĐQT	27/04/2018	(PCC1 Mien Nam); Approving the appointment of Mr. Le Van Tan to hold the position of Deputy Director of PCC1 Mien Nam and assigning the Chairman of PCC1 Mien Nam to sign the decision; Approving the appointment of Mr. Nguyen Duc Lam to hold the position of Deputy Director of PCC1 Mien Nam and assigning the Chairman of the PCC1 Mien Nam to sign the decision; Approving the resign of Mr. Nguyen Van Chi from the position of Deputy Director of PCC1-Ha Dong and assigning Chairman PCC1-Ha Dong to sign the decision
29a/BB-PCC1-HĐQT	28/05/2018	Approving the appointment of Mr. Nguyen Van Bang to hold the position of Deputy Director of PCC1 My Dinh and assigning the chairman of PCC1 My Dinh to sign the decision.
39/PLYK-PCC1-HĐQT	14/06/2018	Approving the plan to establish the EPC Project Management Department and appoint PCC1 management positions
40/PLYK-PCC1-HĐQT	21/06/2018	Approving the plan to transfer Mong An hydropower project; Rename the owner of Mong An Hydropower Project from Power Construction Joint Stock Company No.1 to Northern Energy Investment Joint Stock Company (PCC1 owns 90% of charter capital)
41/PLYK-PCC1-HĐQT	02/7/2018	Selecting AASC Auditing Firm as auditing company that conducts reviews the semi-annual financial statements for the operation period from January 1, 2018 to June 30, 2018 and Audits of the Financial Statements of parent company, member units and the consolidated financial statements 2018 of Power Construction Joint Stock Company No.1.
42/PLYK-PCC1-HĐQT	05/7/2018	Approving the implementation of the plan to issue shares to pay dividends in 2017
43b/PLYK-PCC1-HĐQT	20/7/2018	Approving the plan to continue contributing capital that PCC1 must contribute to Northern Energy Investment Joint Stock Company as the main shareholder to implement Mong An Hydropower Project. (less than 10% of total company assets)

Resolutions of the Board of Directors (continue)

32/QĐ-PCC1-HĐQT	16/8/2018	Approving the plan to approve bidding results of TB 01 bidding package- Supplying synchronous electromechanical equipment of Bao Lac B hydropower project; Approving the plan to approve bidding results of TB 02 bidding package- Supply and installation of hydro-mechanical equipment - Bao Lac B hydropower project
45/PLYK-PCC1-HĐQT	04/9/2018	Approving the buying of shares in Tien Bo Investment Trading Joint Stock Company
46/PLYK-PCC1-HĐQT	17/9/2018	Approving the plan to establish the Southern Branch's Subsidiary Company - My Dinh- No.1 Construction Company Limited
47/PLYK-PCC1-HĐQT	25/9/2018	Approving the plan to change the business registration content of Subsidiary Company which is My Dinh- No.1 Construction Company Limited
39/NQ-PCC1-HĐQT	28/9/2018	Approving the plan to terminate operation of research and development department; Approving the plan for Mr. Tran Anh Tuan to resign from the position of head of the department and appoint as general director assistant; Approving the plan for Mr. Le Ba Lanh to resign from the position of Deputy Director of PCC1-Hoang Mai, assigning chairman of PCC1 Hoang Mai to sign issuance decision.
29b/BB-PCC1-HĐQT	16/11/2018	Approving the change of plan using capital from the issuance of private shares to increase the charter capital of the Company in accordance with the Resolution of the Annual General Meeting of Shareholders 2017 and approving the plan to appoint Mr. Duong Nhu Thao to be the Deputy Director of PCC1 - Tu Liem
30/BB-PCC1-HĐQT	14/12/2018	Approving credit contracts and security contracts to borrow capital for the implementation of Bao Lac B hydropower project (loan amount is under 10% of equity)
49/PLYK-PCC1-HĐQT	17/12/2018	Approving the report No. 2826 Tr-PCC1-TCNS on the appointment of Mr. Vu Anh Duong as PCC1's Deputy General Director
		Approving the second charter capital contribution plan in 2018 of Northern Energy Investment Joint Stock Company (less than 10% of total company assets)

Independent members of the Board of Directors: The Company has no independent members of the Board of Directors

Subcommittees directly under the Board of Directors The Company has not established subcommittees under the Board of Directors



SUPERVISORY BOARD

Attending Proportion of Supervisory Board meetings

Member of Supervisory Board	Position	The starting date of being member of the Supervisory Board (Term 2015-2020)	Number of meetings of the	Attendance rate	Reason
Ms. Nguyen Thi Hai Ha	Head of the Board	26/04/2015	3/3	100%	
Mr. Nguyen Anh Tuan	Commissioner	26/04/2015	3/3	100%	
Mr. Nguyen Quang Vu	Commissioner	26/04/2015	3/3	100%	

Operation of the Supervisory Board

The SUPERVISORY BOARD of Power Construction Joint Stock Company No.1 has 03 members including 01 Head of the Board who is in charge in general and 02 members who monitor other activities assigned by the Head. The members of the Board have carried out the task of inspecting and supervising the implementation of resolutions of General Meeting of Shareholders 2018 and business activities of the Company. Specifically:

Supervise law compliance and implementation of the Company Charter:

- The Supervisory Board has worked closely with the contents approved at the Annual General Meeting of Shareholders, provisions of the Company's Charter, State Law, resolutions of the Board of Directors and internal regulations of the Company.

Control management and operation activities of the Company:

Board of Directors:

- Number of members of the Board of Directors: 05 members (in meetings of the Board of Directors, there are representatives of Dragon Capital)

- Members of the Board of Directors have worked actively with a high sense of responsibility, and made timely management resolutions. Resolutions and Decisions of the Board of Directors were issued suitably with the provisions of law and Charter of the Company, adhering to Resolution of General Meeting of Shareholders 2018.

- The Board of Directors through regular meetings has issued Resolutions and Decisions to implement the task of managing and administering the Company's activities:

- Assigning tasks to members of the Board of Directors so that members can focus on implementing the Company's affairs relating to the field that individuals are in charge.

- During the operation, the Board of Directors has directed and supervised General Director in implementing the tasks approved by the General Meeting of Shareholders, sticking to the strategy set by the Company. The Board of Directors always complies with the Company's Charter, state law. At the same time, BOD together with the Company's executive board offers effective solutions to reduce costs and achieve high profits in order to ensure shareholders' rights.

Company's executive board:

With the close direction and timely innovation in the management of the Company's executive board, the effort of staffs of professional departments and member units, Executive board has affirmed the leadership role, affirmed position and image of the company in the market. In 2018, the Company achieved the following results:

- Business of real estate, power generation and commercial business achieved good results exceeding revenue and profit targets.

- Electrical construction sector: Expanding market, developing projects of investors outside the industry such as solar power, wind power, special projects ...

Attending Proportion of Supervisory Board meetings (continue)

- Completing adjustment of strategic report of the Company 2018-2022, vision 2030.

- Satisfying trading and investment capital to deploy business activities.

- Ensuring stable work, average income of the Company reached VND 12.59 million/person/month, reaching 95% of the set out plan.

In addition, the Executive of the Company coordinates with Party organizations and unions in the Company to strengthen the management and to ensure the rights for employees.

Control the business and financial activities of the Company:

The implementation of production and business plans:

Achievements: (According to audited consolidated financial statements 2018)

- Revenue: VND 5,084,421 billion

- Profit after tax: VND 466,549 billion

- Payment to State budget: VND 252,597 billion

- Basic earnings per share: VND 3,514

Production and business activities:

In 2018, the Company has completed its tasks under Resolution No. 01 dated April 26, 2018 of the Annual General Meeting of Shareholders on the increase of charter capital by issuing shares to pay dividends 2017 as follows:

- Dividend payment ratio: 15% of total outstanding shares

- Subjects received dividends: existing shareholders named in the shareholder list at the last registration date to exercise the right to receive dividends in 2017.

- Number of additional shares issued to pay dividends: 17,317,452 shares, corresponding to the additional charter capital of 173.175 billion dong.

- Completion date: Third quarter 2018

- Method of distribution: Shares are distributed directly to ex-

isting shareholders named in the list of shareholders at the last registration date to exercise the right to receive dividends.

Therefore, the Company's Charter Capital as at December 31, 2018 is VND 1,327.703 billion.

Implementing Resolution No. 39/NQ-PCC1-HĐQT dated September 28, 2018 on approval of change of plans to use capital from private stock issuance to increase charter capital of the Company according to Resolution of Annual General Meeting of Shareholders In 2017, the mobilization of capital from this issuance was used to implement Bao Lac B hydropower project and PCC1 Thanh Xuan real estate project.

Financial and accounting work:

The quarterly and annual financial statements of the Company have reflected truthfully and reasonably on material aspects of financial situation of the company from time to time accordance with the current standards of Vietnamese enterprise accounting regime and relevant legal regulations, risk management. The company has paid great attention to building a cash flow plan to use capital most effectively.

Organization and management work of the Company:

The company is continuing to improve and supplement, amend the salary regulation in accordance with the provisions of law and actual conditions of the unit, in order to ensure the rights and obligations for employees. The company also organizes cultural, sports, charity activities... to arouse spirit of solidarity and creativity in each staff.

Allowance of Board of Directors and Supervisory Board of the Company:

Implementing the Resolution No. 01 / NQ-PCC1-DHDCD dated April 26, 2018 of Annual General Meeting of Shareholders 2018, the received allowance of Board of Directors and Supervisory Board in 2018 are as follows:

Chairman of the Board: 120 million VND/year; Member of BOD: VND 24 million/year; Head of Supervisory Board: VND 72 million/year; Member of Supervisory Board: VND 18 million/year; Secretary of BOD: 18 million / year.

“Breakthrough in revenue and improvement of profit margins”

Appraisal results of financial statements 2018

The Supervisory Board has appraised the Company's Financial Statements in the fiscal year 2018 which was ended at December 31, 2018 and agreed to confirm specific contents as follows:

- The financial statements have fully reflected situation of production and business activities and finance of the Company. It was presented according to the report forms prescribed in Circular 200/2014/TT-BTC dated 22/12 / 2014 of the Ministry of Finance.
- The statements have reflected honestly and reasonably on

Coordination between Supervisory Board, Board of Directors and Executive Board

Supervisory Board has participated:

- The meetings of Board of Directors of the Company.
- The monthly, quarterly and year-end meetings of production and business plans of the Company chaired by the General Director of the Company.
- The Board of Directors of the Company has provided timely and fully Resolutions and Decisions of Board of Directors to the

Conclusions and recommendations

Conclusions

The members of Supervisory Board has raised the sense of responsibility in the implementing process of tasks, and demonstrated the honesty and objectivity in the work. However, in the context of ever-changing business environment and unstable macroeconomic, the control work also cannot avoid problems that the Supervisory Board needs to pay attention to, make more efforts and improve in the future. In order to ensure better management and operation of the Company, it is necessary to continue maintaining and promoting the close coordination between Supervisory Board the Board of Directors, Executive Board and departments of the Company. .

The Supervisory Board agreed with the data of Financial Statements 2018 prepared by PCC1 and audited by AASC Auditing Firm (AASC). Considering the material aspects, the Financial Statements, Income statement Cash flow statement for the fiscal year ended at December 31, 2018 have reflected honestly and reasonably the financial situation of PCC1.

Other activities of Supervisory Board (if any): None

material aspects of financial situation at December 31, 2018.

- The recognition, accounting books opening, economic contents classification were done according to the accounting standards promulgated by the Ministry of Finance.
- The Company has made periodic reports and information disclosures of listed organizations on Ho Chi Minh Stock Exchange in accordance with regulations on information disclosure on the stock market

Supervisory Board; the Board of Management has facilitated the Supervisory Board to collect information and documents related to the Company's business and production activities upon request. Board of Directors of the Company, Supervisory Board, Executive Board and managers of the Company have a close coordination relationship in the administration and management of production and business activities.

Recommendations:

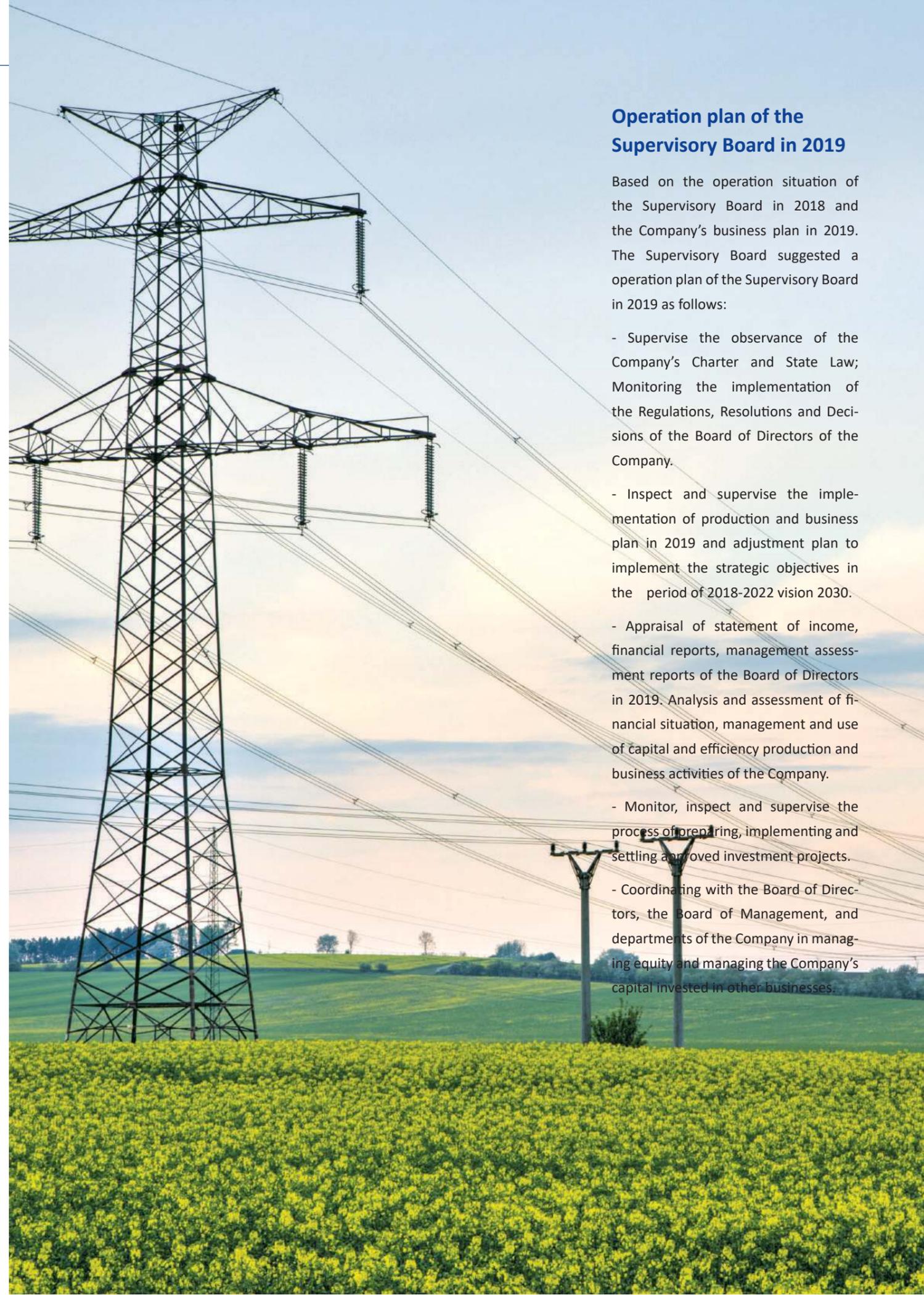
Besides the results and achievements that the Company has achieved in the past year, in order to build a strong brand name of Vietnam in the fields of business, growth in revenue and profit to ensure benefits for shareholders, Supervisory Board has some recommendations for the Company as follows:

- Sticking to adjusted strategic objectives of the Company in 2018-2022, vision 2030.
- Continuing to exploit cheap capital sources and control more effectively the use of cash flow, timely satisfying capital source for production and business activities and investment of the Company.
- Improving the quality of human resources to meet development requirements with high growth targets.
- Investing in advanced management technology and construction technology, applying new software management in project management.
- Continuing to improve risk management and quality management system according to ISO.

Operation plan of the Supervisory Board in 2019

Based on the operation situation of the Supervisory Board in 2018 and the Company's business plan in 2019. The Supervisory Board suggested a operation plan of the Supervisory Board in 2019 as follows:

- Supervise the observance of the Company's Charter and State Law; Monitoring the implementation of the Regulations, Resolutions and Decisions of the Board of Directors of the Company.
- Inspect and supervise the implementation of production and business plan in 2019 and adjustment plan to implement the strategic objectives in the period of 2018-2022 vision 2030.
- Appraisal of statement of income, financial reports, management assessment reports of the Board of Directors in 2019. Analysis and assessment of financial situation, management and use of capital and efficiency production and business activities of the Company.
- Monitor, inspect and supervise the process of preparing, implementing and settling approved investment projects.
- Coordinating with the Board of Directors, the Board of Management, and departments of the Company in managing equity and managing the Company's capital invested in other businesses.



RISK MANAGEMENT

Risk management principles of the Company

- Risk management is a process throughout and sticking to all operating processes of the company, which is an integral part in all processes of the Company. In particular, risk management must be associated with the objectives and strategies of the Company, is an important part when issuing any decision related to the operation of the Company;
- Risk management must be based on reliable existing information. The inputs of the risk management process must be based on reliable information sources of quality and quantity, from a variety of sources, including stored data, experience, and feedback from related parties, observation, prediction and judgment;
- The risk management system includes parts and personnel serving for risk management which is integrated in the management and administration structure of the Company and operated in parallel and in consistence with scale and operation scope of the Company;
- Risk management policies and procedures are implemented continuously and regularly updated, adjusted and supplemented in accordance with the scope, scale of operation, conditions of the company and the market context;



Critical risks and governance method

System risk

Macroeconomic risk

- Economic growth

Vietnam's economy is in a strong growth cycle that goes abreast with the world economy. According to statistics of the General Statistics Office of Vietnam, Vietnam's GDP in 2018 increased 7.08%. This positive growth will have a positive impact on the Company's business. However, along with it are the risks when the economy grows and integrates too fast, creates great competitive pressure for enterprises.

Along with the hot growth of the economy is inflation. Inflation is a macro factor that affects the whole economy and significantly affects economy in general and the Company in particular. In recent years, inflation is still on the rise with the hot growth of the economy.

Rising inflation leads to an increase in interest rates, which may increase the Company's financial costs.

How to manage: Proactively monitor the volatility of the domestic and international markets to quickly take measures to resolve when risks occur. Control costs, optimize resources,

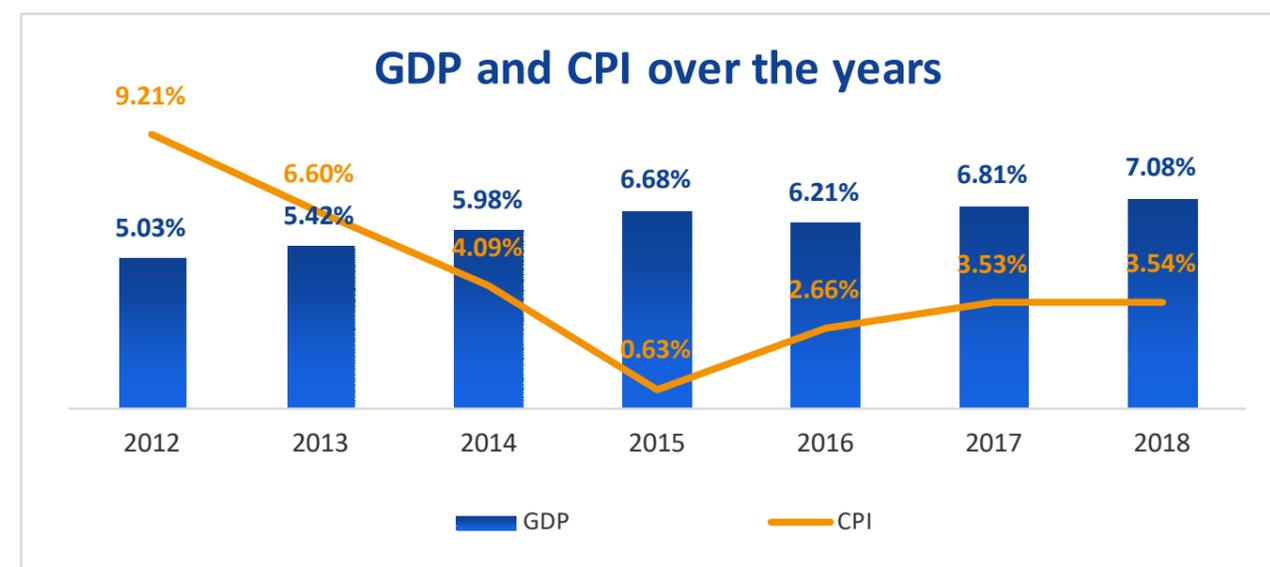
and ensure safe capital structure. Regularly update changes in interest rates and exchange rates.

Legal risks

The policies of the State and the Government on the areas that Company are operating also affect the business and production of the Company such as: National electricity development plan for the period of 2011 - 2020 with consideration to 2030; Vietnam's renewable energy strategy to 2030, vision to 2050; national technical regulations on technical infrastructure works and efficient energy works.

Currently, the legal system of Vietnam is incomplete and in the process of completion, so there are many amendments and supplements which lead to many changes and may cause inconvenience, more or less affect business activities of the Company.

How to manage: To limit the risks arising related to legal factors in the process of operation, the Company always monitors, studies and updates legal documents related to the field of activities of it as well as consult and hire consultants for high-risk legal issues.



Critical risks and governance method (continue)

Industry-specific risk

Power construction industry

- Natural and environmental risks

PCC1 implements the construction of power transmission lines and substations, power source projects, industrial, civil, technical infrastructure, transport, irrigation and post and telecommunication projects. The construction and installation of the above works are mainly carried out outdoors and in areas with complex terrain so the weather and terrain conditions can affect safety in this field.

How to manage: Be aware of the above risks, PCC1 always pays attention to safety supervision during implementation of its projects and complies with insurance policies for the Company and employees to limit impact of this risk factor on the overall business operation of the Company..

Electricity production industry

- Natural risks:

Natural weather and terrain not only directly affect the investment process and construction of hydropower plants but also affect the electricity production and business of plants.

How to manage: The company always works with experts to measure and monitor hydrology for many years before deciding to invest.

- Interest rate risk

Currently, hydropower investment projects of the Company use majority of loans (accounting for about 70% of investment capital). In 2019 and next years, preferential loans from World Bank will be exhausted and the Company must use other funds. Therefore, interest rate fluctuations will greatly affect the hydropower investment activities of the Company.

How to manage: Paying debt on time, improving credit reputation towards commercial banks to receive more interest rate incentives in order to limit the negative impact of interest rates on business operations of the Company.

- Construction risks

The process of work construction and machine installation requires high accuracy and technical safety.

How to manage: To minimize this risk, before, during and af-

ter the construction process, the Company has a professional project management force, a prestigious contractor team, and a team of supervisors and inspectors to evaluate technical standards of works and machinery, ensuring the quality and progress of works.

Real estate investment and business industry

- Industry cycle risk

Real estate projects usually take more than 2 years to complete. During this time, enterprises must bear the cycle risk of real estate industry and are affected by government policies, especially credit policies.

How to manage: The company carefully reviews the real estate market overview; feasibility of the project, in both supply (input costs) and demand (output for the project) before implementation ...

- Project legal risk

The legal and administrative procedures for each real estate project are always issues that businesses must pay attention to. The company may be at risk of project implementation and progress if application for project license lasts longer than expected or if there is a change in the local general plan, especially for factors related to traffic, population density and land use purposes.

How to manage: The company always studies carefully the legal documents related to each project before implementation.

Industrial production

- Risk of input material prices

The industrial manufacturing industry suffers risk mainly from the price of input materials. The company mainly produces and sells equipment, steel structures, materials and accessories of electrical works, thus steel price fluctuations directly affect this activity of the Company.

How to manage: To limit the impact of material prices, the Company always updates the market situation, information about steel prices in the world to find measures to control steel prices at competitive rates such as encrypting materials, comparing and diversifying suppliers, selecting the most competitive material suppliers in the market.



Transaction and Remuneration for the Executive board

Share ownership rate and transactions of members

Name	Position	Number of shares held at December 28, 2018	Ownership rate
Mr. Trinh Van Tuan	Chairman of Board of Director cum General Director	23,441,482	17.66%
Mr. Nguyen Minh De	Member of BOD cum Deputy General Director	1,717,960	1.29%
Mr. Vu Van Tu	Member of BOD cum Deputy General Director	308,424	0.23%
Mr. Vo Hong Quang	Member of BOD cum Deputy General Director	2,472,063	1.86%
Ms. Nguyen Thi Huong	Member of BOD	1,493,003	1.12%
Mr. Nguyen Nhat Tan	Deputy General Director	4,291,001	3.232%
Mr. Dang Van Nghia	Deputy General Director	233,796	0.176%
Mr Vu Anh Duong	Deputy General Director	71,065	0.054%
Ms. Nguyen Thi Hai Ha	Head of Supervisory Board	19,356	0.015%
Mr. Nguyen Anh Tuan	Member of Supervisory Board	0	0%
Mr. Nguyen Quan Vu	Member of Supervisory Board	27,664	0.021%
TOTAL		34,075,814	25.66%

Transactions between the Company and related people of the Company; or between the Company and major shareholder, internal people, related people of internal people:

In 2018, there was no transaction related to the Chairman of the Board of Directors, members of the Board of Directors, Board of Management, Chief Accountant and related people. However, there were transactions of buying and selling goods and services, construction of works with subsidiaries and associated companies.

Transactions with related parties

Transactions between the Company and its subsidiaries and affiliates arise regularly and always comply with provisions of law and provisions of the Company Charter on the relationship of Parent Company - subsidiaries, affiliates and provisions of the Enterprise Law. Transactions between the Company and its subsidiaries and affiliates in 2018 were implemented in accordance with Resolution No. 05/NQ-PCC1-HDQT dated January 31, 2018 on approval of policy on implementing transaction contracts between Power Construction Joint Stock Company No.1 and related enterprises

Name of organization / individual	Relevant relationship with the company	Transaction content with the company
Mien Nam- No.1 Power Construction Company Limited	Subsidiary	Buy: Construction volume Turnover: Tools, guarantee fee
Hanoi- No.1 Power Construction Company Limited	Subsidiary	Buy: Construction volume Turnover: Office lease, other
Dai Mo- No.1 Power Construction Company Limited	Subsidiary	Buy: Construction volume Turnover: Tools, land rent, guarantee fee
Dong Anh Steel Tower Company Limited	Subsidiary	Buy: Steel pole processing Turnover: selling materials
My Dinh- No.1 Power Construction Company Limited	Subsidiary	Buy: Construction volume Turnover: Office lease, other
Nang Huong- No.1 Power Construction Company Limited	Subsidiary	Buy: Building service Turnover: land rent, other
Hoang Mai- No.1 Power Construction Installation One Member Company Limited	Subsidiary	Buy: Construction volume Turnover: Land rent, guarantee fee
Mien Bac- No.1 Power Construction Installation Company Limited	Subsidiary	Buy: Construction volume, clearance consultancy Turnover: Land rent, guarantee fee
Tu Liem- No.1 Power Construction Installation Company Limited	Subsidiary	Buy: Construction volume Turnover: Land rent, guarantee fee, other
Ha Dong- No.1 Power Construction Installation One Member Company Limited	Subsidiary	Buy: Construction volume Turnover: Land rent, guarantee fee
Ninh Binh- No.1 Power Construction Installation Company Limited	Subsidiary	Buy: Construction volume Turnover: Land rent, guarantee fee
Trung Thu Hydropower Joint Stock Company	Subsidiary	Turnover: Consulting, Other
ERECO JSC	Subsidiary	Buy: Installation volume
Hoa Binh Automobile Mechanical JSC	Subsidiary	Turnover: Real estate project management consultancy
My Dinh Real Est JSC	Subsidiary	Turnover: Real estate project management consultancy, office lease

Transactions with related parties (continue)

Bao Lam Hydropower Joint Stock Company	Subsidiary	Turnover: office leaseBuy: Hydropower Operation Management
Cao Bang Iron and Steel Joint Stock Company	Associated company	Grinding processing to ore sorting and trading
Northern Energy Investment Joint Stock Company	Subsidiary	Project transferProject management and other services

Allowances and remuneration of the BOD, SB, and BOM in 2018

Allowances of the Board of Directors, Supervisory Board

	name	Chức danh	Allowance for one one month (VND)	Total (VND)
Board of Directors	Mr. Trinh Van Tuan	Chairman of Board of Director	10,000,000	120,000,000
	Mr. Nguyen Minh De	Member of BOD	2,000,000	24,000,000
	Mr. Vu Van Tu	Member of BOD	2,000,000	24,000,000
	Mr. Vo Hong Quang	Member of BOD	2,000,000	24,000,000
	Ms. Nguyen Thi Huong	Member of BOD	2,000,000	24,000,000
TOTAL			18,000,000	216,000,000
Supervisory Board	Ms.Nguyen Thi Hai Ha	Head of Supervisory Board	6,000,000	72,000,000
	Mr. Nguyen Anh Tuan	Member of Supervisory Board	1,500,000	18,000,000
	Mr. Nguyen Quan Vu	Member of Supervisory Board	1,500,000	18,000,000
TOTAL			9,000,000	108,000,000

Allowances and remuneration of the BOD, SB, and BOM in 2018 (continue)

Income of BOM and BOD

Position	2017	2018
General Director	1,694,470,900	1,668,725,300
Other members of BOM and BOD	5,212,630,500	5,284,540,500

Strengthen corporate governance

Governance system

- Continuing to improve the system management capacity through: Quality of human resources; Application of advanced management software; Improvement employees' income and development of company culture.
- Continuing to rationalize the organizational chart and supplementing quality human resources to meet the needs of rapid growth; Change operation model of Yen Thuong factory.
- Continuing to improve internal regulations and rules of the Company.
- Implementing effective training according to company strategy to ensure staff capacity improvement and cost savings; Promoting internal training.

Governance system

- Continuing to manage the construction quality of electrical works and steel structure production according to ISO 9001: 2015 standards.
- Continuing to manage the environment in steel structure production according to ISO 14001: 2015 standards.

Corporate governance training

- Corporate governance training courses that the members of the Board of Directors, Supervisory Board, Executive Director (General Director), other managers and Company Secretary

have participated in according to regulations on corporate governance:

- Members of the Board of Directors, Supervisory Board, General Director, other managers and Secretary of the Company regularly update legal documents and regulations on corporate governance and participate in seminars on corporate governance hold by Ho Chi Minh Stock Exchange and the State Securities Commission and will continue to participate in corporate governance training courses when the State Securities Commission accredits that training institutions have appropriate training courses.

Comply with regulations on corporate governance

The company complies with regulations on corporate governance such as:

- Continuing to comply with and update regulations on corporate governance such as information disclosure on the stock market or organizing the General Meeting of Shareholders.
- Improving the quality of the Annual Report both in content and form for a better transmission of information to shareholders and investor community.
- Planning to strengthen personnel of the Board of Directors and Supervisory Board according to the new requirements of Decree No.71/2017 / ND-CP.

OVERVIEW

Overview of Vietnam's economy and the general situation of electricity industry in 2019

The world in 2018 had many complicated economic and political events. Vietnam's economy is relatively stable and has many positive imprints, GDP growth exceeded the plan by 7.08%. Some advantageous factors for economic development are: Business environment continued to improve, bank interest rates were stable and at a relatively low level, credit supply always met the needs of the economy, FDI increases, exports continued to rise, national reserves increase, the real estate market is relatively stable. The stock market had a lot of changes due to the impact of world economic fluctuations and had taken place turn bad at the end of the year.

In 2018, the electricity industry provided sufficient and reliable electricity sources for socio-economic development, the total electricity consumption in the whole country increased by 10.36% compared to 2017. Although the electricity industry had built an investment plan to rise with great investment value. However, disbursement progress for EVN NPT's high-pressure grid investment reached only 78% of the plan. As a result, the projects must focus on investing heavily in the following stages to meet the demand for additional charge.



**REPORT ON
OPERATING SITUATION 2018**

ANALYSIS OF BUSINESS ACTIVITIES

Overview of general business situation of the Company

Implementation results compared to the plan

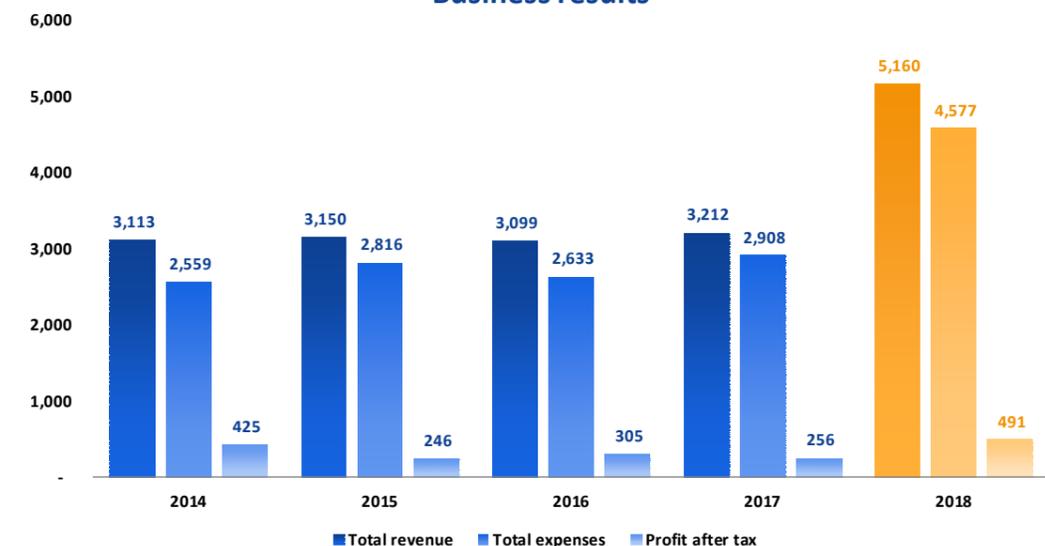
Indicator	Unit	Plan in 2017	Implementation in 2017	Plan in 2018	Implementation in 2018	Implementation / Plan
Business value	Billion dong	5,157.04	4,634.32	6,168.58	5,277.62	85.86%
Net revenue	Billion dong	3,585.92	3,160.56	5,643.46	5,084.42	90.09%
Profit after tax of parent company	Billion dong	306.89	236.66	458.75	466.55	101.70%
Dividend	%	20%	15%	15%	15%	100.00%
Payment to state budget	Billion dong	-	-	250.020	252.60	101.03%
Total salary fund	Billion dong	-	-	213.210	201.82	94.66%
Average income of employees	Million dong/person/month	-	-	13.2	12.59	95.38%

PCC1 fulfills its target plan for 2018 to stick to the strategy for the period 2018 - 2022 with opportunities and challenges intertwined. With its efforts, creativity and determination of the Executive Board, the leaders of the departments together with the member units have promoted the distinctive position and capacity of PCC1, the final revenue result of the company has surpassed over VND 5,000 billion, which exceeds the setout plan.

Performance results of 2018 compared to previous years

Indicator	2014	2015	2016	2017	2018	Proportion 2018	2018/2017
Total revenue	3,113	3,150	3,099	3,212	5,160	100.00%	160.80%
Net revenue	3,100	3,101	3,008	3,160	5,084	98.45%	160.88%
Revenue from financial activity	8	9	14	11	28	0.55%	254.55%
Other revenue	5	40	77	41	47	1.00%	126.83%
Total expenses	2,559	2,816	2,633	2,908	4,577	100.00%	157.49%
Cost of goods sold	2,433	2,672	2,482	2,679	4,219	92.17%	157.48%
Financial expenses	14	12	22	103	150	3.28%	145.63%
Operating costs	112	132	129	126	208	4.55%	165.08%
Other costs	6	2	6	1	8	0.17%	800%
Profit before tax	549	319	401	303	579	100.00%	191.09%
Net profit from business activities	549	281	329	263	540	93.26%	205.32%
Other profits	(0.5)	38	72	40	39	6.74%	97.5%
Profit after tax	425	246	305	256	491	100.00%	191.79%

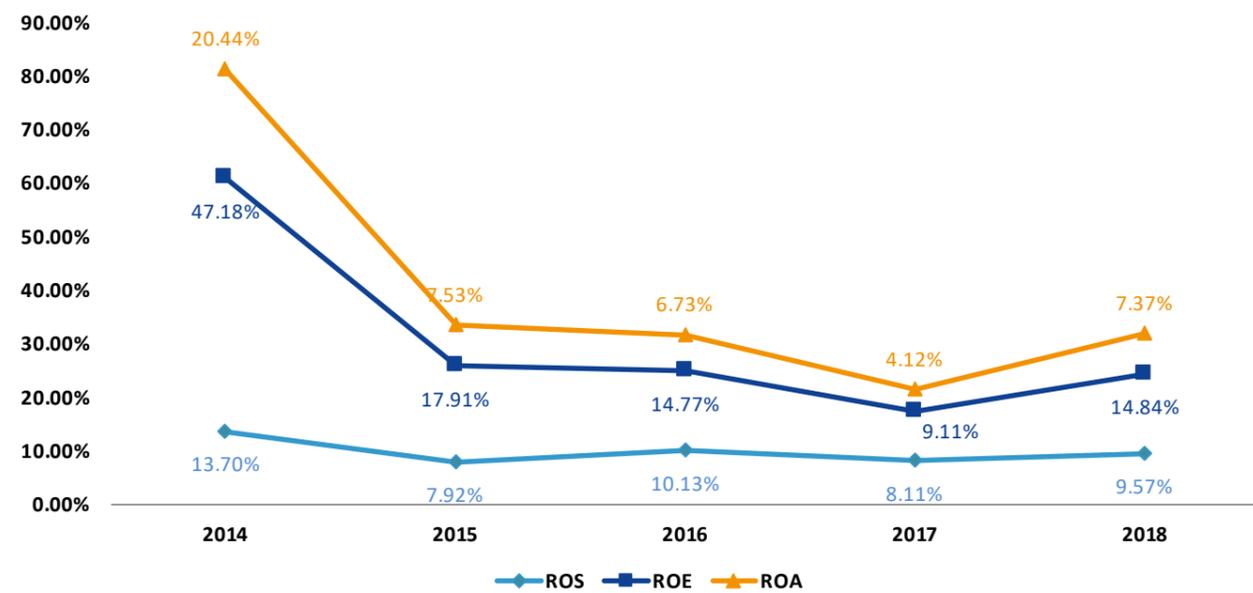
Business results



Business performance over the years

Indicator	Unit	2014	2015	2016	2017	2018	2018/2017
ROS	%	13.70%	7.92%	10.13%	8.11%	9.57%	117.96%
ROE	%	47.18%	17.91%	14.77%	9.11%	14.84%	162.88%
ROA	%	20.44%	7.53%	6.73%	4.12%	7.37%	178.78%
EPS	Đồng	21,064	9,179	3,392	2,336	3,514	58.31%

Bussiness performance



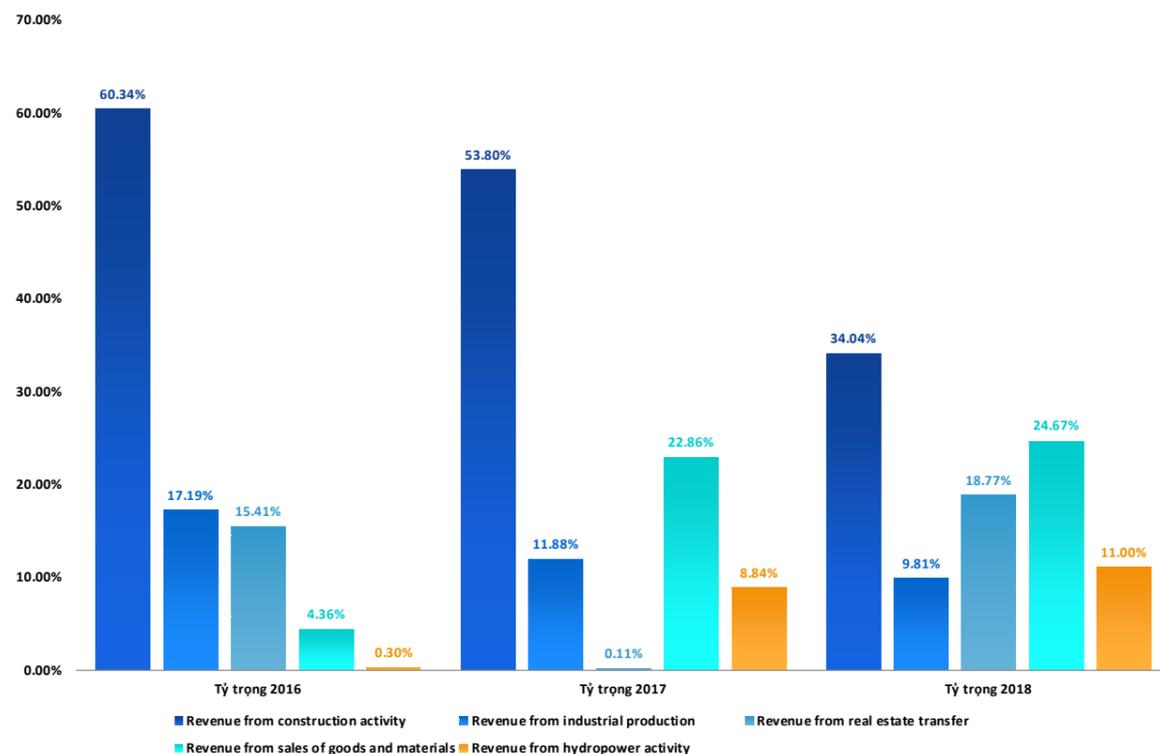
Business situation by the field of operation

Indicator	2017	Proportion	2018	Proportion	Growth (%)
Revenue (billion VND)	3,160.56	100.00%	5,084.42	100.00%	61%
Revenue from construction activity	1,700.44	53.80%	1,730.66	34.04%	2%
Revenue from industrial production	375.63	11.88%	498.87	9.81%	33%
Revenue from real estate transfer	3.47	0.11%	954.49	18.77%	27440%
Revenue from sales of goods and materials	722.57	22.86%	1,254.39	24.67%	74%
Revenue from hydropower activity	279.40	8.84%	559.42	11.00%	100%
Revenue from real estate investment business	11.91	0.38%	14.12	0.28%	19%
Other revenue	67.15	2.12%	72.47	1.43%	8%
Historical Cost (billion VND)	2,679,36	100,00%	4,218,67	100,00%	57%
Historical cost of construction activity	1,467.69	54.78%	1,559.03	36.96%	6%
Historical cost of industrial production	340.77	12.72%	467.24	11.08%	37%
Historical cost of real estate transfer	3.85	0.14%	695.09	16.48%	17941%
Historical cost of Historical cost of goods and materials	697.18	26.02%	1,218.83	28.89%	75%
Historical cost of hydropower activity	116.88	4.36%	210.24	4.98%	80%
Cost of real estate investment business	4.37	0.16%	6.19	0.15%	42%
Other historical costs	48.87	1.82%	62.05	1.47%	27%
Refund of provision for devaluation of inventories	-0.27	-0.01%	0.00	0.00%	-100%
Gross profit from business activities (billion VND)	480.94	100.00%	865.75	100.00%	80.01%
Gross profit from construction activity	232.75	48.39%	171.63	19.82%	-26.26%
Gross profit from industrial production	34.85	7.25%	31.63	3.65%	-9.25%
Gross profit from real estate transfer	-0.39	-0.08%	259.40	29.96%	-67107.20%
Gross profit from sales of goods and materials	25.39	5.28%	35.56	4.11%	40.07%
Gross profit from hydropower activity	162.52	33.79%	349.18	40.33%	114.85%
Gross profit from real estate investment business	7.54	1.57%	7.93	0.92%	5.22%
Other gross profit	18.28	3.80%	10.42	1.20%	-42.99%

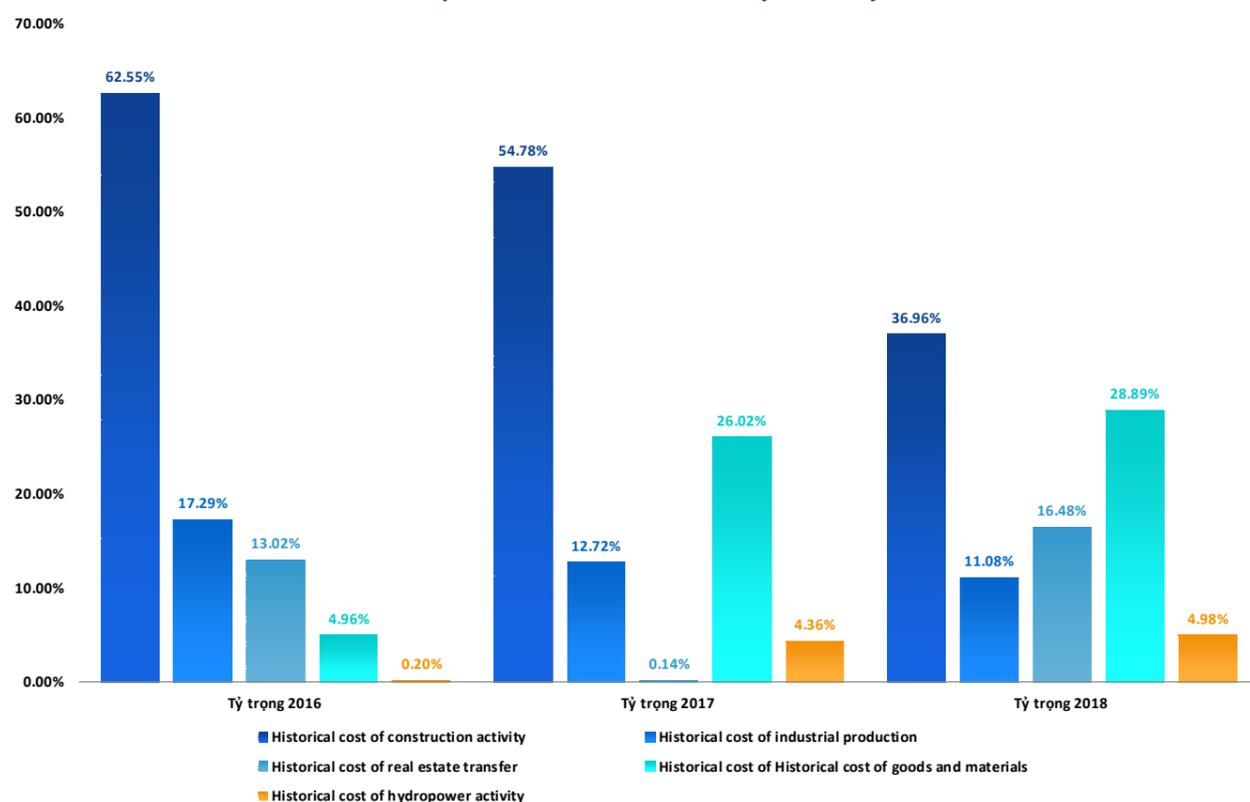


Business situation by the field of operation (continued)

Proportion of revenue by industry



Proportion of historical cost by industry



Business activities

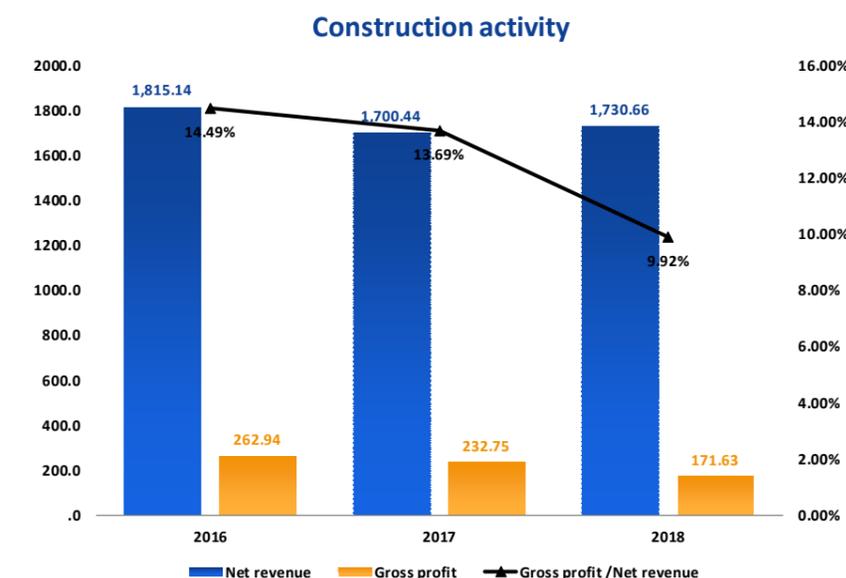
Construction activity

Construction activity	Unit	2016	2017	2018	% Growth
Net revenue	Billion dong	1,815.14	1,700.44	1,730.66	1.78%
Historical cost	Billion dong	1,552.20	1,467.69	1,559.03	6.22%
Gross profit	Billion dong	262.94	232.75	171.63	-26.26%
Gross profit /Net revenue	%	14.49%	13.69%	9.92%	-27.55%

In 2018, the Company's power construction activity has many positive changes with a total value of newly signed contracts reached 3,500 billion dong in which there are many projects in and outside EVN with large scale (Bim project, Dau Tieng project, 500Kv circuit 3 transmission lines, etc.). The results of construction activity in 2018 mostly came from the contracts 2017 transferred because the contracts signed in 2018 began to be recorded from the first quarter of 2019. Therefore in 2018, while the revenue reached VND 1,730.66 billion - increased 1.78% compared to 2017, gross profit reached VND 171.63 billion - decreased 26.26% compared to 2017. Gross profit decreased mainly because cost of goods sold increased 6.15% while revenue increased only 1.75%.

The cause of low growth of power construction in the last 2 years:

+ The project investment approval process is affected when the Ministry of



Industry and Trade changes the organizational model;

+ Decision No. 4970/QD-BTC regulating the construction norms of power works is not appropriate and causes difficulty for investors to implement new projects as well as affects efficiency of construction contractors.

+ At present, the contract unit price improved in the direction of increasing

because the investors, the construction and installation contractors noticed the inadequacy and PCC1 has restructured to projects outside EVN, foreign markets to minimize the above impact as well as improve profit margins. Expected construction revenue from EVN accounts for about 40%, revenue outside EVN accounts for 60%.

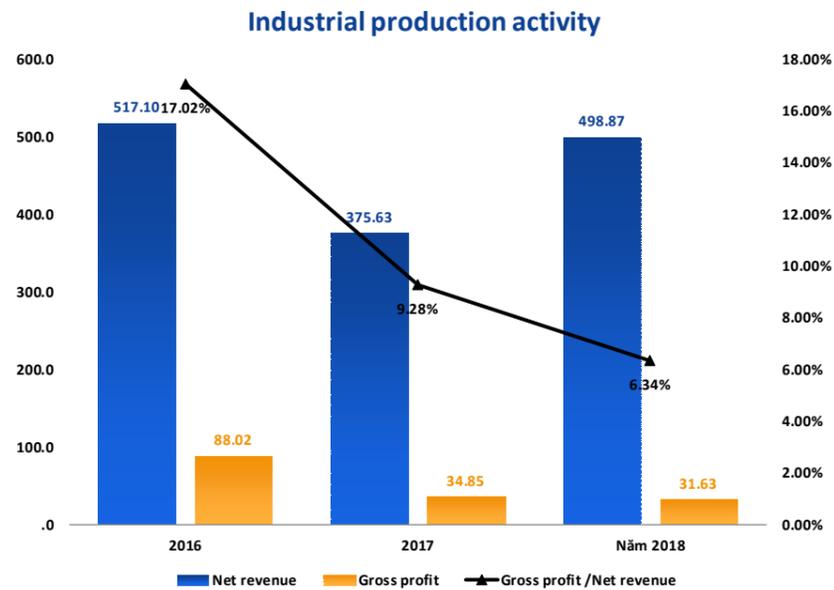
Business activities (continued)

Industrial production activity

Industrial production activity	Unit	2016	2017	2018	% Growth
Net revenue	Billion dong	517.10	375.63	498.87	32.81%
Historical cost	Billion dong	429.08	340.77	467.24	37.11%
Gross profit	Billion dong	88.02	34.85	31.63	-9.25%
Gross profit /Net revenue	%	17.02%	9.28%	6.34%	-31.67%

Revenue from industrial production reached VND 498.87 billion - increased 32.81% compared to 2017, but gross profit only reached VND 31.63 billion - decreased 9.25% compared to 2017. Rate of Gross profit /net revenue of industrial production reached more than 6%, decreased compared to the rate 9.28% of 2016.

The main reason for the decline in profit and profit margin of this segment is that the revenue from contracts outside EVN have not yet been recorded; the contracts in EVN are affected by the change of policy as construction activities.

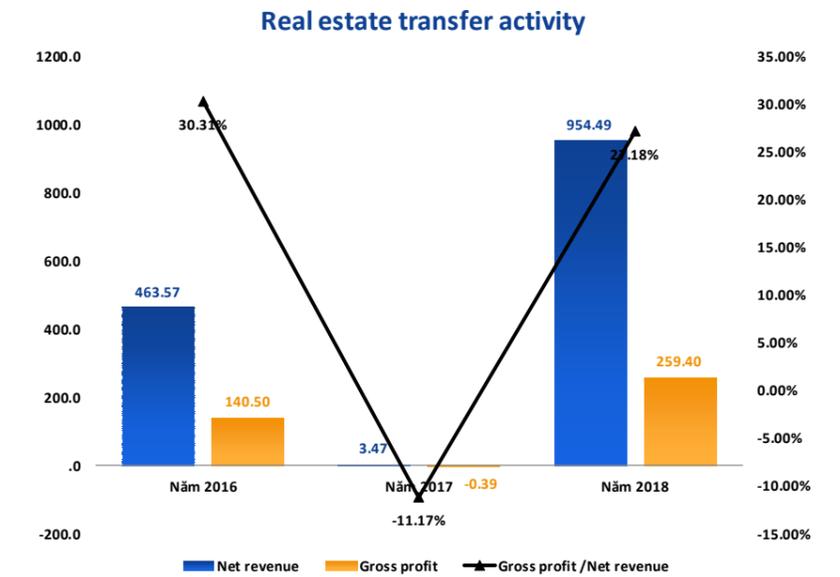


Real estate transfer activity

Real estate transfer activity	Unit	2016	2017	2018	% Growth
Net revenue	Billion dong	463.57	3.47	954.49	27440.45%
Historical cost	Billion dong	323.07	3.85	695.09	17940.71%
Gross profit	Billion dong	140.50	-0.39	259.40	-
Gross profit /Net revenue	%	30.31%	-11.17%	27.18%	-

Revenue from real estate activity of the Company in 2018 reached nearly 954 billion VND- a sudden increase compared to 2017.

The reason is that in 2017, the real estate projects of the Company were in the implementation phase, so the revenue was negligible. In 2018, the company opened for sale My Dinh Plaza 02 Project. Gross profit from real estate transfer activity reached VND 249 billion, accounted for 29% of the company's profit structure in 2018. The ratio of gross profit / net revenue reached a high level of 26.12%.



Business activities (continued)

Real estate leasing activity

Real estate leasing activity	Unit	2017	2018	% Growth
Net revenue	Billion dong	11.91	14.12	18.56%
Historical cost	Billion dong	4.37	6.19	41.65%
Gross profit	Billion dong	7.54	7.93	5.17%
Gross profit /Net revenue	%	63.31%	56.16%	-7.15%

Revenue from real estate leasing activity increased 18.56% compared to 2017, because PCC1 has put My Dinh Plaza 02 project into operation which increased the floor area by 9,000 m2; however, the revenue increased more slowly than cost because Plaza 02 has just been put into use, the level of ground filling is not high while it still subject to additional costs from the whole building system. According to the information of signed lease contracts, the occupancy of My Dinh Plaza 02 in 2019 reached over 90%, this activity is forecasted to achieve the highest profit rate in the next year.



Selling goods and materials activity

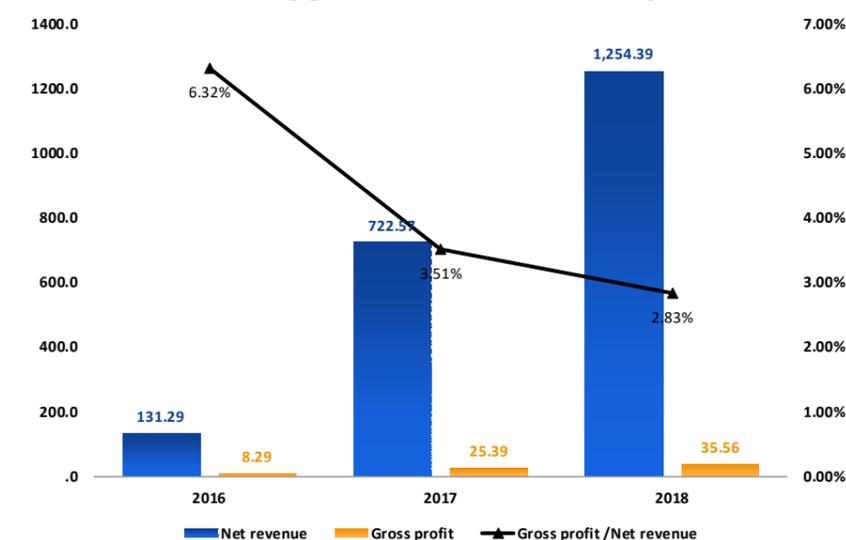
Selling goods and materials activity	Unit	2016	2017	2018	% Growth
Net revenue	Billion dong	131.29	722.57	1,254.39	73.60%
Historical cost	Billion dong	122.99	697.18	1,218.83	74.82%
Gross profit	Billion dong	8.29	25.39	35.56	40.07%
Gross profit /Net revenue	%	6.32%	3.51%	2.83%	-19.32%

Activity of selling goods and materials of the Company are mainly:

- Selling of electrical equipment materials for projects and works in electrical construction activity occupied about 40%. The increasing value of selling goods in construction activity will create advantages for PC1 to enjoy discounts, thereby supporting core activities which are construction and energy investment.
- Selling of steel materials related to the production plants of PCC1 occupied about 60%.

Therefore, the revenue of this activity in 2018 increased sharply, reached VND 1,254.39 billion - equivalent to 73.6%

Selling goods and materials activity



compared to 2017 and contributed 24.67% of total revenue. However, gross profit was only VND 35.56 billion because it was merely a commercial activity so the profit

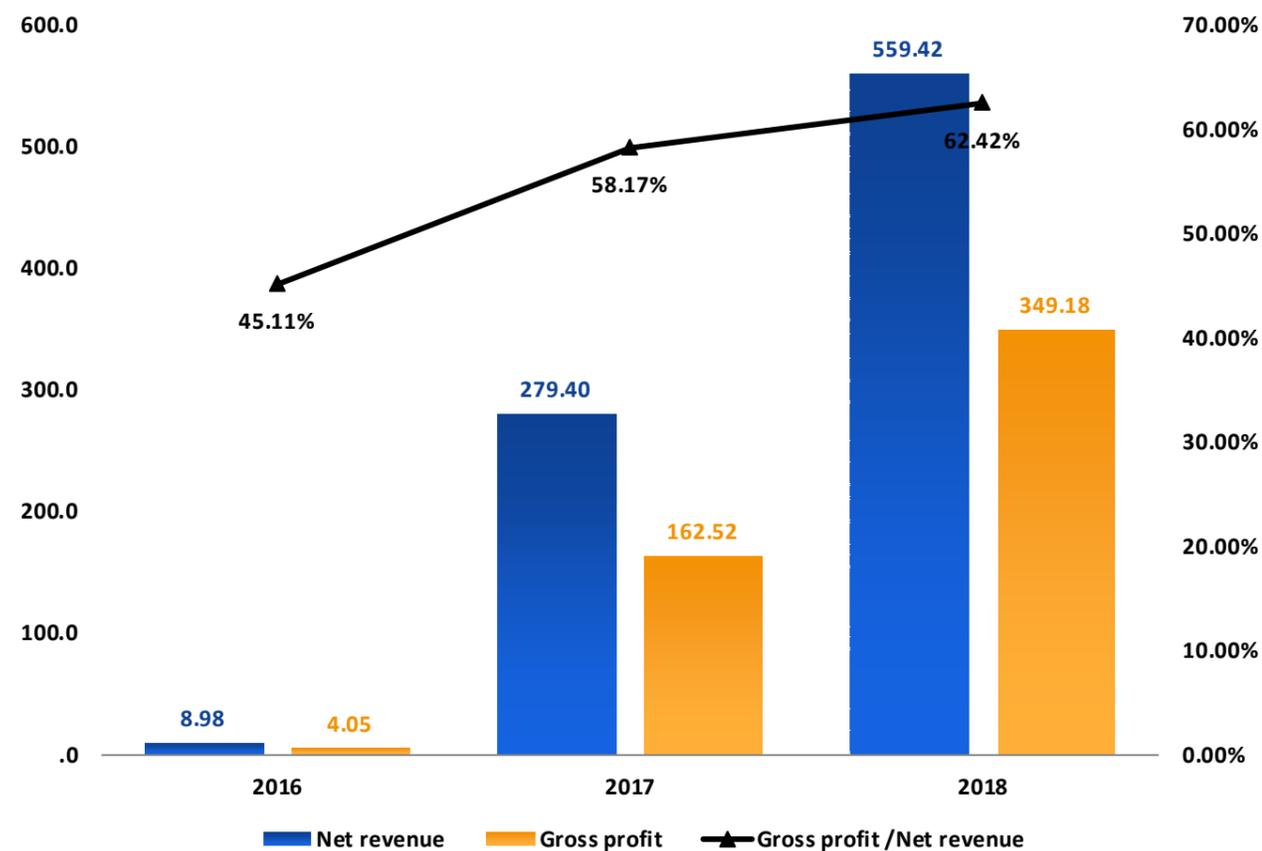


Business activities (continued)

Hydropower activity

Hydropower activity	Unit	2017	2018	% Growth
Net revenue	Billion dong	279.40	559.42	100.22%
Historical cost	Billion dong	116.88	210.24	79.88%
Gross profit	Billion dong	162.52	349.18	114.85%
Gross profit /Net revenue	%	58.17%	62.42%	7.31%

Hydropower activity



Hydropower activity (continued)

Revenue in 2018 reached VND 559.42 billion - double that of 2017, gross profit reached VND 349.18 billion - increased 114.89% compared to the same period, leading to an increase of 7.31 % of gross profit/revenue.

The reason for the sharp increase of revenue and profit in 2018 is that PC1 operated 2 more hydropower plants (Bao Lam 3 and Bao Lam 3A); which increased number of power plants of PC1 to 4, specifically:

- Trung Thu hydropower: capacity of 30 MW with total investment capital of VND 900 billion (PCC1 contributed 60%) in Muong Cha district, Dien Bien province
- Bao Lam 1 hydropower plant: capacity of 30 MW with total investment capital of VND 765.7 billion (PCC1 contributed 100%) in Bao Lam district, Cao Bang province
- Bao Lam 3 hydropower plant: capacity of 46 MW with total investment capital of VND 886.3 billion (PCC1 contributed 100%) in Bao Lam district, Cao Bang province
- Bao Lam 3A hydropower plant: capacity of 8 MW with total investment capital of VND 291.5 billion (PCC1 contributed 100%) in Bao Lam district, Cao Bang province

The hydropower projects of PC1 have high profit margin because:

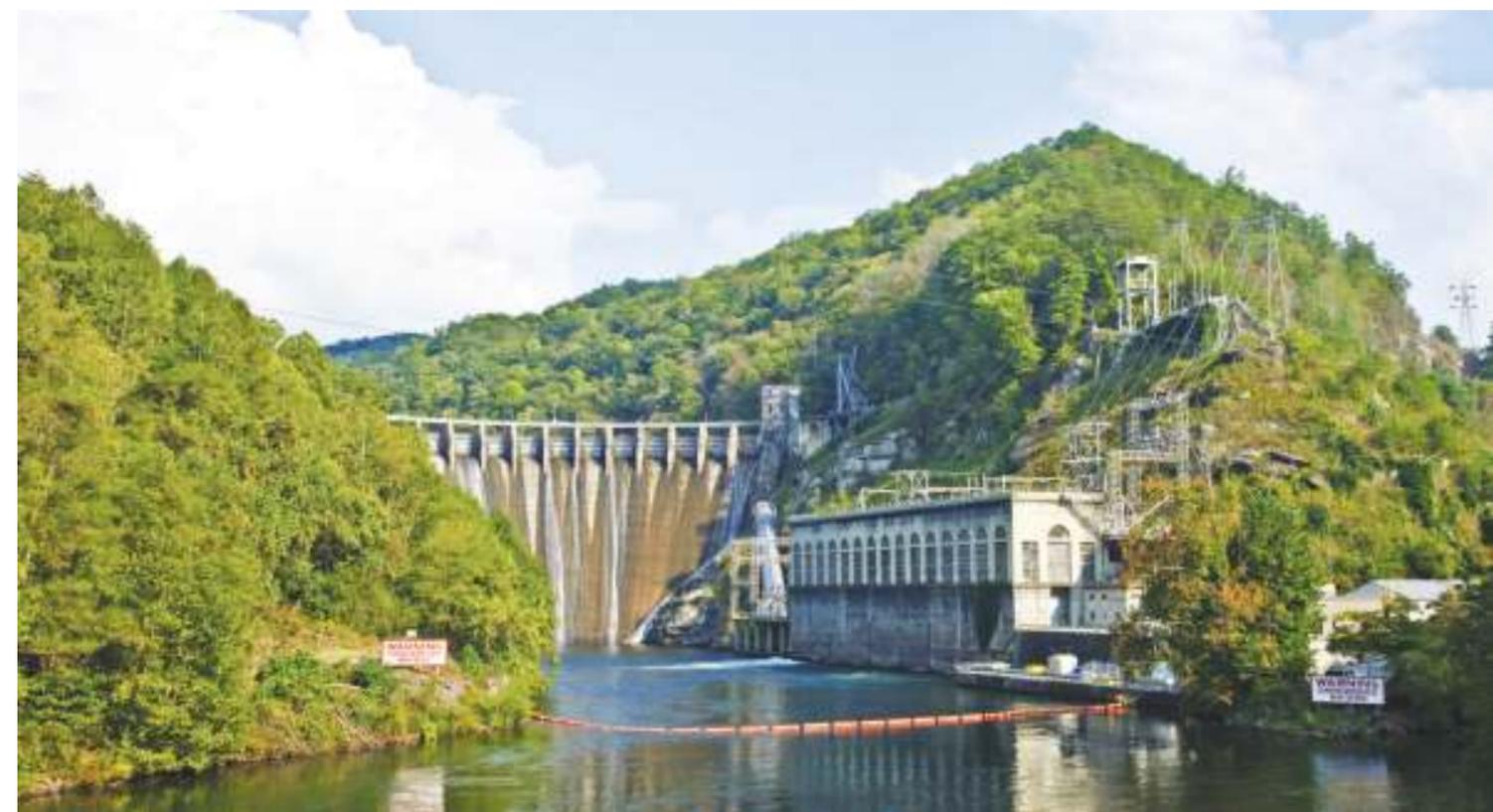
- Selling price of electricity: hydropower plants of PC1 are ap-

plied with avoidable tariffs for small hydroelectricity with an average selling price of VND 1,100 / kWh. This price is higher than the contract price (PPA - Power Purchase Agreement) of hydropower with large capacity (over 30 MW) about 20-30%.

- Corporate income tax incentives: Small hydropower projects are entitled to tax rate of 10% in the first 15 years, tax exemption for the first 4 years from year arising taxable income and 50% reduction in the next 9 years (equivalent to 5% tax rate).

- Low investment cost, high commercial power output, all plants operate at full capacity;

- Low interest loans: 02 hydropower projects of Trung Thu and Bao Lam 1 borrowed VND 1,300 billion from the World Bank's Renewable Energy Development Program (REDP) program. This capital has an interest rate of about 3% lower than commercial capital, which significantly helped improve the efficiency of these two projects. Although the REDP program ended on June 30, 2018, PCC1's new developing projects will have to mobilize commercial capital, but PCC1 often gets much better interest rates than the market average due to its good credit score, its prestige in building and implementing electricity projects and high effectiveness of projects (hydropower projects have a minimum IRR of 13%).



BUSINESS SITUATION OF SUBSIDIARIES AND AFFILIATED COMPANIES

Subsidiaries

Construction block

Name of subsidiary	Mien Nam- No.1 Construction Company Limited				
Address	Cao ốc An Khang, số 28 Đường 19, Khu phố 5, Phường An Phú, Quận 2, Hồ Chí Minh				
Main business line	Power construction				
Charter capital	VND 25,000 million				
Holding rate of parent company	100.00%				
BUSINESS OPERATION RESULTS	Target	2015	2016	2017	2018
	Total Assets (billion VND)	123.85	168.60	190.05	168.00
	Revenue (billion VND)	355.59	375.87	310.59	246.70
	Profit after tax (billion VND)	14.24	12.16	9.62	3.75
Name of subsidiary	Ha Dong- No.1 Power Construction Installation One Member Company Limited				
Address	Van La village, Phu La ward, Ha Dong district, Hanoi.				
Main business line	Power construction				
Charter capital	VND 5,942.87 million				
Holding rate of parent company	100.00%				
BUSINESS OPERATION RESULTS	Target	2015	2016	2017	2018
	Total Assets (billion VND)	35.06	56.00	58.62	55.13
	Revenue (billion VND)	72.61	77.36	109.16	117.35
	Profit after tax (billion VND)	2.62	1.60	1.91	0.95

Construction block (continued)

Name of subsidiary	My Dinh No.1 Construction Company Limited				
Address	No. 138 Tran Binh road, My Dinh 2 Ward, Nam Tu Liem District, Hanoi				
Main business line	Power construction				
Charter capital	VND 10,000 million				
Holding rate of parent company	100.00%				
BUSINESS OPERATION RESULTS	Target	2015	2016	2017	2018
	Total Assets (billion VND)	42.68	65.37	102.46	95.85
	Revenue (billion VND)	100.74	105.87	145.56	151.72
	Profit after tax (billion VND)	4.00	3.27	3.57	2.25

Name of subsidiary	Hoang Mai- No.1 Power Construction Installation One Member Company Limited				
Address	No. 471, Nguyen Tam Trinh Street, Hoang Van Thu Ward, Hoang Mai District, Hanoi				
Main business line	Power construction				
Charter capital	VND 5,000 million				
Holding rate of parent company	100.00%				
BUSINESS OPERATION RESULTS	Target	2015	2016	2017	2018
	Total Assets (billion VND)	34.12	46.82	58.64	52.65
	Revenue (billion VND)	75.55	85.33	81.07	78.62
	Profit after tax (billion VND)	2.73	3.00	1.15	0.77

Construction block (continued)

Name of subsidiary	Hanoi- No.1 Power Construction Company Limited				
Address	No. 583 Km9 Nguyen Trai Street, Van Quan Ward, Ha Dong District, Hanoi				
Main business line	Power construction				
Charter capital	VND 5,000 million				
Holding rate of parent company	100.00%				
BUSINESS OPERATION RESULTS	Target	2015	2016	2017	2018
	Total Assets (billion VND)	37.43	50.99	45.05	63.67
	Revenue (billion VND)	45.52	72.06	41.77	70.48
	Profit after tax (billion VND)	1.30	2.14	1.19	1.54

Construction block (continued)

Name of subsidiary	Mien Bac- No.1 Power Construction Installation Company Limited				
Address	Cho Quarter, Dai Mo Ward, Nam Tu Liem District, Hanoi				
Main business line	Power construction				
Charter capital	VND 10,236 million				
Holding rate of parent company	100.00%				
BUSINESS OPERATION RESULTS	Target	2015	2016	2017	2018
	Total Assets (billion VND)	68.86	82.25	104.17	105.5
	Revenue (billion VND)	90.36	126.91	142.39	100.43
	Profit after tax (billion VND)	3.42	4.25	3.02	1.51

Name of subsidiary	Dai Mo- No.1 Power Construction Company Limited				
Address	Cho Quarter, Dai Mo Ward, Nam Tu Liem District, Hanoi				
Main business line	Power construction				
Charter capital	VND 5,000 million				
Holding rate of parent company	100.00%				
BUSINESS OPERATION RESULTS	Target	2015	2016	2017	2018
	Total Assets (billion VND)	28.48	38.99	39.31	57.13
	Revenue (billion VND)	60.1	89.56	109.64	122.99
	Profit after tax (billion VND)	2.11	2.93	2.2	1.65

Name of subsidiary	Tu Liem- No.1 Power Construction Installation Company Limited				
Address	Group 19, Xuan Phuong Ward, Nam Tu Liem District, Hanoi				
Main business line	Power construction				
Charter capital	VND 10,550 million				
Holding rate of parent company	100.00%				
BUSINESS OPERATION RESULTS	Target	2015	2016	2017	2018
	Total Assets (billion VND)	48.15	85.82	93.77	71.93
	Revenue (billion VND)	76.72	114.59	111.22	110.38
	Profit after tax (billion VND)	2.63	2.85	1.06	1.00

Construction block (continued)

Name of subsidiary	Nang Huong- No.1 Power Construction Company Limited				
Address	No. 583 Km9 Nguyen Trai Street, Van Quan Ward, Ha Dong District, Hanoi				
Main business line	Power construction				
Charter capital	VNF 725.51 million				
Holding rate of parent company	100.00%				
BUSINESS OPERATION RESULTS	Target	2015	2016	2017	2018
	Total Assets (billion VND)	3.21	3.26	5.17	6.9
	Revenue (billion VND)	8.38	10.84	12.49	14.49
	Profit after tax (billion VND)	(0.01)	(0.48)	0.49	0.58

Name of subsidiary	Ninh Binh- No.1 Power Construction Installation Company Limited				
Address	Tan Thanh Ward, Ninh Binh City, Ninh Binh Province				
Main business line	Power construction				
Charter capital	VND 10,000 million				
Holding rate of parent company	100.00%				
BUSINESS OPERATION RESULTS	Target	2015	2016	2017	2018
	Total Assets (billion VND)	-	-	18.11	50.03
	Revenue (billion VND)	-	-	13.47	73.47
	Profit after tax (billion VND)	-	-	0.22	1.18

Energy investment block

Name of subsidiary	Trung Thu Hydropower Joint Stock Company			
Address	House No. 157, Residential Group 16, Tan Thanh ward, Dien Bien Phu			
Main business line	Investment in construction of small and medium hydropower plants; Producing and trading electricity.			
Charter capital	VND 252.000 million			
Holding rate of parent company	60%			
BUSINESS OPERATION RESULTS	Target	2016	2017	2018
	Total Assets (billion VND)	876.47	868.24	819.69
	Revenue (billion VND)	8.98	142.61	153.03
	Profit after tax (billion VND)	(1.21)	40.13	52.05

Name of subsidiary	Bao Lam Hydropower Joint Stock Company			
Address	Na Pong Village, Bao Lam District, Cao Bang Province			
Main business line	Consulting management of hydropower projects, management after hydro-power investment.			
Charter capital	VND 3,670 million			
Holding rate of parent company	91.83%			
BUSINESS OPERATION RESULTS	Target	2016	2017	2018
	Total Assets (billion VND)	6.86	9.42	9.56
	Revenue (billion VND)	3.62	17.84	37.95
	Profit after tax (billion VND)	(0.61)	(0.97)	(0.35)

Energy investment block (continued)

Name of subsidiary	Northern Energy Investment Joint Stock Company			
Address	Na Pong Village, Bao Lam District, Cao Bang Province			
Main business line	Investment in construction of small and medium hydropower plants; electricity production and trading.			
Charter capital	VND 50,000 million			
Holding rate of parent company	90.00%			
BUSINESS OPERATION RESULTS	Target	2017	2018	2018
	Total Assets (billion VND)	-	-	459.89
	Revenue (billion VND)	-	-	-
	Profit after tax (billion VND)	-	-	-

Real estate business block (continued)

Name of subsidiary	Hoa Binh Automobile Mechanical JSC			
Address	No. 44 Trieu Khuc Street, Thanh Xuan Ward, Thanh Xuan District, Ha Noi			
Main business line	Investment in real estate projects			
Charter capital	VND 167,576 million			
Holding rate of parent company	99.34%			
BUSINESS OPERATION RESULTS	Target	2016	2017	2018
	Total Assets (billion VND)	8.31	156.19	162.07
	Revenue (billion VND)	0.64	0.75	0.85
	Profit after tax (billion VND)	0.28	-	0.22

Real estate business block

Name of subsidiary	My Dinh Real Est JSC				
Address	Dinh Thon Village - My Dinh 1 Ward- Nam Tu Liem District - Hanoi				
Main business line	Investment and construction of apartment projects, offices and trade centers.				
Charter capital	VND 180,000 million				
Holding rate of parent company	99.39%				
BUSINESS OPERATION RESULTS	Target	2015	2016	2017	2018
	Total Assets (billion VND)	103.11	266.95	738.9	487.12
	Revenue (billion VND)	-	-	-	956.19
	Profit after tax (billion VND)	(0.88)	(0.08)	-	155.19

Name of subsidiary	Tien Bo Investment Trading Joint Stock Company			
Address	No. 1, Alley 321, Vinh Hung street, Thanh Tri Ward, Hoang Mai District, Hanoi			
Main business line	Investment in real estate projects			
Charter capital	VND 26,000 million			
Holding rate of parent company	99.77%			
BUSINESS OPERATION RESULTS	Target	2016	2017	2018
	Total Assets (billion VND)	-	-	23.63
	Revenue (billion VND)	-	-	0.15
	Profit after tax (billion VND)	-	-	(1.37)

Surprising profit due to the opening of My Dinh Plaza 02 from 2017, handing over houses in 2018, the Company recorded all revenue in 2018.

Industrial production block

Name of subsidiary	Dong Anh Steel Tower Company Limited				
Address	Group 23, Dong Anh town, Hanoi city				
Main business line	Manufacture all kinds of galvanized steel columns, steel structures, related spare parts and plating services; purchase and sale of steel, zinc, materials for production and fabrication of steel structures; buying and selling electrical equipment and materials				
Charter capital	VND 51,257 million				
Holding rate of parent company	90.00%				
BUSINESS OPERATION RESULTS	Target	2015	2016	2017	2018
	Total Assets (billion VND)	266,4	316,3	236,95	403,69
	Revenue (billion VND)	601,02	522,67	468,66	634,36
	Profit after tax (billion VND)	35,51	44,16	28,34	25,69

Affiliated companies

Name of affiliated company	Tan Phat Minerals Joint Stock Company
Address	Tay Giang Hotel, Group 22, Song Bang Ward, Cao Bang City, Cao Bang Province
Main business line	Exploration and mineral exploitation
Charter capital	VND 110,334 million
Holding rate of parent company	33.92%

Name of affiliated company	Cao Bang Iron and Steel Joint Stock Company
Address	No. 52, Kim Dong Street - Hop Giang Ward – Cao Bang City
Main business line	Iron ore exploitation
Charter capital	VND 430,063 million
Holding rate of parent company	25.09%



ANALYSIS OF FINANCIAL SITUATION

Overall, PC1's financial indicators have significant improvement in 2018 due to the contribution of hydropower and real estate sectors.

Growth of revenue

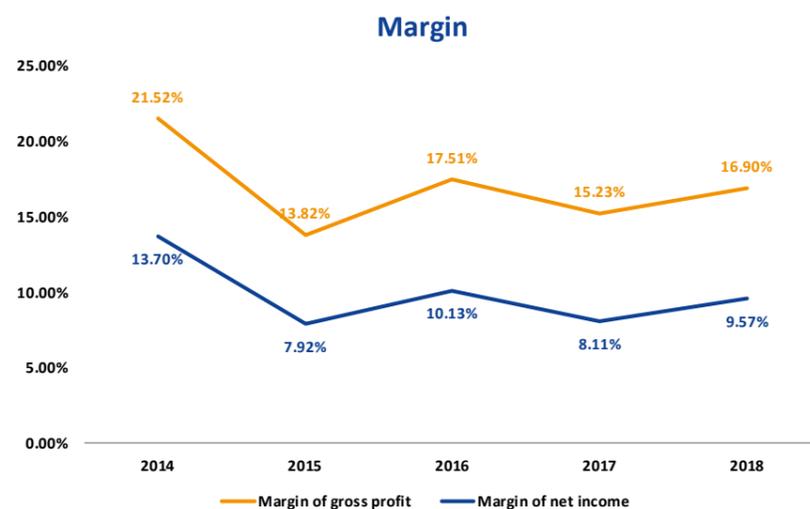
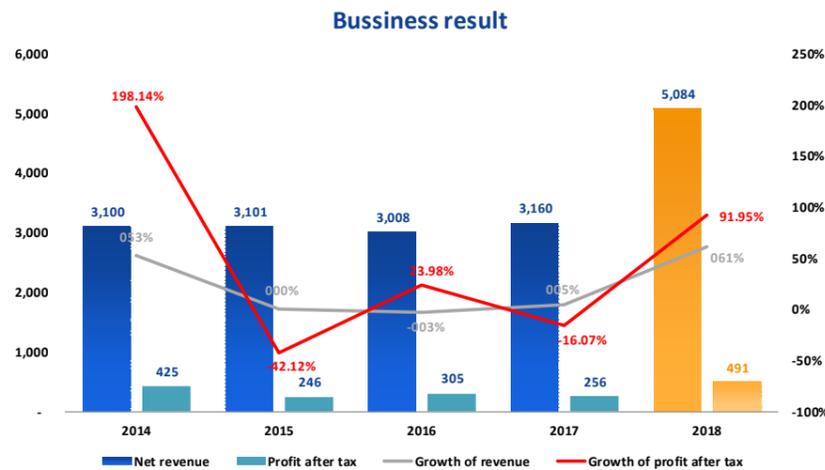
In 2018, PC1 achieved VND 5,085 billion of revenue and VND 486 billion of profit after tax, corresponding to an increase of 61% and 90%, respectively due to (1) recognition of VND 954 billion revenue from My Dinh Plaza 2 Project and (2) revenue from hydropower reached VND559 billion, doubling compared to 2017 due to commercial electricity from Bao Lam 3 (46MW) and Bao Lam 3A (8MW) from the beginning of the year.

The profit after tax of PC1 has a big fluctuation over the years due to the discontinuous characteristic of real estate sector.

Profitability

In 2018, PC1's gross profit margin and profit after tax have improvement of about 1.6 percentage points due to the contribution of hydropower and real estate sectors, which are 02 sectors with higher profitability than electrical construction and industrial production.

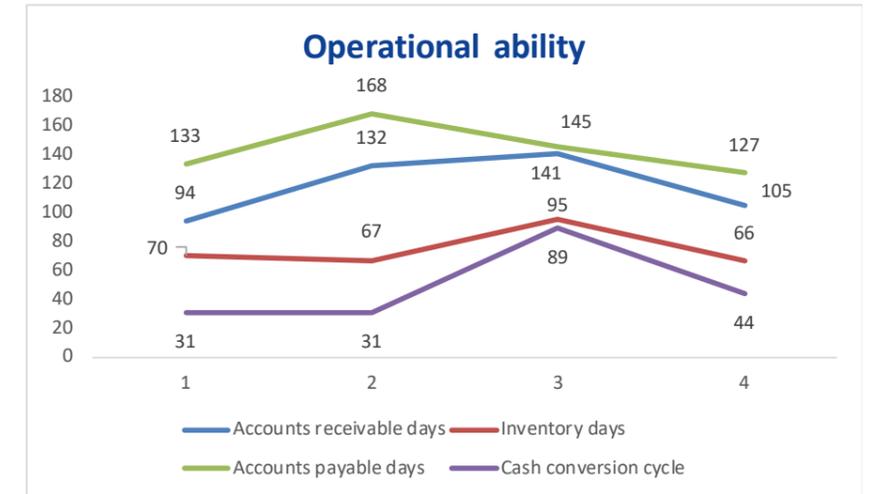
In the past, these indicators were higher than in 2014 and 2016, which was also the time recording revenue and profit of real estate of PC1.



Operational ability

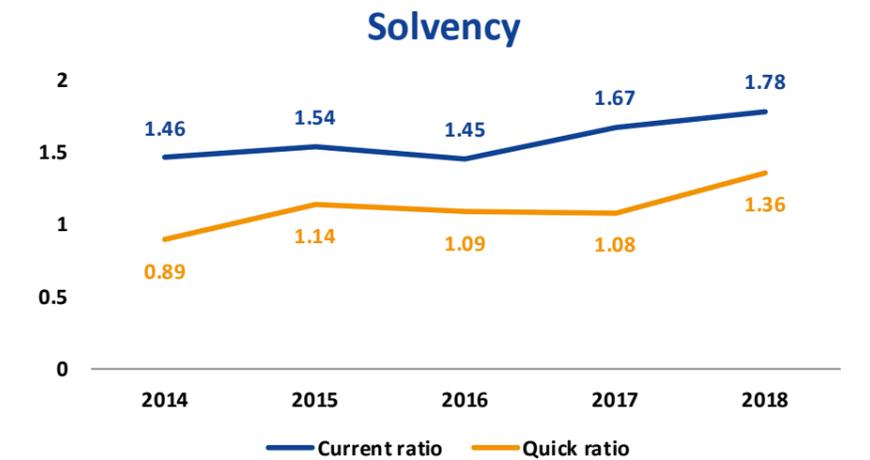
The number of cash conversion days of PC1 decreased from 89 days in 2017 to only 44 days due to the recognition of revenue and profit of real estate projects together with the increase in the proportion of revenue from hydropower investment in 2018.

Both of these sectors have a common feature of low receivables. In addition, recognition of real estate projects helps significantly reduce inventory of PC1. Therefore, in 2018, the accounts receivable days of PC1 decreased from 141 days to 105 days, inventory days decreased from 93 days to 66 days.



Solvency

PC1's solvency is at a safe level with its current ratio and quick ratio is usually above 1 in recent years and tends to improve clearly which means that short-term assets of PC1 are able to pay short-term debts of enterprise.



Structure of assets and capital

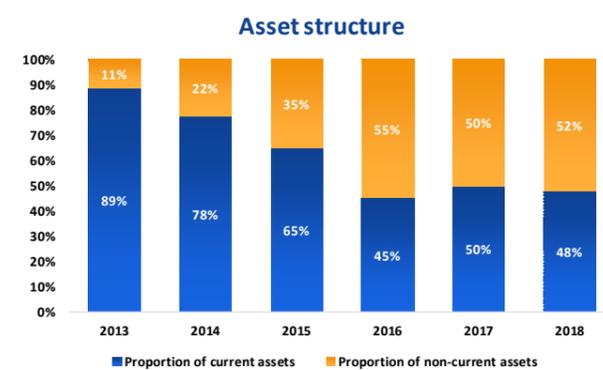
Asset structure

ASSETS	Unit	2018	Proportion
CURRENT ASSETS	Dong	3,150,022,692,977	100.00%
Cash and cash equivalents	Dong	701,280,173,355	22.26%
Short-term investments	Dong	90,000,000	0.003%
Current receivables	Dong	1,551,785,450,653	49.26%
Inventory	Dong	759,475,370,567	24.11%
Other current assets	Dong	47,481,697,429	1.51%
NON-CURRENT ASSETS	Dong	3,446,883,370,866	100.00%
Non-current receivables	Dong	8,295,573,500	0.24%
Fixed assets	Dong	2,530,560,673,102	73.42%
Investment properties	Dong	170,668,306,680	4.95%
Long-term assets in progress	Dong	442,210,474,227	12.97%
Long-term investments	Dong	96,856,179,877	2.81%
Other long-term assets	Dong	198,292,163,480	5.75%

Current receivables account for the largest proportion in the current asset structure with nearly 51%, followed by inventories with 24.11%; cash and cash equivalents account for 22.26%, other items do not have or account for an insignificant proportion.

- In terms of inventories, the company usually carries out electricity construction projects from year to year, this project overlaps other project or many projects are implemented at the same time, so the company always has inventories at many times of the year with a high proportion of total short-term assets.

- In the current asset structure, fixed assets account for an outstanding proportion with 73.42%, which are mainly assets in hydropower plants. Non-current assets in progress also account for a relatively high proportion of 12.97%, most of

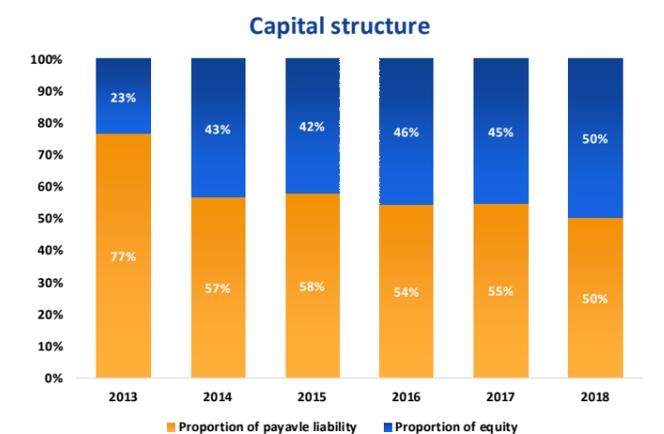


which are hydropower projects in the investment phase. The rest are items that account for a small proportion such as investment real estate with 4.95%, long-term investments with 2.81% and other long-term assets with 5.75%.

Cơ cấu nguồn vốn

RESOURCES	Unit	2018	Proportion
LIABILITIES	Dong	3,317,677,404,756	
Current liabilities	Dong	1,740,964,808,403	100.00%
Trade payables	Dong	758,370,202,543	43.56%
Advance from customers	Dong	155,330,934,911	8.92%
Statutory obligations	Dong	83,657,579,847	4.81%
Payables to employees	Dong	42,775,331,704	2.46%
Accrued expenses	Dong	139,453,399,280	8.01%
Short-term deferred revenue	Dong	261,124,118	0.01%
Other short-term payables	Dong	55,248,101,261	3.17%
Short-term loan and payable for finance leasing	Dong	415,790,185,025	23.88%
Provision for short term payables	Dong	12,885,406,401	0.74%
Reward and welfare funds	Dong	77,192,543,313	4.43%
Non-current liabilities	Dong	1,576,712,596,353	100.00%
Other long-term liabilities	Dong	1,048,203,506	0.07%
Long-term loans and debts	Dong	1,553,956,591,681	98.56%
Deferred tax liabilities	Dong	11,613,705,190	0.74%
Provision for bad debts	Dong	10,094,095,976	0.64%
EQUITY	Dong	3,279,228,658,114	

PC1's debt reached about VND 2,000 billion, the ratio of interest-bearing debt to equity is quite safe (60%). However, long-term debt accounts for 75% of total interest-bearing debt, mainly for investments in hydropower with a term of over 10 years. In case of increasing interest rates in the coming time, PC1's business results may be negatively affected.



REPORT OF THE BOARD OF MANAGEMENT

Members of the Board of Management

Full name	Position	Number of holding shares	Ownership
Mr. Trinh Van Tuan	General Director	23,441,482	17.66%
Mr. Nguyen Minh De	Deputy General Director	1,717,960	1.29%
Mr. Vu Van Tu	Deputy General Director	308,424	0.23%
Mr. Vo Hong Quang	Deputy General Director	2,472,063	1.86%
Mr. Nguyen Nhat Tan	Deputy General Director	4,291,001	3.23%
Mr. Dang Van Nghia	Deputy General Director	233,796	0.18%
Mr. Vu Anh Duong	Deputy General Director	71,065	0.054%

Evaluation of business performance results in 2018

In 2018, the company achieved revenue of VND 5,082 billion, increased 60.9% compared to 2017. Consolidated gross profit margin increased 1.7% compared to 2017, reached 16.9%, which helped gross profit increased 1.79 times compared to 2017.

Although the cost of sales, administration and financial expenses increased, the breakthrough of gross profit still helped PC1 achieved VND 579 billion in profit before tax (PBT), increased 89% compared to 2017. Profit after tax (PAT) of Parent company reached VND 461.8 billion, earning per share (EPS) reached VND 3,524 / share.

With this result, although PC1 has just completed 90.1% of revenue plan, PC1 has exceeded 6.82% profit plan of the year. The growth of PC1's profit in the past year has important contribution from real estate and hydropower business. While

Indicator	Unit	Plan of 2018	Perform of 2018	Plan / Perform
Gross sale	Billion dong	5,643,46	5,084.42	90.09%
Profit after tax	Billion dong	458,745	461.8	102%
Dividend	Billion dong	15%	15%	100.00%

the real estate block brought revenue of VND 954.5 billion- a sudden increase compared to only VND 3.4 billion in 2017, hydropower revenue also doubled, reached VND 559.4 billion.

Real estate and hydropower business are also the two sectors with the best profit margins of PC1, respectively 26.1% and 62.4% in 2018, which helped the consolidated gross profit margin increase 1.7%.

Improvements in organizational structure and management policies

Improvement in organizational structure-

-- The company has issued adjustment strategy for the period of 2018 - 2022 in which defines detailed objectives and specific implementation plans for each business and investment sector. Based on the strategy of the parent company, the member units of the Power Construction Block have built up the development plan for the period of 2018-2020 of each unit.

- Made adjustments on organizational chart, re-arranged professional departments and assigned reasonable functions and tasks at the parent company office.

- Adjusted the management diagram, established new EPC management department at the right time, overcame the overload in bidding work, and developed effectively the construction and installation market outside the industry, advantages of EPC contracts, increase the scale of construction in the long term

EPC, PC general contractor outside industry and commercial business

- Set up new organizational chart of EPC management department, be confident, made efforts to implement the plan, be innovative, professional and effective

- Actively researched market, analyzed relevant factors, and made appropriate market access plans.

- Purchasing work: Promoted strategic relationship diagram with domestic and foreign equipment manufacturers to supply target equipment and materials. Implemented the internal competitive offering plan accompanied with sanctions to increase the effectiveness and efficiency of the selection of

Improvement in labor structure

- Recruited additional 33 employees who were experts and staffs. Organized training courses about project management, risk management, 3P salary system, presentation skills, document writing skills ...

Improvement in policy

- Actively improved new salary regulation in the direction of creating work motivation

Improvement in management

- Actively improved the new salary regulation in the direction of creating motivation

subcontractors.

- Bidding work and signing contracts: Proactively approached and offered synchronized preeminent solutions for each project. Actively control technical requirements and manage risks. Effectively negotiated and cooperated with manufacturers, subcontractors and construction units. Promoted the brand advantage of PCC1 and creatively improved the distinction to create a competitive advantage.

- Contract implementation: Being implemented actively in overall with improvement. Controlled costs and limited arising. Progress, quality and labor safety were committed and controlled.



Results in leadership and administration

In 2018, the Board of Management has always been close in leadership and management work together with the effort and capacity of managers of departments, divisions, parent company and member units to implement solutions, overcome difficulties and continue to maintain the No. 1 position in Vietnam. Some of the main results were:

- Sticking to strategic objectives of the company for the period 2018 - 2020, build specific objectives for the year 2018,

Organization and Management Work

The company has reviewed and adjusted the development strategy for the period of 2019-2020, built specific objectives according to each business sector as basis for the establishment of plans and targets for 2019 and the following years.

- Making adjustments on organizational chart, re-arrange professional departments and assign reasonable functions and tasks at the parent company office.

- Salary and insurance: Stable and timely salary and income.

Planning and market work

Market research and development work

- Analyzing EVN's grid investment plan in 2018 and period of 2018-2020 as basis for building market plan and positioning.

- Summing up data and analyzing the market of solar power plant connection projects to take initiative in accessing and participating in new markets smoothly.

Planning and bidding work

- Overcoming difficult market conditions, positively improving construction results, especially in the last 6 months, the company won many bids of EPC, PC, construction and industrial production.

- Adjusting market allocation and increasing bidding efficiency of member units

- The formulation of strategies, plans and reports: Participating in building strategy of Power construction and Industrial production blocks as the basis for implementing long-term

adjusting strategy for the period of 2019-2020.

- Directing the planning, market development, expanding customers according to strategic objectives.

- Satisfying resources and successfully investing in hydropower plant projects and real estate projects.

- Enhancing cooperation and learning from domestic and foreign partners with the criteria of Integration, Trust and Development.

Actively improve the new salary regulation in the direction of creating work motivation; Implement regulations on internal management.

- Party and union work was being implemented well. Successfully organized PCC1 2018 sports festival and singing contest and aroused the solidarity, closeness, encouraged and created motivation for employees of the Company.

- Performing communication and internal information

plans of the Company. The system of forms for planning and reporting is regularly improved to provide accurate data, timely support for the decision-making process of the leaders of the Company and member units.

- Activities of managing contracts and payment, settlement with investors were always active and improved. The smooth coordination with the Site steering committees, Department of Technique and Technology and relevant departments and units helps promote the work of capital recovery and settlement to achieve good results.

- Internal payment and settlement: the cost plan for project supported well the process of signing contracts, assigning to internal units and subcontractors as well as controlling project costs. The work of internal settlement with subcontractors has been implemented in a timely manner to help the units take the initiative in production and construction.

Financial-accounting work

- Effective cash flow management.

- Financial work: Making and updating timely short, medium and long-term financial plans. Continuing to expand relationships with domestic banks and foreign banks to have competitive preferential policies. Efficiently managed cash flow ensures capital for business and investment activities on the basis of optimal financial costs. Completing capital increase as planned. Supporting member units in accessing and effectively using capital sources.

Technical engineering work

- Project management and operation: Ensuring progress, quality and OSH on construction sites. Completing 22 projects, handing over and settling 14 projects at the parent company.

- The Site steering committees step by step improve the activeness in the field operation and handling. The management and operation capacity of member units has been improved with 7/9 member units have been assigned to run bidding packages from the parent company.

- Technology research: Deploying the building of project man-

- Be active in advising timely and effectively for leaders in financial work and cost management.

- Accounting work: Summarizing data for timely administration. Completing the issuance of internal spending regulations. Ensuring accurate and timely accounting recognition, financial statements. Performing well tax inspection, tax refund, inventory and audit.

- High performance of capital recovery helps proactively finance and increase business efficiency

agement software and test run at the end of the fourth quarter 2018 which is expected to apply at the beginning of second quarter 2019. Carrying out the test of underground cable pulling robot and successfully testing tracking system for solar battery.

- OSH and training: The Department of Technique and Technology has maintained and promoted continuously the work of OSH supervision training, fostering, and coaching. No serious accidents occurred during the year

Procurement and management of materials - import and export

- Ensuring the supply of materials for construction and installation projects, ensuring proper, sufficient and timely industrial production.

- The supplier database is updated and shared in PCC1 system to help increase purchasing efficiency of member units. Materials management software initially promoted efficiency in management.

- Analysis and market forecast of materials and equipment is performed regularly. Accuracy of prediction is high which is basic for backup purchasing solutions.

- The management of sales contracts with domestic and foreign partners is well implemented; provision of materials and equipment ensures quality and time for production and construction units. Import contracts are implemented quickly and accurately to meet all procedural requirements and take advantages of tax incentives.

- The work of payment, settlement and capital recovery: There have improvements on the completion progress and existing problem solution.

Results in leadership and administration (continued)

General Administration work

- ISO work: taking charge of internal assessment of 8 member units of power construction block and the Company office. Supporting departments to supplement, improve, complete the ISO process system and set up rules and regulations of the Company.

- Performing internal inspections of management of 4 subsidiaries and inspection, settlement of 9 packages of PCC1 My Dinh Plaza 2 project. Contributing to complete the management of the Company and investment in a professional and effective manner.

- Risk management work: Organizing awareness training on

risk management to leaders and managers of parent companies and member units. Revising regulations on risk management process. Issuing a process for reviewing and signing contracts that helps to control critical risks.

- Legislation work: Reviewing legal documents of the Company. Updating and diffusing legal documents. Conducting legal consultancy activities.

- Maintaining relationships with investors, shareholders through different channels. Implementing information disclosure to ensure accuracy and timeliness as prescribed.

Construction and installation block

.Strategic work: has completed the development of strategy for the period of 2018-2022, the development plan of member units in the period of 2018-2020. Targets are allocated specifically to each department and unit. The positive implementation results of strategic objectives in 2018 created motivation and orientation for the next years.

- Market work on construction and installation: has many innovations and offered many solutions to access new markets and suitable new products. The total value of the contract signed in 2018 is the highest ever, in which EPC and PC contracts occupy a high proportion. For the market of renewable power plants, the company has signed two biggest EPC 220kV connection contracts with shortest execution time in renew-

able energy projects at the current stage.

- Management and administration work: Management capacity at member units has been significantly improved. Management system is unified from parent company to member units.

- Initially building a strategic relationship with manufacturers, big equipment suppliers, and strong brands inside and outside the country.

- Bidding capacity of member companies is improved and achieved positive results at some units. The total value of self-searching contracts which is forwarded to 2019 of subsidiaries is highest ever.

Industrial production block

- The Industrial production block has been active in the development of the block strategy for the period 2018 - 2022. The implementation process is always close to the issued strategic objectives. The results of implementing strategic objectives in 2018 achieved many positive signals which created a strong premise for 2019 and later years.

- Researching, transferring design and manufacturing new products to supplement supply capacity and create opportu-

nities for revenue and profit growth. Production lines existing in DAST and Yen plant are often upgraded and improved continuously.

- Promoting advantages in scale, product quality and customer reliability to continue to expand market share for traditional markets and new markets

- Coordinating well in the system to effectively implement EPC

Consultancy - Service block

Electrical work design consultancy

- Gradually improving the design capacity, building credibility and reliability with investors in the electricity

Managing operation and providing real estate project services

- Maintaining management and providing service of projects

with long-term goals.

- Coordinating with Real Estate Project Management Board in the work of project guarantee and maintenance.

- Exploiting assets and premises of the Company at projects.

- Improving management experience, providing building services.

Implementation of cooperation and partnership, association

-- Successfully cooperating and transferring design production technology of steel pipe tower from partner AG-Ajikawa Japan.

- Promoting cooperation, initially achieving some results with international brand electrical equipment manufacturers, following the company's development goals.

- Having successfully cooperated with foreign partners in the field of supplying and transferring production and construction equipment and equipment for factories invested by PC1.

Investment in real estate business

Developed specific strategies, clearly identified objectives. Efforted to focus on implementing and accomplishing the main objectives.

- My Dinh Plaza 2 project: handed over and put into use on time in May 2018.

- Sales and customer care: building policies and implementing effective sales programs. Up to Decemehr 31, 2018, My Dinh Plaza project 2 has been sold 98% of the total number of project apartments. Completed the apartment ownership certificates for about 80% of apartments. The project was well received and appreciated by the market. Turnover and profits completed the year plan.

- Project development:

+ PCC1 Vinh Hung project: Completed geological survey drilling for design.

+ Thanh Xuan PCC1 project: completed 98.6% of the 2018 plan.

- Thang Long PCC1 project: Being implemented investment

preparation phase.

Energy investment

- Completed building of quantitative, challenging and realistic strategic goals. The implementation of 2018 goals has completed and exceeded basic targets.

- Management of consulting contracts: Promoted well design capacity and initiative of the project management consultants in handling arising problems to ensure the project progress. The synchronous design between work items was thoroughly implemented to help shorten the progress of project implementation, control and save costs, improve investment efficiency.

- Construction execution management: Progress and quality of works were well controlled. Supervisors and consultants of investors always monitored the construction site, proactively solved problems and suggestions of contractors.

- Procurement: Progress of equipment supply satisfied the general construction schedule. Equipment satisfied requirement of high quality.

- Plant operation: Mastering technological equipment, improving production efficiency. Electricity output exceeded the design output. Small repairs were always active to ensure the maximum hours of generation. Specialized procedures were fully implemented. Bao Lam Hydropower Joint Stock Company has conducted the compilation of operation and repair procedures as well as trained the next operating teams.

- Development of new projects: actively and proactively researched new forms of energy such as hydropower and wind power. Implemented additional planning of new projects in the northern mountainous provinces to serve the development strategy of the Company.

Implementation of plan 2019

Organization and management work

- Arrange the organizational chart of the Company, recruit and train to meet the current additional human resources and meet the development requirements of the following years.
- Continue to improve management capacity and scale of units in the power construction block; Change operation model of Yen Thuong plant.
- Perform transition tasks from 2018:
- + Strengthen the personnel apparatus of some departments and units.

- + Complete and apply some salary regulations and internal regulations.
- + Promote movement, competition and emulation, reward regularly, closely and effectively.
- + Deploy concentrated training plan, on-the-job training to improve the quality of human resources.
- + Attach activities of HR Department to meet the tasks in strategic objectives: Creating work motivation and corporate culture.

Economic work, planning.

- Market, bidding work for construction and industrial production:
- + Adjust the market target of EVN areas according to the investment plan of 2019 and the following years.
- + Actively participate in markets outside EVN with potential such as wind power, solar power, industrial zones, large real estate projects and budget projects in big cities. Steadily participate in foreign markets.
- Human resources for market and bidding work: Timely supplement and train personnel with high professional qualifica-

- tions. Arrange effectively the operation model of the bidding department, EPC, PC contract management, commercial activities that supply electrical equipment and materials.
- Solutions to ensure revenue and profit plan.
- Invest in advanced software to support planning, online bidding, and contract management, construction management of EPC and PC projects.
- Perform well the payment, settlement and periodic reporting.

Financial - accounting work.

- Control cash flow effectively, ensure capital for business and investment activities of the Company.
- Perform financial statements, auditing report and information disclosure according to regulations.
- Timely update financial plans, periodic and extraordinary reports, analyze financial risk forecasts and accurately consult for leaders in financial and governance decisions.
- Continue to expand relationships with credit institutions to mobilize short and long-term capital sources with the lowest costs.
- Fully implement accounting activities in accordance with the

- law.
- Prepare internal reports, monitor and compare debt collection.
- Implement and support units to implement financial strategies of business fields. Propose and develop effective capital recovery solutions.
- Update policies and regulations of the law, develop internal regulations and provide professional guidance for accounting units.

Research and development work.

- Improve the capacity of employees to meet the requirements of applied research tasks.
- Coordinate in the system, study the identified target market.
- Analyze the effects of international cooperation agreements, the revolution of technology 4.0.

- Implement research on new products and technologies in interested areas of of PC1.
- Focus more on the effectiveness of PC1 strategy implementation.
- Effectively manage specific projects and contracts.

General management work.

- Organize the implementation of strategic solutions on governance throughout the Company.
- Expand internal inspection programs and investment capital settlement and inspection.
- Analyze reports and advise the BOD on investment in new projects.
- ISO work: Review, evaluate and re-systemize corporate governance documents. Organize the establishment, application and improvement of processes in the system.

- Risk management work: Develop documents and risk management apparatus; Guide training to improve risk management capacity for relevant employees; Implement and evaluate initially risk management system.
- Legislation: Update in a timely manner relevant legal documents. Participate and support legal activities and contracts in the Company.
- Contact with investors and disclose information: Improve contact and information activities to investors. Increase the frequency of information disclosure to investors.



“ Plan: Revenue in 2019 will reach VND 6,042 billion, increase 19% compared to 2018
 Plan: After-tax profit in 2019 will reach VND 424 billion ”

Mission 2019**Mission of construction and machine installation block*****“Revenue breakthrough and profit margin improvement”***

- Keep abreast of the strategy 2018 - 2022, issue the 2019 targets of the block and deploy specific targets to the departments. Continue to support member units to deploy their development plans.
- Strengthen relations with traditional customers, actively approach customers outside the industry. Take advantage of renewable energy market opportunities and projects of industrial zones and high-tech zones.
- Improve the management capacity of large-scale projects, multi projects at the same time of both parent company and member units. Have solution to increase construction capacity in the whole the system.
- Continue to invest in machinery and equipment for each construction product line. Effectively apply project management software.

The task of industrial production block***“High growth in revenue, new product development, profit margin improvement ”***

- Implement the strategy for the period 2018 - 2022, detailed implementation for 2019.
- Promote bidding packages of steel pipe towers supply.
- Maximize the opportunity to participate in specific projects. Cooperate and exploit foreign markets.
- Organize production efficiently, safely, ensure quality, and satisfy the rigorous progress of special projects, renewable electricity projects and national key projects.
- Improve the capacity of self-searching contracts and production capacity of Yen Thuong plant.

Energy Investment***“Locate a new investment phase”***

- Analysis and selection of new energy investments to ensure the target of generating capacity of 600MW by 2025. Continue to analyze and invest in new projects in hydropower, solar and wind power.
- Continue to arrange and organize management board leaders. Training, improving skills and creative ability for project staff. Applying technology in managing and implementing QLDA PMI standards effectively in a number of processes.
- Standardize long-term investment plans, complete investment preparation procedures and prepare sufficient resources to implement the next projects.
- Good quality control, problems, striving to shorten the progress of the project being constructed and the project about to generate electricity.
- Complete settlement and audit of Bao Lam 3 and 3A hydropower projects.

Reliable and efficient operation of 5 power generation plants.

Real estate investment and trading***“Affirming as reliable investor”***

- Focus on implementing the strategic goals of the real estate sector; strengthen the synchronization between departments to fulfill the targets 2019.
- Continue to improve the project management capacity of the Management Board to be able to deploy many projects simultaneously.
- Continue to develop new projects. Implement investment preparation procedures for 2 projects which are PCC1 Vinh Hung and PCC1 Thang Long. Implement plan to commence two projects in the third and fourth quarters of 2019.
- Select reliable contractors; well control the quality and schedule of work items.
- Complete sales of projects completed in first quarter 2019, recover capital, settle My Dinh Plaza project 2. Develop a timely and effective sales plan for Thanh Xuan PCC1 project.
- Strictly comply with the commitment to after-sales service: warrant, maintain, grant land use right certificates, house ownership and building management services. Continue to affirm the investor’s reputation of PCC1.

Investing capital in other areas

- Analyze and evaluate the efficiency of capital invested in affiliated companies, manage the invested capital. Develop plans to continue maintaining, withdrawing capital or continue to invest depending on each specific case.
- Analyze and decide to invest capital in companies that the State withdraw capital in the strategic orientation of PC1.

Consultancy and service block**Electrical work design consultancy**

- Implement plans to improve design capacity, scale and position with investors inside and outside EVN.
- Coordinate synchronously and effectively for PCC1 and member companies.

About providing building and residential management services

- Continue to improve the capacity, management scale, professionalism for staff.
- Standardize operating procedures and service provision. Apply advanced management software.
- Effectively exploit the Company’s assets in completed projects.
- Prepare to receive and manage Thanh Xuan PCC1 project in the fourth quarter 2019.

Site clearance consultancy

- Focus on the key tasks which are site clearance for projects invested by PCC1, key power grid projects that PCC1 participated in construction.
- Participate in site clearance consultancy contracts for key projects in the electricity industry.

Deputy General Director

REPORT OF THE BOARD OF DIRECTORS

Members of the Board of Directors

Full name	Position	Number of holding shares	Ownership Ratio
Mr. Trinh Van Tuan	General Director	23,441,482	17.66%
Mr. Nguyen Minh De	Deputy General Director	1,717,960	1.29%
Mr. Vu Van Tu	Deputy General Director	308,424	0.23%
Mr. Vo Hong Quang	Deputy General Director	2,472,063	1.86%
Ms. Nguyen Thi Huong	Member of the board of director	1,493,003	1.12%

Business environment characteristics 2018

Factors affecting business activities of the Company

PCC1 fulfilled its target plan for 2018 to stick to the strategy for the period 2018 - 2022 with opportunities and challenges intertwined. With its efforts, creativity and determination of the Executive Board, the leaders of the departments together with the member units have promoted the distinctive position and capacity of PCC1, the final revenue result of the company has surpassed over VND 5,000 billion, which exceeds the setout plan.

* Factors that positively affected 2018 business results and plan preparation for 2019:

Results in leadership and administration

The Board of Directors continued to affirm its leadership role together with the efforts and capacity of the leading staff of Departments, Divisions, the efforts of the member units, staffs of the company, implemented strategic objectives, continued to affirm PCC1's position and image in the market, overcame difficulties and control business and investment activities, whereby some important results are achieved. as follows:

- Business results of Power Generation and Real Estate Blocks achieved good results, exceeding revenue and profit targets. Commercial business block exceeded revenue plan.

- The efforts, determination, timely innovation of the company's Executive Board, leaders of specialized departments, high effort of the units. In which, the electrical construction division has taken the chance and firstly succeeded with the projects of the investors outside the industry, especially solar power plants, wind power, specific projects, high-tech projects in the industry, start developing commercial business.

- Completed adjustment of the Company's strategic report 2018-2022, vision to 2030; implementing to achieve targets of 2018 for business and investment sectors.

- Continued to improve professional management and executive capabilities throughout the company.

- Always be exemplary, promoted the core values of the company: creativity - speed - Reliability to create a driving force,

Results in leadership and administration

actively contributed to solving difficulties and promoting the system to achieve important targets.

- Adjusted the management diagram, established new EPC management department at the right time, overcame the overload in bidding work, developed effectively the installation market outside the industry, the advantages of contracts EPC, increased the scale of general construction contractors in the long term.

- Directed the application of advanced construction solutions, investment and efficient operation of new machinery and

equipment, developed new products in production and construction;

- Consistently and closely guided the target of energy investment and real estate investment for the 2018 plan and promote long-term investment plans.

Report on the implementation of charter capital increase

In 2018, the Company successfully completed the plan to increase the company's charter capital from VND 1,154,528 million to VND 1,327,707 million through paying dividends in shares at the rate of 15%.



Business orientation in 2019

Identifying the situation in 2019

The positive results achieved in all aspects of 2018 are very important, creating an exciting atmosphere, excitedly inspiring confidence in the strategic success and future development of PCC1.

Entering 2019 in the context of the international and domestic situation forecasted to continue to be complicated and unpredictable with opportunities and difficulties, intertwined challenges. The world economy has slowed down, while fluctuations in exchange rates, interest rates and risks in the international financial and monetary markets have increased.

Vietnam economy 2019 is forecasted to have many advantages, stability and positivity. The Government’s goal is 6.8% GDP growth; Consumer Price Index (CPI) is below 4% on average; The total social investment and development capital is about 33-34% of GDP; credit growth of 14%.

EVN investment in 2019

- Total investment of electricity source decreased by 27% compared to 2018, investment value: VND 20,337 billion.
- Total investment of electricity grid increased by 8.2% compared to 2018, investment value: 48,617 billion. In which investment of corporations is:
 - + EVN NPT: VND 12,650 billion, increased 22.3%;
 - + EVN HCM: VND 4,106 billion, increased 15%;
 - + EVN NPC: VND 11,598 billion, decreased 14.3%;
 - + EVN SPC: VND 8,785 billion, increased 30.3%;
 - + EVN CPC: VND 5,816 billion, increased 5.7%;
 - + EVN HN: VND 5,662 billion, increased 8.2%;
- Demand to increase the load of electricity in the coming years remains high, the load growth forecast in 2019 is about 9.9% compared to 2018.
- Investing in solar power tends to slow down compared to 2018 but the level of interest of foreign investors is still high,

wind power continues to be concerned by many investors. Attracting FDI, industrial parks and urban areas are forecast to continue to grow. The state continues to divest from state-owned companies are good opportunities for PCC1

Opportunities in 2019

- Increasing demand for electricity load and continuing to maintain in the long term, the investment value of the electricity industry is maintained at a high level, high attractiveness of investment in wind and solar power projects: investment opportunities and growth of construction and production revenue from the electricity industry.
- The trend of applying EPC and PC selection method with increasing power projects both inside and outside EVN: Opportunities to promote the strength of PCC1.
- Demand for development of specific projects, investment in underground cable projects, GIS stations increased: Opportunities to promote the strength of PCC1.
- Real estate market tightens new project development conditions and market demand remains high: Opportunities for PCC1 to have resources and reputation in the market.

Some challenges:

- International integration is getting more and more extensive, the roadmap to reduce import tax according to Vietnam’s commitment, domestic rivals develop rapidly in both quantity and capacity, leading to an increase in the level of competition for PCC1.
- The world economy slows down, political and trade conflicts happen leading to fluctuations in exchange rates, international financial and monetary markets and high domestic interest rates.
- Strategic objectives of the company on the average growth rate of years are at high level: revenue of 20% / year, profit after tax / revenue of over 8% while the annual GDP growth of the country is just below 7% are a big challenge to achieve the strategic goal.

Objectives and targets for 2019

Basic objectives

- Keep abreast of strategic objectives 2018-2022 with a vision to 2030, maintain an average revenue growth rate of 20% / year; Profit after tax / annual average revenue of 8% or more.
- Maintain the scale and speed of energy investment, complete the annual investment targets of real estate projects according to the strategic objectives set-out.
- Continue to affirm its prestige and maintain the No. 1 position in Vietnam in the field of construction of power grids, design and manufacture of high-voltage and super-high-voltage electric poles.

Basic plan targets

The company has determined to strive to implement the targets:

1. Business value of VND 8,325.34 billion VND; 58% increase compared to 2018.
2. Revenue of VND 6,042.94 billion; up 19% compared to 2018.
3. Profit after tax: VND 423,86 billion;
4. Deductions for budget: VND 249.32 billion.
5. Total fund: VND 232.10 billion.
6. Average income of employees: VND 14.37 million / person / month - increase 14%..

Mission plan of 2019

Key task of 2019

The motto of the year is::

“Developing resources - Controlling growth quality and speed”

Key tasks:

- Continue to improve the system management capacity through: Quality of human resources; Application of advanced management software; Improvement of staff income and development of company culture.
 - Quickly and successfully deploy solutions to improve construction capacity, steel tower production capacity, meeting the high growth target of 02 traditional business sectors.
 - Expand the scale of industrial production, successfully develop the products of steel pipe towers widely on the market.
 - Invest in Energy and Real Estate: Effectively operate completed projects, control the progress, quality and cost of the project being invested. Successfully develop new projects according to strategic objectives.
 - Effectively controlling the cash flow, meeting the capital availability, maintaining good stock prices on the stock market.
 - The 2019 planning task is feasible but challenging, requiring the Leadership team to be united, exemplary, creative and accountable; All employees of the company are confident, making more efforts, proactive and have continuous improvements, innovation in thinking and actions, determine to successfully achieve the objectives and tasks of the 2019 plan.
- mục tiêu nhiệm vụ kế hoạch năm 2019 .

“High growth in revenue, new product development, profit margin improvement”





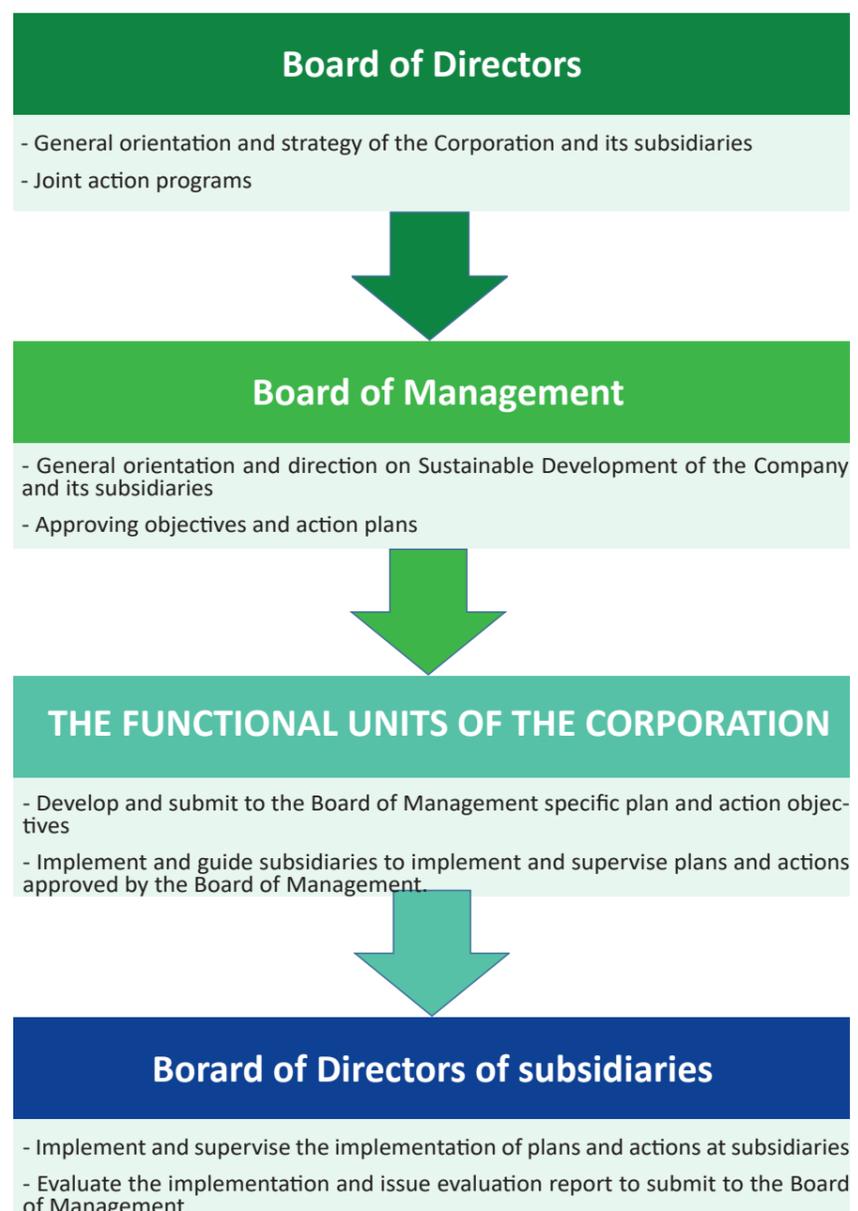
**SUSTAINABLE
DEVELOPMENT REPORT**

SUSTAINABLE DEVELOPMENT OVERVIEW AT PC1

With the goal of becoming a leading company in the electrical construction industry and expanding to other fields, PC1 always pays great attention to building the business in a stable and sustainable direction, bringing the highest satisfaction to shareholders, creating a professional and safe working environment for employees, ensuring harmonization of interests for stakeholders and contributing positively to the development of the community. PC1 hopes to contribute to the country's socio-economic development. In 2018, PC1 continued to deploy and develop policies and solutions to better meet current sustainable development standards.

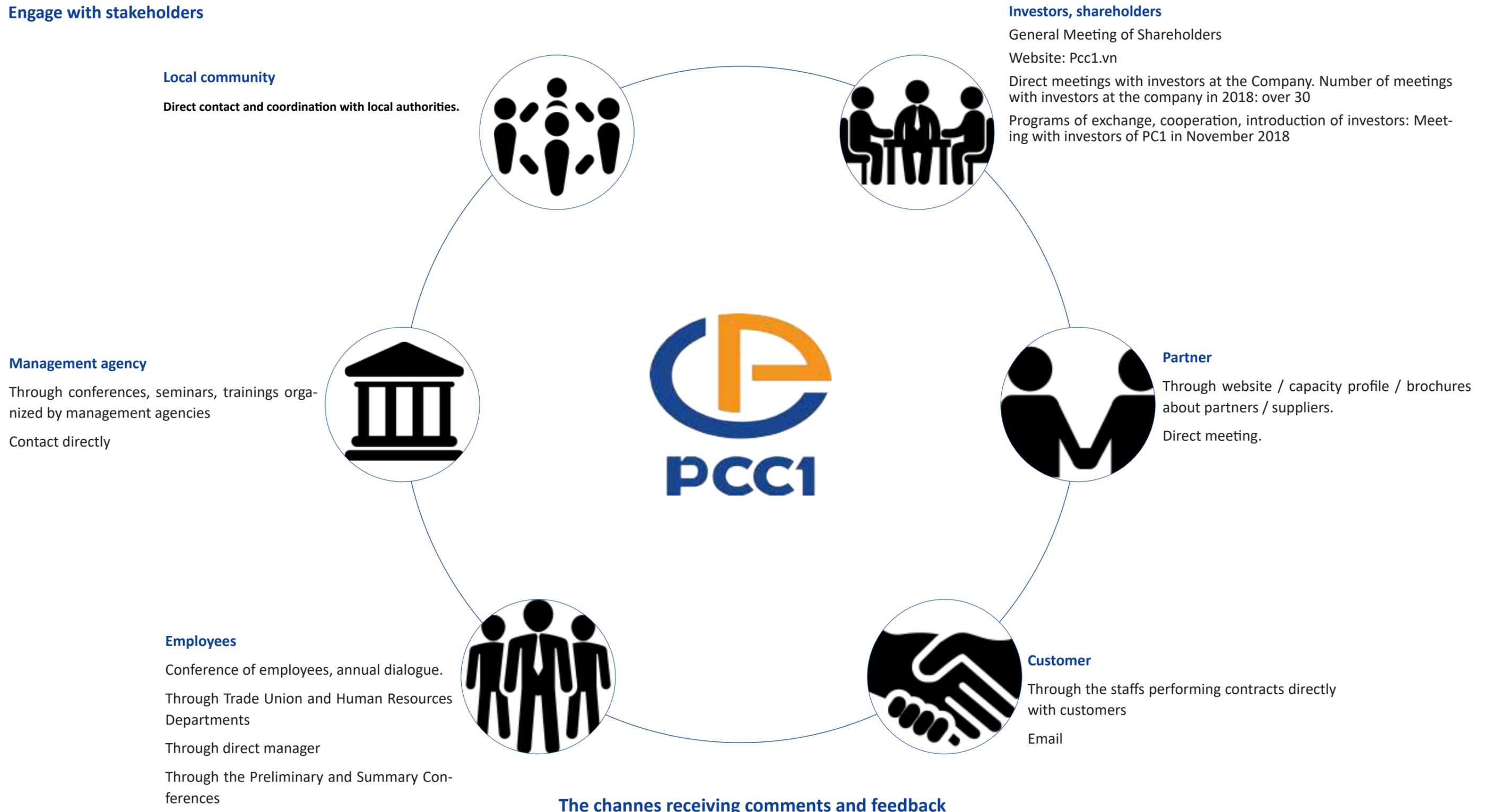
Sustainable development management model

PC1 always attaches a sustainable development strategy to its overall development strategy of to ensure long-term growth. In addition, PC1 wishes to create values for society and the environment, meet expectations and fulfill obligations and rights to stakeholders. Since then, the action plans are based on the active and positive sharing of stakeholders to quickly detect issues that need to be changed and developed to improve the policies of the company nowadays.



EVALUATION OF IMPLEMENTATION SUSTAINABLE DEVELOPMENT AT PC1

Engage with stakeholders



Evaluate the performance of PC1 with related parties

Investors, shareholders

Expectations

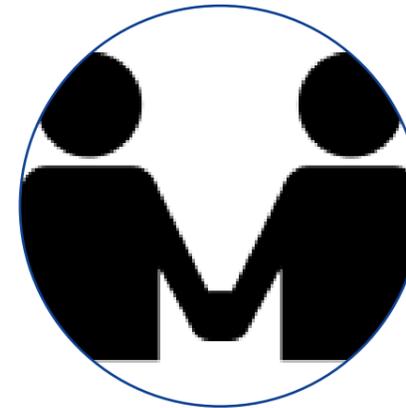
- Positive business results
- Transparent information disclosure
- Growth and administration capabilities
- Dividend policy

Results

- Total revenue increased by 60.80%
- Profit after tax increased by 91.79%
- Top 30 best annual reports of 2017
- ROE reached 14.84%, EPS reached VND 3,698 / share
- Ensured dividend payment of 20%, reached 133% of the plan at the beginning of the year
- In 2018, PC1 Investor Relations Department held 30 meetings with investors

Development solution

- Focusing all resources on completing business plans
- Actively making information right, sufficient and timely
- Continuously improving and developing the management system
- Implementing commitments on dividends



Partner

Expectations

- Ensure to comply with the commitments of the contracts
- Sign and implement contracts to comply with the law, ensuring payment schedule.

Results

- Supplier selection process always ensured transparency when conducting capacity assessment, the selection was based on public competitive bidding.
- Internal control controls the implementation of the Contract signed with information providers.

Development solution

- Develop a process of evaluating supplier selection
- The contracts are reviewed carefully to ensure compliance with the law before signing.
- Conduct internal controls on the contract implementation process with suppliers

Customer

Expectations

- Completing the schedule of winning projects with the highest quality

Results

- The projects that PC1 participated in were on schedule and the quality has been verified over the years

Development solution

- Increase investment, research new construction technologies to apply to practical activities to improve productivity of business activities



Evaluate the performance of PC1 with related parties

Employees

Expectations

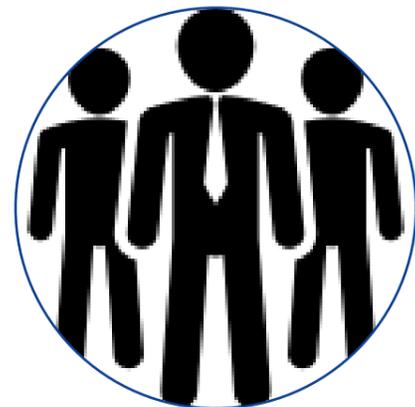
- Ensure employment stability
- Income consistent with capacity and growth over the years
- Ensure welfare regime (retirement, maternity, insurance, travel, etc.)
- Concern about health, working environment and occupational safety
- There are opportunities to learn and develop
- Justice, contributions, achievements are recorded

Results

- Business growth was good in 2018, creating stable employment opportunities for employees. Created more job opportunities in the year with the recruitment of 38 more people, equivalent to 2.82%
- Made payment on time, paid rewards worthy of contributions to the company. In 2018, the average income of employees increased by 2.9% compared to 2017.
- Fully paid compulsory insurance regimes including health, social and unemployment insurance.
- Fully equip with labor protection for employees

Development solution

- Expand business activities to create stable job opportunities for employees
- Have effective business to ensure stable income for employees
- Regularly review and adjust the competitive remuneration policy, in accordance with the general trend of the market
- Equip employees with social insurance, health insurance and unemployment insurance policies according to the State's regulations
- Develop emulation and honor programs, work-based payroll mechanisms to create internal justice
- Invest in budget for training, encouraging and creating conditions for employees to study and improve their professional qualifications.
- Invest budget and create conditions for trade unions and youth groups to promote their role in order to build a friendly and open working environment



Management agency

Expectations

- Comply with the law and tax obligations of the state
- Actively contribute ideas to build and develop construction industry in Vietnam

Result

- Always complied with regulations of laws and policies of the State
- 2018: Deposited to the state budget VND 252.60 billion.

Development solution

- Comply with legal regulations
- Fully contribute to the state budget
- Hire legal consultants
- Participate in forums; contribute ideas to develop management policies of the state.

Community

Expectations

- Basic living conditions of people in remote areas are guaranteed
- Investment in education, future generations
- Localities damaged by natural disasters need to be supported to overcome the consequences
- Implement well regulations on environmental protection and energy saving.

Development solution

- Support disadvantaged people through volunteer programs
- Support the local community through building and supporting basic living conditions, health care for people in remote areas where the company has production and business activities
- Comply with local government regulations on environmental protection
- Propose and implement solutions in production and business to save electricity and water resources



Economic performance

- In 2018, PC1 made efforts to concentrate all resources, promote internal traditions and capacities, along with synchronous implementation of business solutions in order to best accomplish the goals that approved by the general meeting of shareholders. This is a key factor for PC1 to fulfill its responsibilities with stakeholders, thereby aiming at sustainable development.
- Net revenue in the year reached VND 5,084 billion, increased 61% compared to 2017 and reached 90% of the year plan. Profit after tax of parent company reached VND 466 billion, equal to 102% of the plan and 197.14% compared to the same period last year.
- Total assets of 2018 reached VND 6,597 billion, an increase of VND 383 billion, equivalent to 6.16% compared to 2017. This growth represents the stability and sustainability of PC1's operation.
- The operational safety ratios of the company are at a good

level when the index of payment capacity is greater than 1. The debt to total assets ratio is always below 0.5. These are very safe numbers compared to other companies in the same industry, demonstrating that the company has a healthy financial situation, well controls investment and payment risks, and activities of the company

- Not only fulfilling the financial targets, PC1 continuously improved the management policies, operational models, and enhanced the transparency in the Company's operations to help shareholders and investors see the the core values that the Company has built over the years. In 2017, PC1 was in the top 30 listed companies with the best annual reports on the market.

- PC1 always keeps prestigious relationships and develops with customers and partners. Projects participated by PC1 (construction, real estate, etc.) all ensure the schedule and quality of products and services



Use of energy

- Currently, PC1 is doing multi-sector business with 4 main areas of construction which are construction, energy investment, real estate and industrial production. Much energy is needed therefore.



For office:

Lighting systems

PC1 installs and upgrades the entire lighting system with energy-saving devices (economical compact bulbs, auto-on lights, etc.)

- Building office buildings in the direction of making the most of natural light instead of using lighting system.

- Regulations to turn off the entire electrical system after melting

Air conditioning system

- Periodically maintain the system every 6 months to maintain maximum performance for the system and save energy.

- Maintain a suitable temperature of 24-27 degrees Celsius, avoid too much difference with the outside temperature

- Turn off the entire air conditioning system after 6 pm

- Regulations on closing windows while the air conditioner is working.



For production sector

5S standard

5S is the basic foundation for implementing quality assurance systems from the perspective: If working in a healthy, clean, airy, convenient environment, the spirit will be more comfortable and labor productivity will be higher as well and easy to apply more effective quality management system. 5S method was developed by Japanese people and they are also very proud when the whole world has applied their method. 5S is the first letter of the following Japanese words: "SERI"; "SEITON"; "SEISO"; "SEIKETSU" and "SHITSUKE". "SERI"; "SEITON"; "SEISO"; "SEIKETSU" và "SHITSUKE".

Use of water, waste water and waste

Because of a common goal of global environmental protection, PC1 continuously offers policies to maintain the assessment of water use, the impact of waste water, waste to the environment through input control (water) and output (waste from the operation of the office block and especially the industrial production block. The type of waste and garbage that is potentially harmful to the environment is actively handled by PC1 in 2018.

Water saving measures used by the Company

- Using water-saving toilets (automatic shut-off water drain hose, automatic exhaust water tank, so on)
- Regularly carry out water leak inspection activities and take timely measures.
- Reuse water for other activities of the company and factory.
- Do not use toilet water for other purposes.

Dong Anh steel tower manufacturing plant

Dong Anh steel tower manufacturing plant has granted two certificates of ISO 9001: 2015 on February 28, 2018 and ISO 14001: 2015 on April 9, 2018, by AFNOR organization - a member of one of the largest certification organizations are recognized internationally.



Use of water, waste water and waste (continued)

In 2018, the Company issued many decisions related to the management of quality, environment and specific implementation measures for Dong Anh steel tower manufacturing plant as follows:

DONG ANH STEEL TOWER MANUFACTURING COMPANY LIMITED		QUALITY OBJECTIVES, ENVIRONMENT AND IMPLEMENTATION MEASURES		
Targets	Actions	Performance		
		Schedule	Duty	Doc't
Maintain the rate of inappropriate products under 0.2%	Control the process	Continuity	Departments	Reports on performance targets, remedial and improvement reports
	Promptly take corrective action, do not let mass errors occur.	Daily	The QA board and related departments	Report on remedies and improvements
	Control products from input materials to delivery to customers	Daily	The QA board and related departments	Input check card and working minutes
	Training	Under training plan of departments	Departments	Training records
Ensure the 100% of customer satisfaction	Quality control of products of the Plant and subcontractors	Daily	The QA board, Production board and Business board	Report, check products, working minutes
	Ensure the 100% of delivery schedule of projects	Daily	Production board and Business board	Report production progress
	Solve customer complaints	As soon as there are complaints	Business board and related	Report customer complaints handling
100% of all types of waste are classified, collected and processed according to regulations	Control the waste sorting process	Daily	Departments	Inspection minutes
	Contract with units that have enough functionality to handle waste	Continuity	Production Department, Human Resource Department	Contracts, lists of volumes of waste to be processed
	Training for new employees, who do not perform well	When there are new employees	Human Resource Department	Training records

4) Tạo môi trường làm việc an toàn, không để xảy ra tai nạn lao động nghiêm trọng	Maintenance of safety equipment at machines, verification of equipment with strict labor safety requirements	Maintenance and inspection plan	Mechanical and electrical workshop, Technical design board	Device profile
	Equip labor protection equipment for workers	Continuity	Production, Purchasing department	Documents to monitor the work of providing labor protection equipment
	Training on Hygiene and Occupational Safety	According to the annual plan	Person in charge of safety, Administrative and Personnel	Training records
	Periodic training on emergency situations (Fire, chemical spill, etc.)	According to the annual plan	Production Department, Person in charge of safety, Administrative and Personnel department	Training plan and training results

Environmental compliance

In 2018, PC1 did not record any reports / announcements relating to violations of the Environmental Laws and Regulations.

- PC1 continuously implements programs to encourage employees to regularly clean the working corner, arrange materials in a scientific way. In addition, PC1 launched 2 internal programs related to Energy Saving and Environmental Protection. The messages of the programs are widely spread and received positive feedback from the Company's employees



Work

Number of employees and income levels

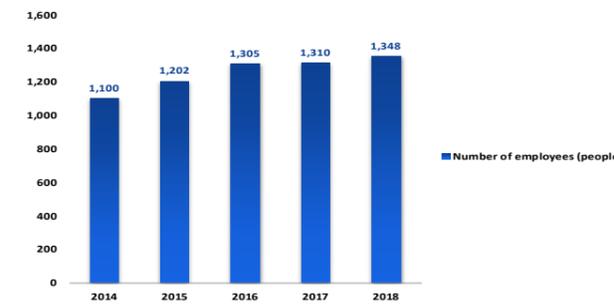
The total number of employees at PC1 in 2018 is 1,348 people, increasing 2.9% compared to 2017. Most of these are human resources with many special experiences and expertise who are suitable to each production and business sector of the company. The average salary of workers is also improved when continuously for 5 consecutive years this number tends to increase

In the structure of labor, men account for 82.79% while women account for only 17.21%, the reason for this difference is due to the specific of construction sector, hydroelectricity sec-

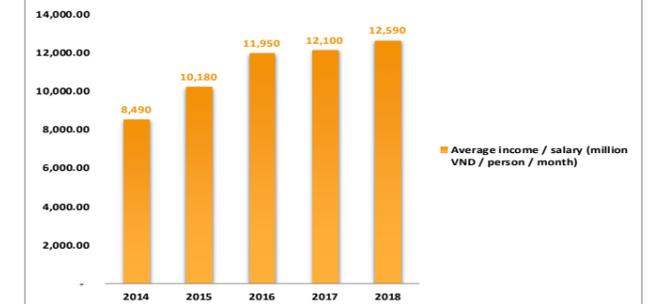
tor and production sectors of the company that need a lot of men.; while women work mainly in office blocks. The rate of workers with university and postgraduate qualifications is above 40%, rate of workers with college and professional education accounts for 15.80% and the highest rate is primary qualifications and technical workers with 43.69%. The structure of labor by age is kept at a balanced level when the number of employees from 25-35 years old and the number of employees over 35 years old accounts for more than 40%, indicating that the Company has a harmonious combination of experience and youth creating strong and safe resilience for the Company in the current unpredictable market.

Indicator	2014	2015	2016	2017	2018
Number of employees (people)	1,100	1,202	1,305	1,310	1,348
Average income / salary (million VND / person / month)	8,490	10,180	11,950	12,100	12,590

Number of employees over the years



Average income

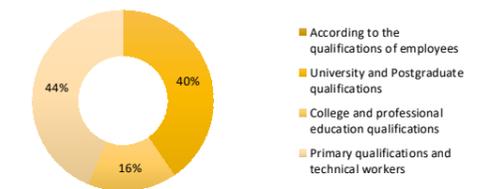


Work (continued)

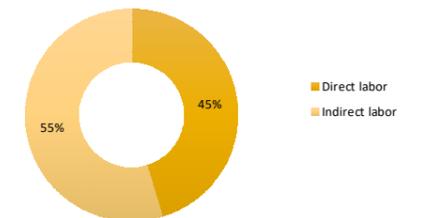
Labor structure

Indicator	2017	2018	Proportion 2018
According to the qualifications of employees	1,310	1,348	100%
University and Postgraduate qualifications	501	546	40.50%
College and professional education qualifications	205	213	15.80%
Primary qualifications and technical workers	604	589	43.69%
Unskilled labor	-	-	0.00%
According to the labor object	1,310	1,348	100%
Direct labor	583	611	45.33%
Indirect labor	727	737	54.67%
According to gender	1,310	1,348	100%
Male	1,082	1,116	82.79%
Female	228	232	17.21%
According to age	1,310	1,348	100%
Under 25 years old	181	113	8.38%
From 25-35 years old	554	567	42.06%
Above 35	575	668	49.55%

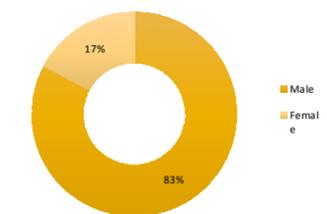
According to the qualifications of employees



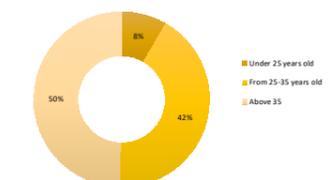
According to the labor object



According to gender



Cơ cấu lao động theo độ tuổi



Safety, health and welfare of workers

Ensure labor safety

In order to minimize the risks in the production and construction process, PC1 builds a safe operating procedure for employees in accordance with the standards of the authorities, complying with safety regulations on labor. The company issued internal rules on occupational safety and environmental sanitation, regularly checked and evaluated the work performed at construction sites, organized training courses, training hygiene safety, prevented accidents for workers; equip labor protection equipment such as clothing, hats, shoes, so on fully and promptly according to the nature of work, according to the provisions of the labor law; invest and improve technology in production to ensure safety for employees.



Commitment of PC1

PC1's human resources are considered the most valuable asset. PC1 always puts the issue of occupational health and environment at the top priority and considers it the responsibility of PC1 in ensuring that working conditions will not affect the health and safety of labor without harmfulness to the environment.

Occupational health safety and environment is considered a prerequisite for the whole operation of the Company.

There is nobody is required to work in an unsafe environment.

Policies and regulations on occupational health and safety

The system of occupational health and environmental safety management policies has been documented, applied and continuously improved.

Occupational and environmental health and safety at all workplaces (construction sites, factories, offices ...) is done through setting standards, policies and coordination with customers and stakeholders to apply construction processes, appropriate production processes; commit to comply with the regulations of the State of Vietnam.

Occupational health and environmental safety in the Company's activities is implemented synchronously by focusing on construction methods, using equipment and machinery and by creating motivation and continuous training whole staff.

Continuous improvement: requires all workforces to comply with policies, procedures, regulations, assessments and con-

tinually improve how to perform occupational health and environmental safety.

Policy of salary, bonus and welfare

PC1 developed remuneration policies based on the criteria: capacity, work efficiency, level of contribution to the overall development of the Company. All employees is considered to annual increase annual salary in accordance with regulations and salary regulations, depending on according to the complexity of the job that has the corresponding salary level.

All welfare, health insurance, social insurance and unemployment insurance regimes are implemented by PC1 in accordance with the current regulations of the State. Income is paid stably and timely. Social insurance and health insurance policies are well maintained. Organize periodic health examinations at prestigious hospitals for 100% of employees. In addition, employees also enjoy benefits such as bonuses on major holidays, participation in excursion tourism, vacation tours.

Good implementation of democratic regulations, collective labor agreements throughout the Company. In addition, the interest, support and visitation regimes when employees got sickness. There is special attention and timely by the company and the union to mobilize employees. Each activity, every movement shows its own culture, is the encouragement of the Executive Board, encouraging each staff to strive for a sustainable development.

Training

PC1 encourages and facilitates staff to maximize their capabilities at work. The company organized staff to participate in training courses, including technical training abroad to improve quality, enhance expertise and promote the potential available in each individual. In 2018, PC1 organized a centralized training course and individual training programs for individual units. Some training programs in 2018 with the following contents:

Changing the leadership model (Leader Mindset) trained by TOPPION Education Development Investment Joint Stock Company;

- Guidance on building 3P salary mechanism
- Training quality management system according to international standards ISO 9001: 2015 version
- Internal audit skills ISO 9001-2015 trained by BSI;
- Standard project management PMI- Institute of FMIT - JSC Training and international consultancy FMIT
- English standard for output TOEIC 500- AROMA English Center
- Training and guidance on strategy implementation.



Diversity and equality

No discrimination

All employees at PC1 are treated equally, without discrimination in terms of gender, ethnicity, color, social composition, marital status, beliefs, religion, health status. PC1 always adheres to the principle of men and women equality in recruitment, job assignment, working time, rest time, salary increase, planning and appointment ... It can be seen that gender equality is one of the priorities of the Company in human resource development strategy as well as annual personnel plans.

Ensure gender equality

The company also focuses on gender equality - protecting women's rights, with the following evidence:

- The average salary of female workers is equivalent to the average salary of male workers.
- Women workers do not encounter any barriers in their work and career development.
- Every year, the Company has programs dedicated to women on the occasion of International Women's (8/03) and Vietnamese Women's Day (20/10).



Collective activities

In addition to paying attention to the material life, PC1 always pays attention to taking care of the spiritual life of employees in the company. A series of activities are organized from sports, tourism, entertainment, etc. The following are typical collective activities organized by the Company in 2018.



PC1 2018 Sports Congress



Hoạt động tập thể (tiếp theo)



Exchange with the Union of Vietnam Industrial Construction Joint Stock Corporation



Mong An hydroelectric football tournament expanded 2018



Travel to Vinpearl Land

Local community

Social sponsorship in Cao Bang province

On 24 and 25 November 2018, Mr. Trinh Van Tuan - Chairman of the Board - General Director of PC1 attended the event of promoting trade and tourism investment in Cao Bang province..

In the presentation at this conference, Mr. Trinh Van Tuan proposed to the authorities, especially Cao Bang province to further improve legal procedures for investment and support for clearance work for projects that businesses are and will invest in the future. The General Director of PC1 also pledged the responsibility of Power Construction Joint Stock Company I in the process of project investment as well as the safe and efficient operation of factories, commitment to long-term cooperation with the provincial socio-economic development strategy. At the conference, PC1 contributed VND 1.2 billion to the Social Security activities of Cao Bang province. In the years from 2014 up to now, PC1 has annually performed well the work of Social Security in Cao Bang with annual support from several hundred million to several billion VND / year.

At Cao Bang Tourism and Trade Investment Promotion Conference, PC1 was awarded an Investment Certificate for major projects to be implemented in the near future. According to the investment plan for phase 1 in 7 years from 2014 to 2021 of PC1, the total investment in phase 1 for Cao Bang projects is VND 8,000 billion. In the hydropower sector, the company strives to complete 7 hydropower plants with a total capacity of 190 MW, total investment for hydropower is over 6.000 billion VND. The company’s hydropower projects are constructed along the Gam and Nho Que rivers in Bao Lam district, Bao Lac district, Cao Bang.



Social security funding in Cao Bang province is 1.2 billion VND

Local community (continued)

Implementing a volunteer program “Nang buoc em den truong” at Na Roa school, Bao Toan commune, Bao Lac district, Cao Bang province.

On March 23, 2018, with the consent of the Board of Directors of Electricity Construction Joint Stock Company I (PC1), the Union Executive Committee, Youth Union of PC1 had a trip of meaningful volunteering, sending love and giving gifts to students in extremely difficult circumstances at Truong Na Ro, Bao Toan commune, Bao Lac district, Cao Bang province.

Overcoming a long winding road of more than 400 kilometers, the delegation came to Na Roa school in joy and anticipation. The first scene that appeared before the Delegation was a school being built in progress, the school yard was covered with bricks, sand, gravel, mud, poor facilities... The members of the delegation were all feel heartbroken, sympathetic to their deprivation situation.

With the message of “Foster a step on the way to school promoting the traditional spirit of mutual affection for “The good leaves protect the worn-out leaves” of the Company for students and teachers with especially difficult circumstances at remote area. The delegation presented nearly 100 practical gifts including books, pens, boots, umbrellas, raincoats, candies, so on for the school and students.

This is a source of encouragement, spiritual and material en-



couragement to help teachers and students have better learning conditions, contributing to the fulfillment of their dreams and aspirations in the future.

PC1 is the investor of hydropower projects in the area of 2 districts Bao Lam and Bao Lac. Among them, 3 projects have been completed and put into use, including Bao Lam 1 Hydropower Plant, Bao Lam 3 Hydropower Plant, Bao Lam 3A Hydropower Plant. The program “ Nang buoc em den truong” is a social charity activity held regularly by Electricity Construction Joint Stock Company, bringing deep human meaning and expressing the Company’s responsibility to the social community.

In addition, PC1 also carried out a charity program “ Nang buoc em den truong “ in Khau Vai commune, Meo Vac district, Bac Giang province



CONSOLIDATED FINANCIAL STATEMENTS

POWER CONSTRUCTION JSC NO.1
 For the fiscal year ended as at 31/12/2018
 (audited)

POWER CONSTRUCTION JSC NO.1
 No.18 Ly Van Phuc, Cat Linh Ward, Dong Da District, Hanoi, Vietnam

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POWER CONSTRUCTION JSC NO.1
No.18 Ly Van Phuc, Cat Linh Ward, Dong Da District, Hanoi, Vietnam

REPORT OF THE BOARD OF GENERAL DIRECTORS

The Board of General Directors of Power Construction JSC No.1 ("the Company") presents its report and the Company's Consolidated Financial Statements for the fiscal year ended as at 31 December 2018.

THE COMPANY

Power Construction JSC No.1 was established on 02 March 1963 under the name Line and Substation Installation Company. The company officially became a jointed stock company under the Business License No. 01001000745 issued by the Hanoi Authority for Planning and Investment. The License's first version was issued on 20 July 2005 and has updated to the 18th version on 19 October 2018.

The Company's head office is located at No.18 Ly Van Phuc, Cat Linh Ward, Dong Da District, Hanoi, Vietnam.

BOARD OF MANAGEMENT, BOARD OF GENERAL DIRECTORS AND BOARD OF SUPERVISION

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

Mr. Trinh Van Tuan	Chairman
Mr. Vu Van Tu	Member
Mr. Vo Hong Quang	Member
Mr. Nguyen Minh De	Member
Mrs. Nguyen Thi Huong	Member

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

Mr. Trinh Van Tuan	General Director	
Mr. Vu Van Tu	Vice General Director	
Mr. Dang Van Nghia	Vice General Director	
Mr. Vo Hong Quang	Vice General Director	
Mr. Nguyen Nhat Tan	Vice General Director	
Mr. Nguyen Minh De	Vice General Director	
Mr. Vu Anh Duong	Vice General Director	(Appointed on 02 January 2019)

The members of the Board of Supervision are:

Mrs. Nguyen Thi Hai Ha	Head of Control Department
Mr. Nguyen Anh Tuan	Member
Mr. Nguyen Quang Vu	Member

AUDITORS

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

POWER CONSTRUCTION JSC NO.1
No.18 Ly Van Phuc, Cat Linh Ward, Dong Da District, Hanoi, Vietnam

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

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

- Establish and maintain an internal control system which is determined necessary by the Board of General Directors and the 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 Corporate Accounting System and the statutory requirements relevant to preparation and presentation of Consolidated Financial Statements;
- Prepare the Consolidated Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Board of General Directors is responsible for ensuring that accounting records are kept to reflect the financial position of the Company, 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

We, The Board of General Directors, confirm that the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2018, its operation results and cash flows in the year 2018 of the Company in accordance with the Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to the preparation and presentation of Consolidated Financial Statements.

Other commitments

The Board of Directors pledges that the company complies with Decree No. 71/2017/ND-CP dated 06 June 2017 guiding on corporate governance of public companies and the company 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 General Directors



Trinh Van Tuan
General Director
Hanoi, 25 March 2019



No: 270319.010/BCTC.KT3

INDEPENDENT AUDITORS' REPORT

To: Shareholders, The Board of Management and The Board of General Directors
Power Construction JSC No.1

We have audited the accompanying Consolidated Financial Statements of Power Construction JSC No.1 prepared on 25 March 2019, as set out on pages 05 to 53, including: Consolidated Statement of Financial position as at 31 December 2018, Consolidated Statement of Income, Consolidated Statement of Cash Flows and Notes to Consolidated Financial Statements for the fiscal year ended as at 31 December 2018.

The Board of General Directors' responsibility

The Board of General Directors responsible for the preparation and presentation of Consolidated Financial Statements that give a true and fair view in accordance with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to the preparation and presentation of Consolidated Financial Statements and for such internal control as management determines is necessary to enable the preparation and presentation 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, and ethical requirements; 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 and presentation 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 the Board of General Directors, 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 Power Construction JSC No.1 as at 31 December 2018, its operating results and its cash flows for the year then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to the preparation and presentation of Consolidated Financial Statements.

AASC Auditing Firm Company Limited



Vũ Xuân Biên
Deputy General Director
Certificate of registration to audit practice
No. 0743-2018-002-1

Hanoi, 27 March 2019

T: (04)24 3824 1900 | F: (04)24 3825 3973 | 1 Le Phung Hieu, Hanoi, Vietnam A member of International

Nguyen Thi Nhan
Auditor
Certificate of registration to audit practice
No. 2959-2016-002-1

POWER CONSTRUCTION JSC NO.1
No.18 Ly Van Phuc, Cat Linh Ward, Dong Da District, Hanoi,
Vietnam

Consolidated Financial Statements
For the fiscal year ended as at 31/12/2018

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2018

(continued)

Code	ASSETS	Note	31/12/2018 VND	01/01/2018 VND
250	V. Long-term investments	5	96,856,179,877	90,549,997,410
252	1. Investments in joint ventures and associates		93,687,300,942	85,728,227,410
253	2. Equity investments in other entities		4,821,770,000	4,821,770,000
254	3. Provision for devaluation of long-term investments		(1,652,891,065)	-
260	VI. Other long-term assets		198,292,163,480	111,010,143,914
261	1. Long-term prepaid expenses	15	99,726,614,910	35,619,879,289
262	2. Deferred income tax assets	35	-	2,308,100,000
269	3. Goodwill	16	98,565,548,570	73,082,164,625
270	TOTAL ASSETS		6,596,906,062,870	6,213,772,236,180

POWER CONSTRUCTION JSC NO.1
No.18 Ly Van Phuc, Cat Linh Ward, Dong Da District, Hanoi,
Vietnam

Consolidated Financial Statements
For the fiscal year ended as at 31/12/2018

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2018

(continued)

Code	CAPITAL	Note	31/12/2018 VND	01/01/2018 VND
300	C. LIABILITIES		3,317,677,404,756	3,399,779,952,840
310	I. Current liabilities		1,740,964,808,403	1,832,794,372,215
311	1. Short-term trade payables	18	758,370,202,543	793,696,801,921
312	2. Short-term prepayments from customers	19	155,330,934,911	295,301,291,571
313	3. Taxes and other payables to State budget	20	83,657,579,847	50,066,188,704
314	4. Payables to employees		42,775,331,704	41,045,922,770
315	5. Short-term accrued expenses	21	139,453,399,280	205,846,786,068
318	6. Short-term unearned revenue		261,124,118	1,529,612,945
319	7. Other short-term payables	22	55,248,101,261	37,582,941,037
320	8. Short-term borrowings and finance lease liabilities	17	415,790,185,025	293,997,080,253
321	9. Provisions for short-term payables	23	12,885,406,401	61,599,873,581
322	10. Bonus and welfare fund		77,192,543,313	52,127,873,365
330	II. Non-current liabilities		1,576,712,596,353	1,566,985,580,625
337	1. Other long-term payables	22	1,048,203,506	241,516,269
338	2. Long-term borrowings and finance lease liabilities	17	1,553,956,591,681	1,527,129,584,424
341	3. Deferred income tax liabilities	35	11,613,705,190	14,639,705,752
342	4. Provisions for long-term payables	23	10,094,095,976	24,974,774,180
400	D. OWNER'S EQUITY		3,279,228,658,114	2,813,992,283,340
410	I. Owner's equity	24	3,279,228,658,114	2,813,992,283,340
411	1. Contributed capital		1,327,702,940,000	1,154,528,420,000
411a	- Ordinary shares with voting rights		1,327,702,940,000	1,154,528,420,000
412	2. Share Premiums		711,136,556,786	711,136,556,786
414	3. Other capital		22,906,800,000	-
415	4. Treasury shares		(4,320,000)	(4,320,000)
416	5. Differences upon asset revaluation		708,285,511	354,142,756
418	6. Development and investment funds		99,388,290,758	78,810,312,228
420	7. Other reserves		32,420,124,534	23,130,682,547
421	8. Retained earnings		924,983,334,575	716,171,632,480
421a	- Retained earnings accumulated till the end of the previous year		472,840,812,174	479,510,543,690
421b	- Retained earnings of the current year		452,142,522,401	236,661,088,790
429	9. Non - Controlling Interests		159,986,645,950	129,864,856,543
440	TOTAL CAPITAL		6,596,906,062,870	6,213,772,236,180


Pham Thi Thanh Binh
Preparer
Hanoi, 25 March 2019


Tran Thi Minh Viet
Chief Accountant


Minh Vuur Tuan
General Director

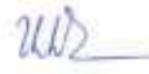
POWER CONSTRUCTION JSC NO.1
No.18 Ly Van Phuc, Cat Linh Ward, Dong Da District,
Hanoi, Vietnam

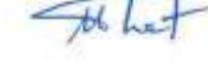
Consolidated Financial Statements
For the fiscal year ended as at 31/12/2018

CONSOLIDATED STATEMENT OF INCOME

Year 2018

Code	ITEMS	Note	Year 2018 VND	Year 2017 VND
01	1. Revenue from sales of goods and rendering of services	26	5,084,421,836,905	3,160,556,015,495
02	2. Revenue deductions		-	-
10	3. Net revenue from sales of goods and rendering of services		5,084,421,836,905	3,160,556,015,495
11	4. Cost of goods sold	27	4,218,667,947,739	2,679,355,613,403
20	5. Gross revenue from sales of goods and rendering of services		865,753,889,166	481,200,402,091
21	6. Financial income	28	28,419,210,108	10,682,208,251
22	7. Financial expenses	29	150,084,886,599	103,214,805,934
23	In which: Interest expenses		147,742,764,402	95,637,929,738
24	8. Share of joint ventures and associates' profit or loss		4,722,305,941	592,279,403
25	9. Selling expenses	30	46,926,242,004	(16,514,489,887)
26	10. General and administrative expenses	31	161,494,624,544	142,600,368,266
30	11. Net profit from operating activities		540,389,652,068	263,174,205,432
31	12. Other income	32	46,967,843,168	40,922,282,888
32	13. Other expenses	33	7,887,800,863	1,212,777,733
40	14. Other profit		39,080,042,305	39,709,505,155
50	15. Total net profit before tax		579,469,694,373	302,883,710,587
51	16. Current corporate income tax expenses	34	88,786,118,062	48,848,906,901
52	17. Deferred corporate income tax expenses	35	(717,900,562)	(2,267,072,625)
60	18. Profit after corporate income tax		491,401,476,874	256,301,876,310
61	19. Profit after tax attributable to owners of the parent		466,549,998,401	236,661,088,790
62	20. Profit after tax attributable to non-controlling interest		24,851,478,473	19,640,787,520
70	21. Basic earnings per share	36	3,514	1,782


Pham Thi Thanh Binh
Preparer
Hanoi, 25 March 2019


Tran Thi Minh Viet
Chief Accountant


Trinh Vuur Tuan
General Director

POWER CONSTRUCTION JSC NO.1
No.18 Ly Van Phuc, Cat Linh Ward, Dong Da District,
Hanoi, Vietnam

Consolidated Financial Statements
For the fiscal year ended as at 31/12/2018

CONSOLIDATED STATEMENT OF CASH FLOWS

Year 2018
(Indirect method)

Code	ITEMS	Note	Year 2018	Year 2017
			VND	VND
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	1. Profit before tax		579,469,694,373	302,883,710,587
	2. Adjustments for			
02	- Depreciation and amortization of fixed assets and investment properties		154,213,426,209	115,292,859,448
03	- Provisions		(62,457,807,228)	(76,876,021,425)
04	- Exchange gains/losses from retranslation of monetary items denominated in foreign currency		(24,901,495)	(37,935,519)
05	- Gains from investments		(29,325,164,868)	(6,669,901,222)
06	- Interest expenses		147,742,764,402	95,637,929,738
08	3. Operating profit before changes in working capital		789,618,011,393	430,230,641,607
09	- Increase or decrease in receivables		(245,458,731,553)	(113,187,530,202)
10	- Increase or decrease in inventories		326,181,045,745	(552,932,889,286)
11	- Increase or decrease in payables (excluding interest payable/ corporate income tax payable)		(142,224,264,561)	228,191,464,553
12	- Increase or decrease in prepaid expenses		6,688,883,648	(23,087,400,115)
14	- Interest paid		(149,336,724,123)	(77,672,173,576)
15	- Corporate income tax paid		(65,975,169,370)	(62,703,602,242)
17	- Other payments on operating activities		(6,338,424,049)	(8,743,104,160)
20	Net cash flows from operating activities		513,154,627,130	(179,904,593,421)
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	1. Purchase or construction of fixed assets and other long-term assets		(531,462,238,777)	(820,525,360,891)
22	2. Proceeds from disposals of fixed assets and other long-term assets		3,913,339,311	1,999,156,386
23	3. Loans and purchase of debt instruments from other entities		(42,200,000,000)	(84,655,000,000)
24	4. Collection of loans and resale of debt instrument of other entities		52,200,000,000	4,250,000,000
25	5. Equity investments in other entities		(43,368,429,318)	(5,962,000,000)
26	6. Proceeds from equity investment in other entities		-	1,421,535,310
27	7. Interest and dividend received		25,814,393,175	8,649,729,035
30	Net cash flows from investing activities		(535,102,935,609)	(894,821,940,160)

POWER CONSTRUCTION JSC NO.1
No.18 Ly Van Phuc, Cat Linh Ward, Dong Da District,
Hanoi, Vietnam

Consolidated Financial Statements
For the fiscal year ended as at 31/12/2018

CONSOLIDATED STATEMENT OF CASH FLOWS

Year 2018
(Indirect method)

Code	ITEMS	Note	Year 2018	Year 2017
			VND	VND
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
31	1. Proceeds from issuance of shares and receipt of contributed capital		16,710,000,000	518,588,593,468
32	2. Repayment of contributions capital and repurchase of stock issued		-	(286,992,387)
33	3. Proceeds from borrowings		1,811,721,582,654	2,199,846,778,844
34	4. Repayment of principal		(1,663,101,470,625)	(1,494,625,603,642)
36	5. Dividends or profits paid to owners		(9,570,446,824)	
40	Net cash flows in the year		155,759,665,205	1,223,522,776,283
50	Net cash flows in the year		133,811,356,726	148,796,242,702
60	Cash and cash equivalents at beginning of the year		567,443,915,134	418,609,736,913
61	Effect of exchange rate fluctuations		24,901,495	37,935,519
70	Cash and cash equivalents at end of the year	4	701,280,173,355	567,443,915,134

Pham Thi Thanh Binh
Preparer
Hanoi, 25 March 2019

Tran Thi Minh Viet
Chief Accountant

Trinh Van Tuan
General Director



POWER CONSTRUCTION JSC NO.1

No.18 Ly Van Phuc, Cat Linh Ward, Dong Da District,
Hanoi, Vietnam

Consolidated Financial Statements

For the fiscal year ended as at 31/12/2018

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year 2018

I. GENERAL INFORMATION OF THE COMPANY

Form of ownership

Power Construction JSC No.1 was established on 02 March 1963 under the name Line and Substation Installation Company. The company officially became a jointed stock company under the Business License No. 01001000745 issued by the Hanoi Authority for Planning and Investment. The License's first version was issued on 20 July 2005 and has updated to the 18th version on 19 October 2018.

The Company's head office is located at No.18 Ly Van Phuc, Cat Linh Ward, Dong Da District, Hanoi, Vietnam.

Company's Charter capital is VND 1,327,702,940,000. The Contributed Charter capital as at 31 December 2018 is VND 1,327,702,940,000; equivalent to 132,770,294 shares with the price of VND 10,000 per share.

Business activities

The main business activities of the Company are power construction, industrial production, real estate business, Power production, detailed:

- Real estate trading, land use rights of the owner, user or rental include: Construction house and project for sale, lease, lease-purchase; purchase of house, construction project for sale, lease, lease-purchase; rent of house, construction project for lease; Investment, renovation of land and investment in infrastructure project to transfer, lease; rent of land use right with infrastructure to lease;
- Real estate consultancy, brokerage, auction services, land use rights auction services: Real estate consultancy, brokerage, auction, valuation services, real estate trade center, real estate advertising, management services; operating and managing urban area and condominium;
- Architectural and engineering and related technical consultancy activities: Survey, design and construction of power, industrial, civil projects, supervision consultancy services, compensation and site clearance; Consulting on management of hydropower projects and after investment management hydropower;
- Production and fabrication of steel column and the hot dip of galvanizing of steel structures for civil and industrial
- Other civil engineering construction: Construction of the transmission line and substations, power sources project, industrial building, civil infrastructure, transportation, irrigation and telecommunications;
- Processing, handling and metal coating;
- Generating, transmitting and distribution of electricity;
- Ground clearance service;
- Installation of electrical systems;
- Investment consultancy;
- Measurement of the cadastral map, identifying land parcel, measurement of parcel land for construction compensation; Fiber optic cabling, Testing before and after fiber optic patching; Experimental, resistance measurement of electrical projects; Installation, testing; adjusting electrical equipment, optical cable;
- Whole sale of metals and metal ores;
- Mining of Iron Ore;
- Mining of other non-ferrous metal ores;
- Production of iron, steel;
- Manufacture of metal structures.

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

In 2018, My Dinh Plaza 2 Commercial and Housing Center project was completed and handed over to customers so the revenue, cost and profit of real estate business increased. Besides, hydropower plants are operating effectively, making the company's profit from this activity increased. In this year, strong growth in commodity trading also contributed to the growth of revenue of the Company. Overall, these reasons make gross profit from sales and service provision of the Company increase sharply compared to the previous year.

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On the other hand, during the year, the Company continued to make final settlement for suppliers related to bidding packages of hydropower projects, leading to the balance of prepaid expenses and payable to suppliers decreased compared to the beginning of the year.

During the year, in order to improve financial performance, the Company made a reasonable cash flow, prioritizing the use of loans from banks to serve business activities.

Group structure

The Group's subsidiaries consolidated in Consolidated Financial Statements as at 31 December 2018 include:

No	Name of Company	Head office	Benefit rate / Voting rights	Proportion of commitment	Main Activities
1	Dai Mo Power Construction No.1 Ltd.,	Cho Village, Dai Mo Ward, Nam Tu Liem District, Hanoi	100%	100%	Power Construction
2	Ha Noi Power Construction No.1 Ltd.,	No.583, Km 9, Nguyen Trai Street, Van Quan, Ha Dong District, Hanoi	100%	100%	Power Construction
3	Southern Power Construction No.1 Ltd.,	An Khang Building, No.28, Road 19, Quarter 5, An Phu Ward, District No.2, Ho Chi Minh City	100%	100%	Power Construction
4	Northern Power Construction No.1 Ltd.,	Cho Village, Dai Mo Ward, Nam Tu Liem District, Hanoi	100%	100%	Power Construction
5	My Dinh Power Construction No.1 Ltd.,	No.138 Tran Binh, My Dinh 2 Ward, Nam Tu Liem District, Hanoi	100%	100%	Power Construction
6	Tu Liem Power Construction No.1 Ltd.,	Group 19, Xuan Phuong Ward, Nam Tu Liem District, Hanoi	100%	100%	Power Construction
7	Ha Dong Power Construction No.1 Ltd.,	Van La Village, Phu La Ward, Ha Dong District, Hanoi	100%	100%	Power Construction
8	Nang Huong Power Construction No.1 Ltd.,	No.583, Km 9, Nguyen Trai Street, Van Quan, Ha Dong District, Hanoi	100%	100%	Services
9	Hoang Mai Power Construction No.1 Ltd.,	No.471, Nguyen Tam Trinh Street, Hoang Van Thu Ward, Hoang Mai District, Hanoi	100%	100%	Power Construction
10	Ninh Binh Power Construction No.1 Ltd.,	Ninh Thanh Ward, Ninh Binh City, Ninh Binh Province	100%	100%	Power Construction
11	Dong Anh Steel Conductor Ltd.,	Group 23, Dong Anh Town, Hanoi	90%	90%	Manufacturing galvanized steel columns, steel structure, related accessories, galvanizing services; Trading steel, zinc, materials for production, manufacturing steel structure; Trading electrical equipment and materials

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No	Name of Company	Head office	Benefit rate / Voting rights	Proportion of commitment	Main Activities
12	Trang Thu Hydroelectric JSC	No.157, Quarter No.16, Tan Thanh Ward, Dien Bien Phu City	60%	60%	Investing construction of medium and small hydroelectric plants; Generating and trading power electricity
13	My Dinh Real Estate JSC	Dinh Thon Village, My Dinh 1 Ward, Nam Tu Liem District, Hanoi	99.39%	99.39%	Investing, trading real estate
14	Vietnam Industrial Erection JSC	138 Tran Binh, My Dinh 1 Ward, Nam Tu Liem District, Hanoi	51%	51%	Installation of machinery, industrial equipment
15	Bao Lam Hydroelectric JSC	Na Pong Village, Bao Lam District, Cao Bang Province	91.83%	91.83%	Hydroelectric Project Management, Post Hydroelectric Investment Management
16	Northern Power Investment JSC (before: Cao Bang Hydroelectric JSC)	Na Pong Village, Bao Lam District, Cao Bang Province	82.36%	51%	Electricity generation, hydroelectric project management, post hydroelectric investment management
17	Hoa Binh Automobile Mechanical JSC	No. 44, Trieu Khuc Street, Thanh Xuan Nam Ward, Thanh Xuan District, Hanoi	99.39%	99.39%	Investment in real estate
18	Tien Bo Trading JSC	No1, Lane 321, Vinh Hung street, Thanh Tri ward, Hoang Mai district, Hanoi	99.77%	99.77%	Investment in real estate

- The company has two associated companies reflected in the consolidated financial statements by the equity method as at 31 December 2018 including:

No	Name of Company	Head office	Benefit rate / Voting rights	Proportion of commitment	Main Activities
1	Cao Bang Cast Iron And Steel Joint Stock Company	Km5 De Tham, Cao Bang Town, Hop Giang Ward, Cao Bang Province	25.09%	25.09%	Mining, processing and trading of minerals.
2	Tan Phat Minerals Joint Stock Company	Tay Giang Hotel, Group 22, Ward Bang Bang, Cao Bang City, Cao Bang Province	33.92%	27.13%	Mineral exploration, mining of minerals; Mining of iron ore, Wholesale of metals and metal ores.

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2. ACCOUNTING SYSTEM AND ACCOUNTING POLICY

2.1. Accounting period and accounting currency

Annual accounting period commences from 1st January and ends as at 31st December.
The Company maintains its accounting records in VND.

2.2. Standards and Applicable Accounting Policies

Applicable Accounting Policies

The Company 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 Company 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 Company and Financial Statements of its subsidiaries under its control as at 31 December 2018. Control right is achieved when the Company 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 Company. If necessary, adjustments are made to the Financial Statements of subsidiaries to ensure the consistency of application of accounting policies among the Company and its subsidiaries.

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

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

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

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.

2.4. Financial Instruments

*Initial recognition**Financial assets*

Financial assets of the Company 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 Company 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.

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Subsequent measurement after initial recognition

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

2.5. 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 Company and commercial banks;
- When recording receivables, applying the bid rate of the commercial bank stipulated by the Company for customers to make payment at the transaction time;
- When recording payables, applying the offer rate of the commercial bank where the Company expects to conduct transactions at the transaction time.

Real exchange rate when revaluing 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 Company regularly conducts transaction;
- For foreign currency deposited in bank, applying the bid rate of the bank where the Company opens its foreign currency accounts;
- For liability accounts, applying the offer rate of the commercial bank where the Company regularly conducts transaction.

All exchange rate 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.

2.6. 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.

2.7. Goodwill

All business combinations shall be accounted for by applying the purchase method. The cost of a business combination includes the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer, in exchange for control of the acquiree plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities in business combination are measured at their fair values at the acquisition date.

Goodwill arises on the business consolidation is initially measured at its cost, being the excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. If the excess is negative (gain from bargain purchase), it is recognised immediately in the consolidated statement of income. After initial recognition, goodwill is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis during its estimated useful life over 10 years. Annually, the Group shall assess impairment loss of goodwill at subsidiaries, whether there is any indication that impaired loss of goodwill is higher than the goodwill allocated, the Group shall recognise the impaired loss immediately in year that incurred.

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2.8. Financial investments

Held-to-maturity investments include: Term deposits held to maturity for the purpose of collecting interest periodically.

In the Consolidated Financial Statements, investments in joint ventures and associates are accounted for using equity method. Under this method, the investments are initially recognised at cost and adjusted thereafter for the post acquisition change in the Group's share in net assets of the associate after acquisition date. Goodwill incurred from the investment in the associates is reflected in the carrying amount of the investment in the associate. The Group will not allocate such goodwill but assess annually to determine whether the goodwill is under impaired loss or not.

The share of investor in post-acquisition profits or losses of the associate is recognised in the consolidated income statement, and the share of investor in post-acquisition movements in equity of the associate is recognised in equity. The post-acquisition accumulated changes are adjusted to carrying amount of investments. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

Financial Statements of associates are prepared in the same period with the Group's consolidated financial statements and use the consistent accounting policies with the Group's policies. Adjustment shall be made if necessary to ensure the consistency with the Group's accounting policies.

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.

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 Company.

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 using 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 for each construction project that is incomplete or of which revenue is unrecognised, corresponding to the amount of work in progress at the end of the year.

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.

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2.10. Fixed assets

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	05 - 30	years
- Machinery, equipment	03 - 20	years
- Vehicles, Transportation equipment	06 - 10	years
- Office equipment and furniture	03 - 06	years
- Other fixed assets	04 - 05	years
- Indefinite Land use rights		Not amortised
- Management software	03 - 05	years

2.12. Investment properties.

Investment properties are initially recognised at historical cost. Investment properties held for operating lease are recorded at cost, accumulated depreciation and carrying amount. Depreciation of investment properties held for sale are not made. Investment properties are depreciated using the straight-line method with expected useful life as follows:

- Buildings, structures	05 - 25	years
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2.13. Construction in progress

Construction in progress includes fixed assets which is being purchased and constructed as at the balance sheet date and is recognised in historical cost. This includes costs of construction, installation of equipment and other direct costs. Construction in progress is not depreciated until the relevant assets are completed and put into use.

2.14. Operating lease

Operating leases is fixed asset leasing in which a significant portion of the risks and rewards of ownership are retained by the lessor. Payments made under operating leases are charged to income statement on a straight-line basis over the period of the lease.

2.15. Business Cooperation Contract (BCC)

Business Cooperation Contract (BCC) is a contractual agreement between two or more venturers with the objectives of cooperating to carry out specific business activities without constitution of a new legal entity. This operation may be jointly controlled by venturers under BCC or controlled by one of them.

Under the terms of the agreement at BCC, the Company makes accounting for BCC, recognizing all revenues, costs and after-tax profits of BCC on its Statement of income. The cost of BCC includes fixed profit paid to other parties participating in BCC.

2.16. 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.

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2.17. 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 Company.

2.18. Borrowings

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

2.19. Borrowing costs

Borrowing costs are recognized as operating expenses in the year, in which it is incurred 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.

2.20. 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 which are recorded as operating expenses of the reporting period.

The basis for accrued expense of completed hydroelectric projects is based on the provisions of the contract terms and annexes minus the invoiced value.

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.

2.21. Provision for payables

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

- The Company 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.

The basis for extracting the warranty for works is based on the statistics of the work warranty over the years and the quality of the work of the departments to estimate the level of provision. In case of judgment, it must be deducted, the level of provision is also considered in accordance with the warranty obligations under the warranty terms on the contract (normally the warranty from 3% to 5% on the revenue) be sure, be accepted by customers.

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.

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2.22. 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.

2.23. 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).

Other capital is the operating capital formed from the operating results or from gifts, presents, financing, assets revaluation (if these items are allowed to be recorded as a decrease or increase in the owner's equity).

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 Company's operating results (profit, loss) after corporate income tax and profit appropriation or loss handling of the Company. 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 Company's Articles of Incorporation and Vietnamese statutory requirements.

The Company's retained earnings is distributed to other funds according to recommendation of the Board of Management and approval of shareholders at annual General Meeting of Shareholders:

- Development and investment funds: The fund is reserved for the purpose of business expansion or in depth investment.
- Bonus and welfare fund and bonus for the Board of Directors: The fund is reserved for the purpose of bonus, material incentives, common benefit and increasing welfare for employees and presented as a liability on the Consolidated Statement of Financial Position.

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

2.24. Revenue

Sale of goods

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

- The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Company 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 Company; 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 recognized 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 Company;
- 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.

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Revenue from sales of real estate

Revenue from the sales of real estate shall be recognized when all of the following conditions have been satisfied:

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

Revenue from construction contract

The basis for recording revenue is the A-B settlement for works completed, which is handed over and put into use or the record certification of the completed construction volume confirmation in each period; the A-B payment price bills for works with long construction time. Value of revenue accounting is the value of the project settlement / payment period (excluding VAT).

When performing the contract, value of the items increased or decreases, bonuses and other payments are only included in the revenue when agreed with the customer.

When the results of construction contracts are not estimated reliably, the revenue is only recognized as equivalent to the cost of the contract that has arisen and the repayment is relatively certain. The costs of the contract is only recorded as the cost of the year.

Financial income

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

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

Dividend income shall be recognized when the Company's right to receive dividend is established.

2.25. 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.

Cost of construction works: For completed construction works, that have been checked and handed over or approved by the investor, the total expenses, that collected for these works will be transferred to determine the results.

For projects with long construction time, when revenue is recognized according to the completed construction volume, the investor confirms the cost of goods to determine business results corresponding to the completed construction volume.

The expense accrual to estimate the cost of real estate must comply with the following principles:

- The accrued expenses have been stated in investment and construction estimate, but there are insufficient dossiers and documents for acceptance;
- The expense accrual is only aimed at calculating the cost of real estate that has been completed during the period and meets all requirements for revenue recognition;
- The accrued expenses and actual expenses included in cost of goods sold are in conformity with the norm of cost price on the basis of total cost estimate of sold real estate (determined by area).

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2.26. Financial expenses

Items recorded into financial expenses comprise:

- Expenses or losses relating to financial investment activities;
- Borrowing costs;
- 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.

2.27. Corporate income tax

a) Deferred income tax assets 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.

Deferred income tax asset and Deferred income tax liability shall be offset against each other when preparing the Statement of Financial position.

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.

c) Tax incentives

(1): Investment projects of Bao Lam 1 hydropower plant, Bao Lam 3 hydropower plant, Bao Lam 3A hydropower plant: According to the Investment Certificate No. 11121000149 issued by Cao Bang Provincial People's Committee on 21 August 2013 and the amended Investment Certificate No. 11121000149/GCND1/11/1 dated 17 September 2014 for the investment project of Bao Lam 1 hydropower plant; Investment Certificate No. 11121000151 issued by Cao Bang Provincial People's Committee dated 21 August 2013 and amended Investment Certificate No.11121000151/GCND1/11/1 dated 17 September 2014 for the first project Bao Lam hydropower project 3; Investment policy decision No. 2548/QĐ-UBND issued by Cao Bang Provincial People's Committee on 25 December 2015 for Bao Lam 3A hydropower investment project is preferential for the following projects:

- CIT rate of 10% for a period of 15 years;
- CIT exemption of 4 years from the time of taxable income and 50% reduction of payable tax for the next 9 years;
- To be compensated for land clearance into land rents payable annually.

2017 is the first year of generating taxable income from these 3 projects. The company selected 2017 as the first year of tax exemption and tax reduction for Bao Lam 1 hydropower project, 2018 is the first year of tax exemptions for Bao Lam 3 hydropower project and Bao Lam 3A hydropower project according to these preferences.

(2): Investment project of Trung Thu Hydropower:

As stipulated in Circular 96/2015/TT-BTC issued on 22 June 2015, Trung Thu Hydropower Joint Stock Company is exempted from corporate income tax for 4 years from 2016 and entitled to 50% reduction of corporate income tax for the next 9 years.

d) Current corporate income tax rate

The company currently applies the CIT rate of 20% for taxable income from main business activities and other activities, for taxable incomes from hydropower activities exempted from CIT for the financial year ends as at 31 December 2018.

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2.28. Earnings per share

Basic earnings per share are calculated by dividing net profit or loss after tax for the year attributable to ordinary shareholders of the Company (after adjusting for the bonus and welfare fund and allowance for Board of Directors) by the weighted average number of ordinary shares outstanding during the year.

2.29. Related Parties

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 Company's related parties include:

- Companies, directly or indirectly through one or more intermediaries, having control over the Company or being under the control of the Company, or being under common control with the Company, including the Company's parent, subsidiaries and associates;
- Individuals, directly or indirectly, holding voting power of the Company that have a significant influence on the Company, key management personnel including directors and employees of the Company, 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 Company should consider the nature of the relationship rather than the legal form of the relationship.

2.30. Segment information

A segment is a distinguishable component of the Company that is engaged in providing an individual or group of related products or services (business segment), or providing products or services within a particular economic environment (geographical segment). Each segment is subject to risks and returns that are different from other components.

Segment information should be prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company in order to help users of financial statements better understand and make more informed judgements about the Company as a whole.

3. BUSINESS COMBINATION AND TRANSFERRING SECURITIES

3.1 Purchase Tien Bo Investment Trading Joint Stock Company

On 23 August 2018, the company purchased 99% of the shares of Tien Bo Investment Trading Joint Stock Company's Share, a joint stock company established under the Enterprise Law of Vietnam, under the Business Registration Certificate No.0100509545 issued by the Department of Planning and Investment of Hanoi for the first time on 5 January 2009, registered for the third change on 12 September 2018. Business sectors of Tien Bo Investment Trading Joint Stock Company are rental housing services and rental estate investment. The Company purchases for the purpose of expanding real estate business.

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Fair value of identifiable assets, liabilities of Tien Bo Investment Trading Joint Stock Company at the combination date, and goodwill incurred from business combination are as follows:

Content	Fair value at the date of obtaining control
	VND
Assets	
Cash and cash equivalents	31,045,331
Receivables	1,879,803,391
Inventories	165,509,100
Other short-term assets	1,374,486,636
Tangible fixed assets (net)	1,323,414,246
Total Assets	4,774,258,704
Liabilities	
Short-term liabilities	199,910,713
Total liabilities	199,910,713
Total net assets	4,574,347,991
Non-controlled interest	45,743,480
Total net assets equivalent to Group's interest (99%)	4,528,604,511
Total cost of this investment	40,145,058,545
Goodwill incurred from business combination (Note No.16)	35,616,454,034

4. CASH AND CASH EQUIVALENTS

	31/12/2018	01/01/2018
	VND	VND
- Cash on hand	13,296,066,142	10,294,359,040
- Demand deposits	124,257,392,835	147,947,681,094
- Cash equivalents	563,726,714,378	409,201,875,000
	701,280,173,355	567,443,915,134

At 31 December 2018, the cash equivalents are deposits with term from 1 month to 3 months at Commercial Banks at the interest rates of 5.3%/year to 5.5%/year.

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5. FINANCIAL INVESTMENTS

a) Investment held to maturity

	31/12/2018		01/01/2018	
	Book value VND	Provision VND	Book value VND	Provision VND
Short-term investment	98,000,000,000	-	100,000,000,000	-
- Term deposits	98,000,000,000	-	100,000,000,000	-
	98,000,000,000	-	100,000,000,000	-

As at 31 December 2018, held-to-maturity investments are term deposits from 4 months to 12 months, valued at VND 40,000,000,000 and VND 50,000,000,000. These investments are deposited at commercial banks with interest rates from 5.3%/year to 5.5%/year.

b) Investment in affiliate companies

	Address	31/12/2018		01/01/2018		Book value by equity method VND
		Benefit rate / Voting rights	Proportion of commitment	Benefit rate / Voting rights	Proportion of commitment	
						VND
- Cao Bang Iron and Steel Joint Stock Company	Cao Bang	25.00%	25.00%	25.00%	25.00%	51,550,227,410
- Tin Phat Minerals Joint Stock Company (*)	Cao Bang	27.02%	27.13%	27.84%	27.19%	24,178,000,000
						85,728,227,410

(*) In 2018, Power Construction JSC. No.1 contributed additional capital in cash to Tin Phat Minerals Joint Stock Company as committed to contribute with the amount of VND 3,252,000,000 (equivalent to 325,200 shares).

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c) Investing in other entities				31/12/2018			01/01/2018		
				Value	Fair value	Provision	Value	Fair value	Provision
Address	Number of shares	Benefit rate / Voting rights	VND	VND	VND	VND	VND	VND	
- Joint Stock Commercial Bank for Investment and Development of Vietnam (BIDV) (*)	Hanoi	82,177	0.00136%	821,770,000	2,826,888,800	-	821,770,000	2,095,513,500	
- Vinaincon Centrifugal Concrete Joint Stock Company	Hai Duong	40,000	10.00%	4,000,000,000		(1,790,546,994)	4,000,000,000		
				<u>4,821,770,000</u>	<u>2,826,888,800</u>	<u>(1,790,546,994)</u>	<u>4,821,770,000</u>	<u>2,095,513,500</u>	

(*) The fair value of the investment in shares of Joint Stock Commercial Bank for Investment and Development of Vietnam (BIDV) is VND 2,826,888,800, determined according to the closing price of this stock on HOSE on 29 December 2017 and 29 December 2018.
For the investment in Vinaincon Centrifugal Concrete Joint Stock Company, the Company has not determined the fair value of this financial investment due to Vietnamese Accounting Standards, Vietnam Business Accounting System is not yet available specific instructions on determining fair value.

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6. SHORT-TERM TRADE RECEIVABLES

	31/12/2018		01/01/2018	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
a) Trade receivables detailed by customers with large account balances				
- The Northern Viet Nam Power Projects Management Board	56,221,017,035	-	45,755,720,012	-
- The Southern Viet Nam Power Projects Management Board	29,982,604,929	-	17,543,840,566	-
- Ho Chi Minh City Power Project Management Board	26,615,418,323	-	74,052,177,496	-
- Central Vietnam Power Projects Management Board	44,794,365,181	-	-	-
- Ho Chi Minh City Electric Power Trading Investment Corporation	51,725,068,436	-	44,846,944,387	-
- Northern Power Corporation	51,904,875,521	-	38,313,056,018	-
- Dau Tieng Powerchina Huadong Engineering Corporation Limited	36,617,681,355	-	-	-
- Hanoi Power Corporation	66,433,701,404	-	89,183,953,183	-
- Minerals Holding Corporation	21,600,087,492	-	-	-
- Infrastructure Engineering and Investment Joint Stock Company	35,565,770,592	-	-	-
- BIM Renewable Energy Joint Stock Company	35,784,740,722	-	-	-
- Other trade receivables	575,149,487,873	(662,047,795)	566,501,018,722	(1,177,600,704)
	<u>1,032,394,818,863</u>	<u>(662,047,795)</u>	<u>876,196,710,384</u>	<u>(1,177,600,704)</u>
b) Trade receivables from related parties (Detailed information in Note No.42)	<u>29,270,626,000</u>	-	-	-

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7. SHORT-TERM PREPAYMENTS TO SUPPLIERS

	31/12/2018		01/01/2018	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
Short-term prepayments to suppliers detailed by suppliers with large account balances				
- Hou Lac Hitech Park Development One Member Limited Liability Company	-	-	6,531,468,410	-
- Machines and Industrial Equipment Corporation (MIE)	24,222,309,650	-	13,330,602,069	-
- Dongfang Electric International Corporation	53,461,137,239	-	11,160,504,591	-
- Song Da 4 Joint Stock Company	17,674,242,008	-	33,287,181,012	-
- Gia Loc Phat Joint Stock Company	10,701,432,000	-	-	-
- AIT CORP	18,167,388,185	-	-	-
- Machines and Industrial Equipment Corporation	-	-	19,795,464,343	-
- Other prepayments to suppliers	275,404,192,663	-	192,497,297,332	-
	<u>399,630,701,745</u>	<u>-</u>	<u>276,602,517,757</u>	<u>-</u>

8. SHORT-TERM LOAN RECEIVABLES

	31/12/2018		01/01/2018	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
- Van Xuan Transport Joint Stock Company	600,000,000	-	-	-
- Quyen Loi Construction and Trade Joint Stock Company	-	-	350,000,000	-
- Thanh Hung Private Enterprise	1,000,000,000	-	900,000,000	-
- Others	55,000,000	-	405,000,000	-
	<u>1,655,000,000</u>	<u>-</u>	<u>1,655,000,000</u>	<u>-</u>

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9. OTHER RECEIVABLES

	31/12/2018		01/01/2018	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
a) Short-term				
- Receivables from social insurance	1,928,728	-	-	-
- Receivables from interest of deposit, loan	3,193,276,711	-	764,777,779	-
- Advances	34,492,095,501	-	25,270,302,701	-
- Mortgages	331,908,000	-	8,535,529,500	-
- Advances to work department commanders	21,901,339,588	-	5,284,307,570	-
- Advances for ground clearance compensation	48,209,741,405	-	24,514,549,135	-
- Tan Mai Group JSC (*)	-	-	77,863,916,983	-
- Other receivables	13,206,875,797	(2,570,187,890)	9,226,875,058	(2,570,187,890)
	<u>121,337,165,730</u>	<u>(2,570,187,890)</u>	<u>151,460,258,726</u>	<u>(2,570,187,890)</u>
b) Long-term				
- Mortgages	8,295,573,500	-	37,744,000	-
	<u>8,295,573,500</u>	<u>-</u>	<u>37,744,000</u>	<u>-</u>

(*): This is prepaid amount that Tan Mai Group Joint Stock Company received from Project of Trade Center, Office, Luxury Condominium and Other Public functions Complex under Investment License No.7665/UBND-KH&DT of Hanoi People's Committee dated 03 October 2012 on the basis of Business Cooperation Contract No. 01/2011/HĐHTKD dated 18 January 2011 and annex No.VI dated 20 July 2015 between Tan Mai Group Joint Stock Company and My Dinh Real Estate Joint Stock Company. After receiving above amount, Tan Mai Group Joint Stock Company will have no benefits related to the project and must transfer land use right of 6,028 m2 according to Land use right License No.L117423 (recorded book No.00426) by Hanoi People's Committee dated 03 December 2000.

In 2018, the project was completed and handed over, My Dinh Real Estate Joint Stock Company conducted this advance transfer into the cost of the project and recorded a corresponding reduction of this debt balance.

10. INVENTORIES

	31/12/2018		01/01/2018	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
- Goods in transit	7,473,091,584	-	9,173,957,631	-
- Raw material	140,455,430,831	-	110,807,433,756	-
- Tools, supplies	710,959,991	-	1,270,131,627	-
- Work in progress (*)	478,959,525,897	-	959,624,630,589	-
- Finished goods (**)	131,451,516,338	-	1,719,061,719	-
- Goods	424,845,926	-	2,895,691,890	-
	<u>759,475,370,567</u>	<u>-</u>	<u>1,085,490,907,212</u>	<u>-</u>

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	31/12/2018	01/01/2018
	VND	VND
Industrial production activities:	22,725,560,235	17,989,866,080
- Provide steel columns for 230 kV Hahazari - Sikalbaha, transmission line (Bangladesh - AG).	9,128,988,303	9,106,014,144
- Provide steel columns for 500 kV Viet Tri power station.	-	2,625,247,406
- Provide steel columns for 220 kV transmission line - Hanoi solar power plant.	4,252,867,732	-
- Others	9,343,704,200	6,258,604,530
- Others of work in progress	13,963,148,469	9,009,469,050
	<u>478,959,525,897</u>	<u>959,624,630,589</u>
(**) Details of finished goods		
Real estate business projects:		
- My Dinh Plaza 2 commercial and housing center ⁽¹⁾	131,451,516,338	1,682,253,719
- Ha Dong Complex project	129,769,262,619	-
- Others	1,682,253,719	1,682,253,719
	<u>131,451,516,338</u>	<u>1,719,061,719</u>

(1) My Dinh Plaza Commercial and Housing Center 2 - Mixed building of Commercial Center, Office, Apartment Building, Investment License No. 7665 / UBND-KH & DT of Hanoi People's Committee issued on 3 October 2012, completed and handed over from 2nd quarters of 2018.

As at 31 December 2018: about 90% of customers were handed over the houses from this project.

(2) Detailed informations about PCC1 project Thanh Xuan is as follows:

- + Investment purpose: investing in mixed building including: Trade Center and High-rise Apartment at 44 Trieu Khuc Street, Thanh Xuan District, Hanoi.
- + Investment decision: built according to the Decision of Investment policy No. 1644/QĐ-UBND issued by Hanoi People's Committee on 5 April 2018.
- + Capital for implementation: The total investment of the project about 735.31 billion VND, equity capital accounts for at least 20%, credit capital and money collection according to the schedule of customers is 80%.
- + Expected completion time: 1st quarter of 2020.
- + Actual progress at 31 December 2018: the project was pouring the 1st floor and building 2nd floor.

11. LONG-TERM ASSET IN PROGRESS

	31/12/2018	01/01/2018
	VND	VND
- Purchase	-	875,660,000
+ Purchase construction tools and installation tools	-	875,660,000
- Construction in progress	442,077,916,152	60,374,806,285
+ Mong An Hydropower Plant project (1)	379,963,497,868	45,596,304,276
+ Bao Lac B Hydropower Plant project (2)	40,404,633,919	9,881,306,354
+ Song Nhiem 4 Hydropower Plant project (3)	9,899,215,594	4,505,835,835
+ Nam Po 5 Hydropower Plant project (4)	7,355,186,817	19,220,000
+ Others	4,455,381,954	372,139,820
- Major repair of fixed assets	132,558,075	81,242,244
+ Others	132,558,075	81,242,244
	<u>442,210,474,227</u>	<u>61,331,708,529</u>

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Detailed information on hydropower plant projects is as follows:

(1) Detailed information of Mong An Hydropower Plant project is as follows:

- + Investment Decision No. 2019 / QD-UBND of Cao Bang province on 30 October 2015, and the decision to adjust the investment policy No. 259/QD-UBND Cao Bang province on 10 March 2017.
- + Investment objective: to build a hydropower plant with capacity of 30MW.
- + Total investment: 916 billion, started in 3rd quarter of 2017, is expected to be completed in 3rd quarter of 2019.
- + Capital for project implementation: 30% of equity and 70% from bank loans.
- + At 31 December 2018, the project was in the phase of construction items and equipments procurement

(2): Detailed information of Bao Lac B Hydropower Plant project is as follows:

- + Decision on investment policy No. 100/QD-UDBND dated 1 February 2016 by Cao Bang Provincial People's Committee.
- + Investment objective: to build a hydropower plant with capacity of 18 MW.
- + Total investment: 592 billion, started in 2018, expected to complete in 4th quarter of 2019.
- + Capital for project implementation: 30% of equity and 70% from bank loans.
- + At 31 December 2018, the project was in the phase of construction items and equipment procurement.

(3): Detailed information of Song Nhim 4 Hydropower Plant project is as follows:

- + Decision to approve the implementation of the investment project No. 1529/QD-UBND dated 20 July 2016 issued by Ha Giang Provincial People's Committee.
- + Investment objective: to build a hydropower plant with capacity of 6 MW.
- + Total investment: 196 billion, started in 4th quarter of 2018, expected to be completed in 3rd quarter of 2020.
- + Capital for project implementation: 30% of equity and 70% from bank loans.
- + At 31 December 2018, the project is beginning to implement construction items.

(4) Detailed information about the Nam Po 5 Hydropower Plant project is as follows:

- + According to the Resolution of the Board of Directors No. 02/NQ-TTIC-HĐQT Central Hydropower Joint Stock Company dated 1 November 2017 on approving the policy of implementing Nam Po 5 Hydropower Project in Cha To commune, Nam Po district, Dien Bien province.
- + Project scale: construction of hydropower plant with capacity of 18MW.
- + At 31 December 2018, the project was in stage 1 of the implementation process, including: survey consultancy, additional planning consultancy, consultancy on feasibility study report ...

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11. TANGIBLE FIXED ASSETS

	Buildings, Structures	Machinery, equipment	Vehicles, transportation equipment	Management equipment	Others	Total
	VND	VND	VND	VND	VND	VND
Historical cost						
Beginning balance	1,591,191,302,399	1,301,825,814,387	152,437,898,228	10,419,858,474	797,537,849	3,086,308,931,188
- Purchase in the year	2,194,127,834	8,800,894,000	3,748,324,481	797,701,247	-	15,900,948,764
- Completed construction investment (*)	10,153,070,189	-	-	-	-	10,153,070,189
- Reclassified	-	401,502,296	-	-	-	401,502,296
- Increase due to consolidation	-	1,370,918,246	-	40,199,852	-	1,411,118,098
- Liquidation, disposal	(7,189,325,038)	(9,247,748,833)	(4,756,167,821)	(481,979,535)	-	(21,685,220,227)
- Other adjustments	5,035,287,068	(6,155,442,494)	(1,109,104,833)	32,066,193	-	(2,227,214,066)
- Increased/Decreased due to project settlement	(59,158,187,802)	(69,658,005,677)	12,696,322,471	-	-	(116,119,870,998)
Ending balance of the year (*)	1,542,826,443,651	1,336,038,221,895	183,266,879,834	10,768,796,248	797,607,849	2,860,739,689,189
Accumulated depreciation						
Beginning balance	80,871,355,812	161,122,915,252	47,707,734,338	6,633,837,268	833,741,556	302,169,586,046
- Depreciation for the year	30,579,357,834	68,394,133,681	17,392,042,509	1,090,824,358	38,928,637	137,680,241,011
- Reclassified	-	388,674,919	-	-	-	388,674,919
- Increase due to consolidation	-	47,504,992	-	40,199,852	-	87,704,844
- Liquidation, disposal	(4,533,416,817)	(5,470,297,332)	(3,733,060,934)	(11,314,994)	-	(14,748,089,077)
- Other adjustments	5,394,272,224	(3,631,083,349)	(1,172,161,473)	(87,321,482)	-	(4,537,294,080)
Ending balance of the year	137,611,948,105	218,798,801,268	60,194,654,438	7,685,228,882	692,670,193	424,982,802,876
Net carrying amount						
Beginning balance	1,510,320,046,587	1,140,702,900,135	104,730,163,890	3,786,021,206	163,816,293	2,769,643,448,111
Ending balance	1,405,214,495,546	1,117,239,420,627	123,072,225,400	3,683,567,366	104,937,656	2,739,157,346,535

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(*) Tangible fixed assets of PCCI include Hydropower plants, as follows:
 - Bao Lam 1 Hydropower Plant operates under Investment Certificate No. 11121000149 dated 21 August 2013 issued by Cao Bang Provincial People's Committee for the first time, let awarded on 17 September 2014, the capacity of 30MW, inaugurated and operated on 08 January 2017. The value of the temporary assets assessed at 1 January 2018 is VND 758,584,753,193 and in 2018, the value was adjusted lower than the settlement of VND 54,444,941,524 and the additional value was VND 519,075,566. The value of Bao Lam 1 Hydropower plant has been adjusted according to the project settlement, the historical cost on the accounting book at 31 December 2018 is VND 704,651,886,668.
 - Bao Lam 3 Hydropower Plant project operates under Investment Certificate No. 11121000151 dated 21 August 2013 issued by Cao Bang Provincial People's Committee for the first time, let awarded on 17 September 2014, the capacity of 40MW, inaugurated and operated on 19 November 2017. The temporarily increased value of assets is VND 375,684,202,258, adding to the assets of Bao Lam 3 hydropower operation manager in 2018 is VND 7,463,423,848, so the total value of temporary assets of Bao Lam 3 Hydropower plant at 31 December 2018 was VND 883,147,716,210 based on the arising costs and expected settlement of bidding packages.
 - Bao Lam 3A Hydropower Project operates activities under Investment policy decision No. 2548 dated 25 December 2015 issued by Cao Bang Provincial People's Committee with the capacity of 080MW, inaugurated and operated on 15 November 2017. The value of assets temporarily recorded is VND 272,089,292,943 which was based on the costs occurred and expected settlement of the bidding packages.
 - Trung Thu Hydropower Project was established under Decision No. 1883 / QĐ-BTC dated April 15, 2009 of the Ministry of Industry and Trade and Investment Certificate of People's Committee of Dien Bien Province issued on 10 February 2010 and Certificate Adjusted investment on May 24, 2013 by Trung Thu Hydroelectric Joint Stock Company (a subsidiary of Power Construction Joint Stock Company 1 - PCCI) with a capacity of 29.5 MW, was inaugurated and put into operation, production and business activities from 19 November 2016. The temporarily increased value of assets is VND 834,574,380,011, in 2018, the adjustment is reduced compared to the final settlement of VND 42,214,729,564. The asset value of Trung Thu hydropower plant under the project settlement is VND 780,899,686,447.
 In which:
 - Carrying amount of intangible fixed assets pledged as collateral for borrowings at the end of the year: VND 2,444,494,231,065.
 - Cost of fully depreciated tangible fixed assets but still in use at the end of the year: VND 146,036,041,053.

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13. INTANGIBLE FIXED ASSETS

	Land use rights (*)	Computer software	Total
	VND	VND	VND
Historical cost			
Beginning balance	1,108,070,000	370,306,000	1,478,376,000
- Purchase	-	643,831,819	643,831,819
- Other decrease	-	(50,000,000)	(50,000,000)
Ending balance of the year	1,108,070,000	964,137,819	2,072,207,819
Accumulated amortisation			
Beginning balance	-	280,283,479	280,283,479
- Amortisation for the year	-	134,188,571	134,188,571
- Other decrease	-	(1,187,213)	(1,187,213)
Ending balance of the year	-	413,284,835	413,284,835
Net carrying amount			
Beginning balance	1,108,070,000	90,022,521	1,198,092,521
Ending balance	1,108,070,000	550,852,984	1,658,922,984

(*) Intangible fixed asset is the indefinite land use rights in Yen Khe Village, Yen Thuong Ward, Gia Lam District, total area is 122.6 m2, used as Yen Thuong Fabrication of Steel structures Factory, with historical cost of VND 1,108,070,000.

In which:

- Cost of fully depreciated tangible fixed assets but still in use at the end of the year: VND 279,286,000

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14. INVESTMENT PROPERTIES HELD FOR LEASE

	Hung Huong Condominium	My Dinh Plaza Condominium	PCC1 Ho Dong Complex Condominium	My Dinh Plaza 2 Condominium	Total
	VND	VND	VND	VND	VND
Impairment cost					
Beginning balance	11,076,535,135	85,271,905,213	24,269,520,970	-	120,617,961,438
- Completed construction investment	-	-	-	75,008,271,670	75,008,271,670
Ending balance	11,076,535,135	85,271,905,213	24,269,520,970	75,008,271,670	195,626,223,128
Accumulated depreciation					
Beginning balance	2,954,283,279	12,994,282,728	1,460,160,764	-	18,259,026,771
- Depreciation for the year	298,779,182	3,729,164,227	920,790,825	1,502,165,433	6,558,899,677
Ending balance	3,253,062,461	17,723,746,955	2,438,941,489	1,502,165,433	24,957,916,448
Net carrying amount					
At the beginning of the year	8,122,251,856	72,277,622,485	22,809,360,206	-	102,258,924,687
At the end of the year	7,823,472,674	67,548,158,258	21,836,579,371	73,506,106,237	178,698,306,680

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15. PREPAID EXPENSES

	31/12/2018	01/01/2018
	VND	VND
a) Short - term		
- Dispatched tools and supplies	1,293,513,105	1,308,002,414
- Others	2,142,244,267	1,252,866,947
	3,435,757,372	2,560,869,361
b) Long - term		
- Dispatched tools and supplies	4,273,646,435	6,694,613,926
- Fixed asset repair expenses	4,320,853,181	2,873,983,531
- Prepaid for land rental	91,208,137	147,405,109
- Ground clearance costs for hydroelectric plants (*)	90,346,012,978	21,629,190,232
- Others	694,894,179	4,274,686,491
	99,726,614,910	35,619,879,289

(*): The compensation for land clearance of Bao Lam 1,3,3A Hydropower projects will be deducted from the payable land rents annually according to notices of Cao Bang Tax Department as follows:

- Bao Lam 1 Hydropower plant project, according to Announcement No.192/TB-CT dated 24 November 2016, the total deductible amount was VND 11,413,476,782.
- Bao Lam 3 Hydropower plant project, according to Announcement No.849/TB-CT dated 21 August 2017, the total deductible amount was VND 10,061,418,000;
- Bao Lam 3A Hydropower plant project, according to Announcement No.798/TB-CT dated 07 August 2017, the total deductible amount was VND 668,410,942;
- The total land clearance amount of Trung Thu Hydropower plant is VND 70,790,693,435;

The land rental charge off-setted in the year was VND 2,073,870,689. The outstanding balance of Land clearance expenses will be compensated in following years as at 31/12/2018 is VND 90,346,012,978.

16. GOODWILL

	31/12/2018	01/01/2018
	VND	VND
Beginning balance	73,082,164,625	81,434,412,011
- The value of goodwill arising from the acquisition of subsidiaries during the year	35,616,454,034	-
- Depreciation for the year	(10,133,070,089)	(8,352,247,386)
Ending balance	98,565,548,570	73,082,164,625

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17. BORROWINGS

	01/01/2018		In the year		31/12/2018	
	Outstanding balance	Amount can be paid	Increase	Decrease	Outstanding balance	Amount can be paid
	VND	VND	VND	VND	VND	VND
a) Short-term borrowings						
- Short-term debts	169,921,963,132	169,921,963,132	1,475,220,073,917	1,274,435,770,396	370,706,266,653	370,706,266,653
- Current portion of long-term debts	124,075,117,121	124,075,117,121	304,674,501,480	383,665,700,229	45,083,918,372	45,083,918,372
	<u>293,997,080,253</u>	<u>293,997,080,253</u>	<u>1,779,894,575,397</u>	<u>1,658,101,470,625</u>	<u>415,790,185,025</u>	<u>415,790,185,025</u>
b) Long-term borrowings						
- Long-term debts	1,651,204,701,545	1,651,204,701,545	336,501,508,737	388,665,700,229	1,599,040,510,053	1,599,040,510,053
	<u>1,651,204,701,545</u>	<u>1,651,204,701,545</u>	<u>336,501,508,737</u>	<u>388,665,700,229</u>	<u>1,599,040,510,053</u>	<u>1,599,040,510,053</u>
Amount due for settlement within 12 months	(124,075,117,121)	(124,075,117,121)	(304,674,501,480)	(383,665,700,229)	(45,083,918,372)	(45,083,918,372)
Amount due for settlement after 12 months	<u>1,527,129,584,424</u>	<u>1,527,129,584,424</u>			<u>1,553,956,591,681</u>	<u>1,553,956,591,681</u>
Detailed information on Short-term borrowings:						
	Currency	Maturity period	Guarantee	31/12/2018	01/01/2018	
				VND	VND	
Joint Stock Commercial Bank for Foreign Trade of Vietnam	VND	Under 12 months	Unsecured	31,246,247,534	34,586,882,791	
Joint Stock Commercial Bank for Investment and Development of Vietnam	VND	Under 12 months	Unsecured	250,197,566,207	87,147,811,745	
Vietnam Joint Stock Commercial Bank for Industry and Trade	VND	9 months	Unsecured	54,613,970,924	39,070,722,651	
Military Commercial Joint Stock Bank	VND	Under 12 months	Unsecured	8,245,418,819	-	
Shinhan Bank Vietnam Limited	VND	From 3 to 6 months	Unsecured	14,560,063,169	1,195,945,945	
Others	VND	Under 12 months	Unsecured	11,843,000,000	7,920,600,000	
				<u>370,706,266,653</u>	<u>169,921,963,132</u>	

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Detailed information on Long-term borrowings:

	Currency	Interest rate	Year of maturity	Guarantee	31/12/2018		01/01/2018	
					VND	VND	VND	VND
Joint Stock Commercial Bank for Foreign Trade of Vietnam	VND	Interest rate on savings deposit with term of 12 months and interest margin	180 months from date of loan disbursement	Assets formed from Bao Lam 3 Hydropower Project	355,300,000,000		364,390,366,569	
Joint Stock Commercial Bank for Investment and Development of Vietnam (BIDV)	VND	Preferential interest from supportive funds of Renewable Energy Development Program (REDP) of World Bank	180 months from date of loan disbursement	Assets formed from Trung Thu Hydropower Project	493,768,000,000		549,878,000,000	
Vietnam Joint Stock Commercial Bank for Industry and Trade	VND	Preferential interest from supportive funds of Renewable Energy Development Program (REDP) of World Bank	180 months from date of loan disbursement	Assets formed from Bao Lam 1 Hydropower Project	504,168,305,700		518,806,344,822	
Vietnam Joint Stock Commercial Bank for Industry and Trade	VND	Interest rate on savings deposit with term of 12 months and interest margin	14 years from date of loan disbursement and no later than 31/12/2033	Assets formed from the Mewng An Hydropower Project	177,987,293,062		63,827,375,876	
Vietnam Joint Stock Commercial Bank for Industry and Trade	VND	Interest rate on savings deposit with term of 12 months and interest margin	180 months from date of loan disbursement	Assets formed from Bao Lam 5A Hydropower Project	69,330,170,283		4,612,340,894	
Vietnam Joint Stock Commercial Bank for Industry and Trade	VND	8%	60 months from date of loan disbursement	Guaranteed by real estate project cash flow	-		149,496,800,144	
Tien Phong Commercial Joint Stock Bank	VND	Flexible interest rates	48 months from date of loan disbursement	Assets formed from the 30401	237,551,008		473,469,380	
Others	VND	10.50%	18 months from date of loan disbursement	Unsecured	-		320,000,000	
					<u>1,599,040,510,053</u>		<u>1,651,204,701,545</u>	
Amount due for settlement within 12 months					(45,083,918,372)		(124,075,117,121)	
Amount due for settlement after 12 months					<u>1,553,956,591,681</u>		<u>1,527,129,584,424</u>	

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18. SHORT-TERM TRADE PAYABLES

	31/12/2018		01/01/2018	
	Outstanding balance	Amount can be paid	Outstanding balance	Amount can be paid
	VND	VND	VND	VND
Short-term trade payables detailed by suppliers with large account balances				
- Tianjin Tianfa Heavy Machinery & Hydropower Equipment Manufacture	7,411,506,518	7,411,506,518	38,517,707,854	38,517,707,854
- Song Da 5 Joint Stock Company	23,721,431,636	23,721,431,636	52,784,540,616	52,784,540,616
- Vinacom - Minerals Holding Corporation	-	-	84,387,502,100	84,387,502,100
- Ricons Construction Investment Joint Stock Company	70,200,323,350	70,200,323,350	111,439,391,189	111,439,391,189
- Duc Giang Trade Limited Company	50,508,018,610	50,508,018,610	-	-
- Viet Phat Import Export Trading Investment Joint Stock Company	71,961,445,345	71,961,445,345	-	-
- Machinery Corporation and Industrial Equipment-Joint Stock Company	26,812,839,068	26,812,839,068	-	-
- Hoang Anh Steel Structure and Lifting Joint Stock Company	24,347,766,330	24,347,766,330	-	-
- Others	483,406,871,686	483,406,871,686	506,567,660,162	506,567,660,162
	<u>758,370,202,543</u>	<u>758,370,202,543</u>	<u>793,696,801,921</u>	<u>793,696,801,921</u>

19. SHORT-TERM PREPAYMENTS FROM CUSTOMERS

	31/12/2018	01/01/2018
	VND	VND
Short-term prepayments from customers with large account balances		
- The Central Vietnam Power Projects Management Board	27,030,938,010	4,149,182,906
- Hoa Lac Hi-tech Park Management Board	-	8,696,334,360
- Electric network project Management Board	9,496,448,106	-
- Project Management Board Central Grid - Central Power Corporation	-	13,353,796,337
- My Son - Hoan Loc Viet Solar Energy Joint Stock Company	27,400,000,000	-
- Da Nhim Hydropower Joint Stock Company	15,704,155,345	-
- Prepayments from customers of My Dinh Plaza 2 Project	-	230,720,071,400
- AG Ajikawa Corporation	9,176,662,560	9,176,662,560
- Others	66,522,730,890	29,205,244,008
	<u>155,330,934,911</u>	<u>295,301,291,571</u>

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20. TAX AND OTHER PAYABLES FROM STATE BUDGET

	Tax receivable at the beginning of year	Tax payable at the beginning of year	Tax payable in the year	Tax paid in the year	Other adjustment (*)	Tax receivable at the end of the year	Tax payable at the end of the year
	VND	VND	VND	VND	VND	VND	VND
Value added tax	-	12,018,763,231	99,340,721,312	91,230,178,128	-	-	20,129,306,415
Corporate income tax	60,963,744	35,228,467,764	88,786,118,062	65,975,169,370	265,405,808	-	58,243,858,520
Personal income tax	39,383,361	562,814,860	3,004,919,264.00	2,725,745,938.00	-	1,132,761	803,737,586
Natural resource tax	-	1,383,107,508	37,598,470,401.00	36,797,722,651.00	-	-	2,183,855,258.00
Land tax and land rental	9,630,996	-	4,400,701,877.00	4,391,070,881.00	-	-	-
Other taxes	-	-	732,805,844.00	732,805,844.00	-	-	-
Fees, charges and other payables	-	873,035,341	18,733,416,860.00	17,309,630,133.00	-	-	2,296,822,068
	<u>109,978,101</u>	<u>50,066,188,704</u>	<u>252,597,153,620</u>	<u>219,162,322,945</u>	<u>265,405,808</u>	<u>1,132,761</u>	<u>83,657,579,847</u>

The Company'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, the above amounts reported in the Consolidated Financial Statements could be changed at a later date upon final determination by the tax authorities.

(*) These are the adjustments of corporate income tax of the previous years, adjusted to the corporate income tax payable at subsidiaries this year.

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21. SHORT-TERM ACCRUED EXPENSES

	31/12/2018	01/01/2018
	VND	VND
- Capitalized interest expense	-	1,248,658,456
- Interest expense	16,429,902,768	18,023,862,489
- Accrued expenses for construction work and industrial production	3,812,086,923	11,705,762,186
- Accrued expenses of completed Hydroelectric plants	72,659,355,817	172,491,251,055
- Accrued expenses related to real estate	6,701,707,600	-
- Transportation expense	4,954,308,739	581,182,139
- Raw materials	30,058,687,313	706,660,987
- Others	4,837,350,120	1,089,408,756
	<u>139,453,399,280</u>	<u>205,846,786,068</u>

22. OTHER PAYABLES

	31/12/2018	01/01/2018
	VND	VND
a) Short-term		
- Trade union fee	1,660,407,727	1,480,917,585
- Social insurance	678,583,927	1,051,754,625
- Health insurance	75,270,230	133,436,826
- Unemployment insurance	39,735,703	60,183,098
- Short-term deposits, collateral received	3,473,178,589	3,015,559,121
- Payables to construction team, the command team	5,096,364,465	6,530,741,679
- Payables to maintenance of real estate projects	36,144,911,389	14,308,512,538
- Payables to ground clearance received from the investor is not finalized	1,114,668,868	1,901,043,183
- Others	6,964,980,363	9,100,792,382
	<u>55,248,101,261</u>	<u>37,582,941,037</u>
b) Long-term		
- Long-term deposits, collateral received	1,048,203,506	241,516,269
	<u>1,048,203,506</u>	<u>241,516,269</u>

23. PROVISION FOR PAYABLES

	31/12/2018	01/01/2018
	VND	VND
a) Short-term provisions		
- Provision for product warranty	6,689,128,783	19,020,708,217
- Provision for construction warranty	6,196,277,618	42,579,165,361
	<u>12,885,406,401</u>	<u>61,599,873,581</u>
b) Long-term		
- Provision for product warranty	2,832,417,263	9,585,025,330
- Provision for construction warranty	7,261,678,713	15,389,748,850
	<u>10,094,095,976</u>	<u>24,974,774,180</u>

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24. OWNER'S EQUITY
in Changes in owner's equity

	Contributed capital	State premium	Other reserves	Reserve for revaluation	Retained earnings	Other funds	Share - Contributing laborer	Total
	VND	VND	VND	VND	VND	VND	VND	VND
Beginning balance of previous year (***)	152,629,146,804	389,630,283,218	-	(4,288,898)	490,941,146	56,788,477,113	13,685,224,177	1,003,674,134,548
Increase in capital in previous year (***)	178,115,220,000	393,330,444,290	-	-	-	-	-	571,445,664,290
Decrease due to revaluation	-	-	-	-	-	-	-	-
Profit for previous year	-	-	-	-	-	-	-	336,601,688,709
Dividend payment to share	225,784,000,000	-	-	-	-	-	-	(225,784,000,000)
Surplus distribution	-	-	-	-	-	-	-	(22,624,132,183)
Contribution to Development and Investment Fund	-	-	-	-	-	-	-	(22,624,132,183)
Contribution to Social and Welfare Fund	-	-	-	-	-	-	-	(5,782,145,708)
Contribution to Economic Transformation Fund	-	-	-	-	-	-	-	(5,443,748,878)
Contribution to Business Capital Fund	-	-	-	-	-	-	-	-
Decrease due to sale of capital in previous year	-	(18,755,666,522)	-	-	-	-	-	(18,755,666,522)
Other decrease	-	-	-	-	-	-	-	(15,892,090)
Ending balance of previous year	<u>1,194,838,430,608</u>	<u>711,130,598,786</u>	<u>-</u>	<u>(4,288,898)</u>	<u>490,941,146</u>	<u>56,788,477,113</u>	<u>13,685,224,177</u>	<u>2,457,071,230,520</u>

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34. OWNER'S EQUITY

a) Changes in owner's equity

	Contributed capital	Share premium	Other reserves	Retained profits	Joint evaluation	Development and investment funds	Other funds	Retained earnings	Non-current interest	Total
	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND
Beginning balance of current year	1,184,818,428,000	711,136,518,700	33,000,000,000	(4,328,000)	394,342,700	78,018,313,120	21,218,081,247	716,111,402,499	122,864,856,543	3,815,995,203,340
Income in current year	-	-	-	-	-	-	-	468,549,908,401	16,730,000,858	39,914,800,200
Profit of this year	-	-	-	-	-	-	-	468,549,908,401	16,730,000,858	39,914,800,200
Dividends distributed to parent company(*)	(173,174,520,000)	-	-	-	-	(18,570,908,834)	9,188,984,227	(249,316,942,135)	34,831,470,473	(18,276,988,234)
Dividend payment to share	(173,174,520,000)	-	-	-	-	(18,570,908,834)	-	(723,174,226,893)	-	-
Distribution in Development and investment funds	-	-	-	-	-	(18,570,908,834)	-	(18,570,908,834)	-	(18,570,908,834)
Distribution to direct and indirect shareholders	-	-	-	-	-	5,085,494,477	(5,085,494,477)	-	-	-
Carriage distribution at period complete(*)	-	-	-	-	3,301,969,670	(80,973,918)	(18,860,891,118)	(11,415,148,850)	(47,149,418,800)	(47,149,418,800)
Dividends from profits of 2017	-	-	-	-	-	-	-	(2,806,860,800)	(3,445,453,824)	(6,252,314,624)
Dividends from profits of 2018	-	-	-	-	-	-	-	48,124,871,269	18,243,771,870	66,368,643,139
Distribution at end of year from profits of 2017	-	-	-	-	-	-	-	(2,806,860,800)	(3,445,453,824)	(6,252,314,624)
Distribution at end of year from profits of 2018	-	-	-	-	394,342,700	(8,700,000)	-	(818,416,892)	(81,210,174)	(1,202,374,366)
Other adjustments	-	-	-	-	-	-	-	28,731,572	36,118,373	64,850,000
Ending balance of this year	1,011,643,908,000	711,136,518,700	33,000,000,000	14,720,000	788,685,400	69,447,404,286	21,428,014,524	694,963,434,878	138,596,645,528	3,279,220,608,114

(*) Timings distribution of 2017 is postponed according to the General Meeting of Shareholders Resolution No. 01/2017-PCC1-DHDCD dated 24 April 2018.

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a) Comparison table of changes in owner's equity

(**) In 2017, implementing Resolution No. 31 / PCC1-DHDCD dated 12 September 2017, the Company completed the private placement for financial investors.

The number of additionally issued shares is 17,611,522 shares, corresponding to the total additional charter capital of VND 176,115,220,000. Total net cash flows from offering shares: VND 517,620,593,468.

At the Resolution of the General Meeting of Shareholders on 26 April 2018, the General Meeting approved the change of the purpose of using capital from the private placement in 2017 from the form of PCC1 to directly invest in the project of Mong An Hydropower, move to contribute capital to the joint venture into Northern Energy Investment Joint Stock Company, ensure more efficient investment projects. At the same time, the General Meeting of Shareholders authorized the Board of Directors to use residual capital due to the reduction of ownership in Mong An project for the purpose of production and business activities and other project investments, on the principle of ensuring safety and increasing efficiency of capital used. On that basis, on 28 September 2018, the Board of Management issued Resolution No. 39/NQ-PCC1-HDQT to change the purpose of using capital of this issuance to suit the reality when Mong An Hydropower project was transferred to Northern Energy Investment Joint Stock Company.

At 31 December 2018, the mobilized capital from the issuance was used as follows:

- + Investment in the Mong An Hydropower plant project is VND 78,030,000,000 through investing in subsidiaries which implement the project: Northern Energy Investment Joint Stock Company.
 - + Investing in Bao Lac B hydropower project VND 83,757,637,562, used to advance and pay for construction equipment procurement packages.
 - + Investment in Thanh Xuan PCC1 is VND 199,877,121,947 through investing in subsidiaries which implement the project: Hoa Binh Automobile Mechanical Joint Stock Company.
- The mobilized capital that was used until 31 December 2018 was VND 361,664,759,509, which was used for the purpose of mobilizing capital approved by the General Meeting of Shareholders.

(***) In 2016, implementing Resolution No. 03 / NQ-PCC1-DHDCD dated August 19, 2016 of the General Meeting of Shareholders, the Company completed the private offering for strategic shareholders. The number of additionally issued shares is 11,480,718 shares, corresponding to the total increased charter capital of VND 114,807,180,000 (par value of VND 10,000 / share). The total value of net mobilized capital from the issuance is VND 378,793,694,000. The proceeds from the issuance are used to invest in the construction of Bao Lam 3 hydropower project. At 31 December 2018, the mobilized capital from this issuance has been used for the right purpose of initial capital was VND 378,793,694,000.

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

	Year 2018 VND	Year 2017 VND
Owner's contributed capital		
- At the beginning of the year	1,154,528,420,000	752,629,140,000
- Increase in the year	173,174,520,000	401,899,280,000
- At the end of the year	1,327,702,940,000	1,154,528,420,000
Distributed dividends and profit		
- Dividends and profits payable at the beginning of the year	-	-
- Dividends and profits payable during the year	173,174,520,000	225,784,060,000
+ Dividends, profit payment from last year's profit	173,174,520,000	225,784,060,000
- Dividends and profits paid by shares	(173,174,520,000)	(225,784,060,000)
+ Dividends, profit payment from last year's profit	(173,174,520,000)	(225,784,060,000)
- At the end of the year	-	-

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e) Share	31/12/2018	01/01/2018
Quantity of Authorized issuing shares	132,770,294	115,452,842
Quantity of issued shares	132,770,294	115,452,842
- Common shares	132,770,294	115,452,842
Quantity of shares repurchased	432	432
- Common shares	432	432
Quantity of outstanding shares in circulation	132,769,862	115,452,410
- Common shares	132,769,862	115,452,410
Par value per share (VND)	10,000	10,000
d) Company's reserves		
	31/12/2018	01/01/2018
	VND	VND
- Development and investment funds	99,388,290,758	78,810,312,228
- Other reserves	32,420,124,534	23,130,682,547
	<u>131,808,415,292</u>	<u>101,940,994,775</u>

25. OFF STATEMENT OF FINANCIAL POSITION ITEMS

a) Operating asset for leasing

The company currently leases assets under operating lease contracts. On 31 December 2018, future minimum rents under operating lease contracts are presented as follows:

	31/12/2018	01/01/2018
	VND	VND
- Not later than 1 year	14,200,502,318	15,734,875,112
- Later than 1 year and not later than 5 years	22,485,760,732	18,781,645,370
	<u>36,686,263,050</u>	<u>34,516,520,482</u>

b) Operating leased assets

Lot name / Location lot	Leased area	Rental period	Rent purpose	Land rent payable in 2018	Note
Land area at 18 Ly Van Phuc - Cat Linh Ward - Dong Da District - Hanoi	510 m ²	50 years	Headquarter	184,080,420	The unit price is stable every 5 years
Land area at Yen Thuong commune - Gia Lam District - Hanoi	9,629 m ²	Annual	Headquarter	433,989,325	Pay the annual rent
Land area at Phuong Canh Ward - Nam Tu Liem District - Hanoi	6,475 m ²	50 years	Headquarter	555,855,000	The unit price is stable every 5 years
Land area at Dong Ngac Ward - Bac Tu Liem District - Hanoi	2,903 m ²	25 years	Headquarter	256,136,200	The unit price is stable every 5 years
My Dinh Ward 2 - Nam Tu Liem District - Hanoi	3,334 m ²	50 years	Parking, public works	718,574,362	The unit price is stable every 5 years
Land area at Phu Lam Ward - Ha Dong District - Hanoi	812.5 m ²	25 years	Headquarter	40,737,034	The unit price is stable every 5 years

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Lot name / Location lot	Leased area	Rental period	Rent purpose	Land rent payable in 2018	Note
Land area at Mai Son commune - Yen Mo - Ninh	2,505 m ²	33 years	Headquarter	42,296,000	The unit price is stable every 5 years
Land area at Tan Thanh Ward - Ninh Binh City	2,887 m ²	Annual	Headquarter	48,738,000	Pay the annual rent
Land area at Nguyen Tam Trinh street - Hoang Mai district - Hanoi	961 m ²	Annual	Headquarter	128,644,266	Pay the annual rent
Land area at Dai Mo commune - Nam Tu Liem district - Hanoi	3,274 m ²	Long and stable term	Headquarter	331,712,701	The unit price is stable every 5 years
Land area Phu La Ward - Ha Dong District - Hanoi	1,193 m ²	Annual	Headquarter	113,074,568	Pay the annual rent
c) Foreign currencies (USD)				13,141.22	15,655.92
d) Doubtful debts written-offs				13,659,646,137	13,659,646,137
AG Ajikawa Corporation				12,373,726,137	12,373,726,137
Others				1,285,920,000	1,285,920,000

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

	Year 2018	Year 2017
	VND	VND
Revenue from construction activities	1,730,664,054,934	1,700,440,306,186
Revenue from industrial production activities	498,868,808,529	375,625,465,285
Revenue from trading investment of real estate	14,124,213,215	11,910,644,498
Revenue from transfer of real estate	954,485,096,946	3,465,775,328
Revenue from hydroelectric activities	559,423,054,774	279,396,332,318
Revenue from sale of goods	1,254,390,183,750	722,571,770,335
Others	72,466,424,757	67,145,721,545
	<u>5,084,421,836,905</u>	<u>3,160,556,015,495</u>
In which: Revenue from related parties (as detailed in Note 42)	65,466,955,200	9,211,217,600

27. COSTS OF GOODS SOLD

	Year 2018	Year 2017
	VND	VND
Cost of construction activities	1,559,030,989,531	1,467,694,615,123
Cost of industrial production activities	467,239,814,459	340,772,826,797
Operating cost of investment properties	6,193,398,513	4,374,056,841
Cost of transfer of real estate	695,092,869,585	3,852,897,896
Cost of hydroelectric activities	210,235,303,799	116,875,496,918
Cost of goods sold	1,218,829,483,293	697,183,775,892
Others	62,046,088,559	48,867,131,663
Reversal of provision for devaluation of inventories	-	(265,187,726)
	<u>4,218,667,947,739</u>	<u>2,679,355,613,403</u>

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Lot name / Location lot	Leased area	Rental period	Rent purpose	Land rent payable in 2018	Note
Land area at Mai Son commune - Yen Mo - Ninh	2,505 m ²	33 years	Headquarter	42,296,000	The unit price is stable every 5 years
Land area at Tan Thanh Ward - Ninh Binh City	2,887 m ²	Annual	Headquarter	48,738,000	Pay the annual rent
Land area at Nguyen Tam Trinh street - Hoang Mai district - Hanoi	961 m ²	Annual	Headquarter	128,644,266	Pay the annual rent
Land area at Dai Mo commune - Nam Tu Liem district - Hanoi	3,274 m ²	Long and stable term	Headquarter	331,712,701	The unit price is stable every 5 years
Land area Phu La Ward - Ha Dong District - Hanoi	1,193 m ²	Annual	Headquarter	113,074,568	Pay the annual rent
e) Foreign currencies (USD)				13,141.22	15,655.92
d) Doubtful debts written-offs				13,659,646,137	13,659,646,137
AG Ajikawa Corporation				12,373,726,137	12,373,726,137
Others				1,285,920,000	1,285,920,000
26. TOTAL REVENUE FROM SALE OF GOODS AND RENDERING OF SERVICES					
				Year 2018	Year 2017
				VND	VND
Revenue from construction activities				1,730,664,054,934	1,700,440,306,186
Revenue from industrial production activities				498,868,808,529	375,625,465,285
Revenue from trading investment of real estate				14,124,213,215	11,910,644,498
Revenue from transfer of real estate				954,485,096,946	3,465,775,328
Revenue from hydroelectric activities				559,423,054,774	279,396,332,318
Revenue from sale of goods				1,254,390,183,750	722,571,770,335
Others				72,466,424,757	67,145,721,545
				5,084,421,836,905	3,160,556,015,495
In which: Revenue from related parties (as detailed in Note 42)				65,466,955,200	9,211,217,600
27. COSTS OF GOODS SOLD					
				Year 2018	Year 2017
				VND	VND
Cost of construction activities				1,559,030,989,531	1,467,694,615,123
Cost of industrial production activities				467,239,814,459	340,772,826,797
Operating cost of investment properties				6,193,398,513	4,374,056,841
Cost of transfer of real estate				695,092,869,585	3,852,897,896
Cost of hydroelectric activities				210,235,303,799	116,875,496,918
Cost of goods sold				1,218,829,483,293	697,183,775,892
Others				62,046,088,559	48,867,131,663
Reversal of provision for devaluation of inventories				-	(265,187,726)
				4,218,667,947,739	2,679,355,613,403

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28. FINANCIAL INCOME

	Year 2018	Year 2017
	VND	VND
Interest income	28,242,892,107	9,266,983,208
Dividends or profits received	-	71,968,050
Realised gain from foreign exchange differences in the year	116,933,686	1,305,321,474
Unrealised gain from revaluation of foreign currencies account at the end of the year	59,369,075	37,935,519
Others	15,240	-
	28,419,210,108	10,682,208,251

29. FINANCIAL EXPENSES

	Year 2018	Year 2017
	VND	VND
Interest expenses	147,742,764,402	95,637,929,738
Loss from disposal of financial investments	-	3,965,713,200
Realised losses from foreign exchange differences in the year	654,762,440	3,611,161,937
Unrealised losses from revaluation of foreign currencies account at the end of the year	34,467,580	-
Provision for diminution in value of trading securities and impairment loss from investment	1,652,891,065	-
Others	1,112	1,059
	150,084,886,599	103,214,805,934

30. SELLING EXPENSES

	Year 2018	Year 2017
	VND	VND
Raw materials	17,701,072	21,045,332
Labour expenses	1,221,178,194	1,575,661,851
Expenses of outsourcing services	63,498,634,030	21,962,296,758
Other expenses in cash	1,240,803,270	816,217,287
Reversal of provision	(19,052,074,562)	(40,889,711,115)
	46,926,242,004	(16,514,489,887)

31. GENERAL AND ADMINISTRATIVE EXPENSES

	Year 2018	Year 2017
	VND	VND
Raw materials	5,627,778,534	6,993,386,421
Labour expenses	97,607,600,195	79,216,087,608
Depreciation expenses	15,069,485,156	13,645,121,763
Reversal of provision	(515,552,909)	(300,812,989)
Tax, Charge, Fee	2,823,101,348	2,899,741,610
Expenses of outsourcing services	15,710,566,053	13,617,616,533
Other expenses in cash	25,171,646,166	26,529,227,320
	161,494,624,544	142,600,368,266

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32. OTHER INCOME

	Year 2018	Year 2017
	VND	VND
Gain from liquidation, disposal of fixed assets	611,226,101	704,383,761
Gain from liquidation, disposal of tools	40,133,101	-
Reversal of accrued construction expenses	17,629,945	2,664,106,139
Reversal of provision for product warranty	44,510,957,883	35,324,073,285
Others	1,787,896,138	2,229,719,703
	<u>46,967,843,168</u>	<u>40,922,282,888</u>

33. OTHER EXPENSE

	Year 2018	Year 2017
	VND	VND
Net carrying amount and loss from liquidation, disposal of fixed assets	4,251,259,281	-
Others	3,636,541,582	1,212,777,733
	<u>7,887,800,863</u>	<u>1,212,777,733</u>

34. CURRENT CORPORATE INCOME TAX EXPENSES

	Year 2018	Year 2017
	VND	VND
Current corporate income tax expenses at Parent company	23,838,280,293	32,554,707,668
Current corporate income tax expenses at Subsidiaries	67,255,937,769	13,986,099,233
Temporarily paid tax on receipt from customers relating to the real estate activities	(2,308,100,000)	2,308,100,000
Current corporate income tax expenses	<u>88,786,118,062</u>	<u>48,848,906,901</u>
Adjustments of corporate income tax of previous years into corporate income tax this year	265,405,308	130,184,267
Tax payable at the beginning of the year	35,167,504,020	48,892,015,094
Tax paid in the year	(65,975,169,370)	(62,703,602,242)
Corporate income tax payable at the end of the year	<u>58,243,858,520</u>	<u>35,167,504,020</u>

35. DEFERRED INCOME TAX

a) Deferred income tax assets	31/12/2018	01/01/2018
	VND	VND
- Deferred income tax assets related to deductible temporary differences: 1% Income tax expense submitted for revenue collection in progress from transfer of real estate	-	2,308,100,000
Deferred income tax assets	<u>-</u>	<u>2,308,100,000</u>

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b) Deferred income tax liabilities

	31/12/2018	01/01/2018
	VND	VND
- Deferred income tax arising from the reversal of provision for financial investments	13,557,522,068	14,639,705,752
- Deferred corporate income tax assets corresponding to unrealized gains and losses	(1,943,816,878)	-
Deferred income tax liabilities	<u>11,613,705,190</u>	<u>14,639,705,752</u>

c) Deferred income tax expenses

	Year 2018	Year 2017
	VND	VND
1% Income tax expense submitted for revenue collection in progress from transfer of real estate	2,308,100,000	(2,308,100,000)
Deferred income tax assets arising from unrealized profits	(1,943,816,878)	692,682,881
Deferred income tax arising from the adjustments of provision for financial investments	(1,082,183,684)	(651,655,506)
	<u>(717,900,562)</u>	<u>(2,267,072,625)</u>

36. BASIC EARNINGS PER SHARE

Basic earnings per share distributed to common shareholders of the company are calculated as follows:

	Year 2018	Year 2017
	VND	VND
Net profit after tax	466,549,998,401	236,661,088,790
Profit distributed to common shares	466,549,998,401	236,661,088,790
Average number of outstanding common shares in circulation in the year	132,769,862	132,769,862
Basic earnings per share	<u>3,514</u>	<u>1,782</u>

The company has not planned to make any distribution to Bonus and welfare fund from the net profit after tax for the fiscal year ended as at 31 December 2018.

Basic earnings per share have been adjusted retroactively in accordance with the Vietnamese Accounting Standard No. 30 - Earnings per share.

37. BUSINESS AND PRODUCTIONS COST BY ITEMS

	Year 2018	Year 2017
	VND	VND
Raw materials	1,041,257,810,677	1,082,321,721,208
Labour expenses	236,294,072,760	227,164,206,967
Depreciation expenses	154,213,426,209	115,292,859,448
Provision expenses	(19,567,627,471)	(44,609,143,325)
Expenses of outsourcing services	1,240,153,428,059	1,185,623,034,074
Other expenses in cash	129,967,299,017	86,009,956,226
	<u>2,782,318,409,251</u>	<u>2,651,802,634,598</u>

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38. FINANCIAL INSTRUMENTS

The types of financial instruments of the Company:

	Carrying amount			
	31/12/2018		01/01/2018	
	Original Cost VND	Provision VND	Original Cost VND	Provision VND
Financial Assets				
Cash and cash equivalents	701,280,173,355	-	567,443,915,134	-
Trade and other receivables	1,162,027,558,093	(3,232,235,685)	1,027,694,713,110	(3,747,788,594)
Loans	91,655,000,000	-	101,655,000,000	-
	<u>1,954,962,731,448</u>	<u>(3,232,235,685)</u>	<u>1,696,793,628,244</u>	<u>(3,747,788,594)</u>
			Carrying amount	
			31/12/2018	01/01/2018
			VND	VND
Financial Liabilities				
Borrowings and debts			1,969,746,776,706	1,821,126,664,677
Trade and other payables			814,666,507,310	831,521,259,227
Accrued expenses			139,453,399,280	205,846,786,068
			<u>2,923,866,683,296</u>	<u>2,858,494,709,972</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 Company's financial risks include market risk, credit risk and liquidity risk. The Company has developed its control system to ensure the reasonable balance between cost of incurred risks and cost of risk management. The Board of General Directors of the Company is responsible for monitoring the risk management process to ensure the appropriate balance between risk and risk control.

Market risk

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

Exchange rate risk:

The Company bears the risk of exchange rate due to the fluctuation in fair value of future cash flows of a financial instrument in line with changes in exchange rates if loans, revenues and expenses of the Company are denominated in foreign currencies other than VND.

Interest rate risk:

The Company 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 Company has time or demand deposits, borrowings and debts subject to floating interest rates. The Company manages interest rate risk by analyzing the market competition situation to obtain interest beneficial for its operation purpose.

Credit Risk

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

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	Up to 1 year	In 1 to 5 years	In more than 5 years	Total
	VND	VND	VND	VND
As at 31/12/2017				
Cash and cash equivalents	701,280,173,355	-	-	701,280,173,355
Trade and other receivables	1,150,499,748,908	8,295,573,500	-	1,158,795,322,408
Loans	91,655,000,000	-	-	91,655,000,000
	<u>1,943,434,922,263</u>	<u>8,295,573,500</u>	<u>-</u>	<u>1,951,730,495,763</u>
As at 01/01/2017				
Cash and cash equivalents	567,443,915,134	-	-	567,443,915,134
Trade and other receivables	1,023,909,180,516	37,744,000	-	1,023,946,924,516
Loans	101,655,000,000	-	-	101,655,000,000
	<u>1,693,008,095,650</u>	<u>37,744,000</u>	<u>-</u>	<u>1,693,045,839,650</u>

Liquidity Risk

Liquidity risk is the risk that the Company has trouble in settlement of its financial obligations due to the lack of funds. Liquidity risk of the Company 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:

	Up to 1 year	In 1 to 5 years	In more than 5 years	Total
	VND	VND	VND	VND
As at 31/12/2017				
Borrowings and debts	415,790,185,025	486,640,000,000	1,067,316,591,681	1,969,746,776,706
Trade and other payables	813,618,303,804	1,048,203,506	-	814,666,507,310
Accrued expenses	139,453,399,280	-	-	139,453,399,280
	<u>1,368,861,888,109</u>	<u>487,688,203,506</u>	<u>1,067,316,591,681</u>	<u>2,923,866,683,296</u>
As at 01/01/2017				
Borrowings and debts	293,997,080,253	594,443,773,061	932,685,811,363	1,821,126,664,677
Trade and other payables	831,279,742,958	241,516,269	-	831,521,259,227
Accrued expenses	205,846,786,068	-	-	205,846,786,068
	<u>1,331,123,609,279</u>	<u>594,685,289,330</u>	<u>932,685,811,363</u>	<u>2,858,494,709,972</u>

The Company believes that risk level of loan repayment is controllable. The Company has the ability to pay due debts from cash flows from its operating activities and cash received from mature financial assets.

39. ADDITIONAL INFORMATION FOR THE ITEMS OF THE STATEMENT OF CASH FLOWS

	Year 2018	Year 2017
	VND	VND
a) Proceeds from borrowings during the year		
Proceeds from ordinary contracts;	1,811,721,582,654	2,199,846,778,844
n) Proceeds from borrowings during the year		
Repayment on principal from ordinary contracts;	1,663,101,470,625	1,494,625,603,642

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40. SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

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

41. SEGMENT REPORTING

Under business fields:

	Construction	Industrial Production	Real estate	Hydroelectric	Sales activities	Others	Total
	VND	VND	VND	VND	VND	VND	VND
Net revenue from sales to external customers	1,730,664,034,934	498,868,808,529	968,609,310,161	559,423,054,774	1,254,390,183,750	72,466,424,737	5,084,421,836,905
Cost of goods sold	1,559,030,989,531	467,239,814,459	701,286,268,098	210,235,303,799	1,218,829,483,293	62,046,088,559	4,218,667,947,739
Profit from business activities	171,633,065,403	31,628,994,070	267,323,042,063	349,187,750,975	35,560,700,457	10,420,336,198	865,753,889,166
The total cost of acquisition of fixed assets	5,609,589,256	7,952,603,109	75,008,271,670	393,563,108,194	-	-	482,133,572,229
Segment assets	1,243,238,555,130	350,885,267,822	556,252,028,159	3,195,977,098,586	91,751,597,695	24,207,839,568	5,462,312,386,960
Unallocated assets	-	-	-	-	-	-	1,134,593,675,910
Total assets	1,243,238,555,130	350,885,267,822	556,252,028,159	3,195,977,098,586	91,751,597,695	24,207,839,568	6,596,906,062,870
Segment liabilities	716,878,951,369	273,864,721,353	176,684,397,146	1,814,450,707,519	74,106,029,736	18,926,229,072	3,074,911,036,195
Unallocated liabilities	-	-	-	-	-	-	242,766,368,561
Total liabilities	716,878,951,369	273,864,721,353	176,684,397,146	1,814,450,707,519	74,106,029,736	18,926,229,072	3,317,677,404,756

Under geographical areas:

The Company doesn't prepare segment reporting under geographical areas because the majority operation areas of the Company is in Vietnam.



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42. TRANSACTION AND BALANCES WITH RELATED PARTIES

The Company has transactions during the year and balances at the balance sheet date with related parties as follows:

Transactions arising in the year:

	Relation	Year 2018 VND	Year 2017 VND
Revenue			
Cao Bang Cast Iron and Steel JSC (CISCO)	Associate	65,466,955,200	9,211,217,600
Liquidation of fixed assets			
Cao Bang Cast Iron and Steel JSC (CISCO)	Associate	448,000,000	-

Outstanding balances up to the reporting date are as follows:

	Relation	31/12/2018 VND	01/01/2018 VND
Short-term receivables			
Cao Bang Cast Iron and Steel JSC (CISCO)	Associate	29,270,626,000	-

Transactions with other related parties:

	Year 2018 VND	Year 2017 VND
Income of the General Director	1,668,725,300	1,694,470,900
Income of other members in the Board of Management and the Board of Directors	5,284,540,500	5,212,630,500

43. COMPARATIVE FIGURES

The comparative figures are figures in the Consolidated Financial Statements for the fiscal year ended as at 31 December 2017, which was audited by AASC Auditing Firm Company Limited.


Pham Thi Thanh Binh
Preparer
Hanoi, 25 March 2019


Tran Thi Minh Viet
Chief Accountant


Trinh Van Loan
General Director