



**Power Generation Corporation 3
and its subsidiaries**

Consolidated financial statements for
the year ended 31 December 2015

**Power Generation Corporation 3 and its subsidiaries
Corporate Information**

Establishment Decision No. 3025/QĐ-BCT 1 June 2012

The establishment decision was issued by the Ministry of Industry and Trade

Business Registration Certificate No. 3502208399 30 October 2013

The business registration certificate was issued by the Department of Planning and Investment of Ba Ria – Vung Tau province

Chairman Mr Nguyen Van Le

Board of Directors	Mr Dinh Quoc Lam	General Director
	Mr Truong Quoc Phuc	Deputy General Director
	Mr Phan Thanh Xuan	Deputy General Director
	Mr Le Van Danh	Deputy General Director
	Mr Cao Minh Trung	Deputy General Director
	Mr Nguyen Thanh Trung Duong	Deputy General Director

Registered Office Phu My 1 Industrial Park, Phu My Ward
Tan Thanh District, Ba Ria – Vung Tau Province
Vietnam

Auditor KPMG Limited
Vietnam

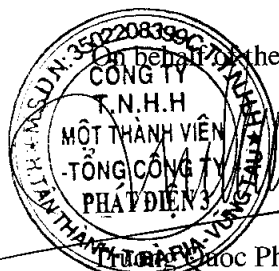
Power Generation Corporation 3 and its subsidiaries Statement of the Board of Directors

The Board of Directors of Power Generation Corporation 3 (“the Corporation”) presents this statement and the accompanying consolidated financial statements of the Company and its subsidiary (collectively “the Group”) for the year ended 31 December 2015.

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to consolidated financial reporting. In the opinion of the Board of Directors:

- (a) the consolidated financial statements set out on pages 6 to 54 give a true and fair view of the consolidated financial position of the Group as at 31 December 2015, and of the consolidated results of operations and the consolidated cash flows of the Group for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting; and
- (b) at the date of this statement, there are no reasons to believe that the Group will not be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorized the accompanying consolidated financial statements for issue.



On behalf of the Board of Directors

Trần Văn Phước
Deputy General Director

Ba Ria – Vung Tau Province, 10 April 2016



KPMG Limited Branch
10th Floor, Sun Wah Tower
115 Nguyen Hue Street, Ben Nghe Ward
District 1, Ho Chi Minh City, Vietnam
+84 (28) 3821 9266 | kpmg.com.vn

INDEPENDENT AUDITOR'S REPORT

To the Chairman and the Board of Directors Power Generation Corporation 3 and its subsidiaries

We have audited the accompanying consolidated financial statements of Power Generation Corporation 3 ("the Corporation") and its subsidiary ("the Group"), which comprise the consolidated balance sheet as at 31 December 2015, the consolidated statements of income and cash flows for the year then ended and the explanatory notes thereto which were authorised for issue by the Corporation's Board of Directors on 10 April 2016, as set out on pages 6 to 54.

Management's Responsibility

The Corporation's Board of Directors is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting, and for such internal control as the Board of Directors determines necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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



Auditor's Opinion

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of the Corporation and its subsidiary as at 31 December 2015 and of their consolidated results of operations and their consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting.

Emphasis of Matter

Without qualifying our opinion, we draw the attention to Note 4(b)(ii) to the consolidated financial statements, the Group adopted Circular No. 179/2012/TT-BTC issued by the Ministry of Finance on 24 October 2012 ("Circular 179") on foreign exchange differences. Circular 179 replaced Circular No. 201/2009/TT-BTC issued by the Ministry of Finance dated 15 October 2009 ("Circular 201"). Circular 179 stipulates the revaluation and recognition of foreign exchange differences and transactions in foreign currencies and balances of monetary items arising from 1 January 2012. Circular 179's guidance are essentially the same as the guidance related to foreign exchange differences of the Vietnamese Accounting Standards ("VAS 10") - "Effect of foreign exchange differences", except that the Group is allowed to continue to use Circular 201 for foreign exchange losses from revaluation of the closing balance at the end of the accounting period of long-term liabilities denominated in foreign currencies of previous years, before the effective date of Circular 179. This guidance of Circular 179 is different from VAS 10 and Circular No. 200/2014/TT-BTC of the Ministry of Finance dated 22 December 2014 as Vietnamese Accounting system for enterprises ("Circular 200"). The effect of the Group's application of Circular 179 to the consolidated financial statements for the year ended 31 December 2015 is disclosed in Note 4(b)(ii) to the financial statements.

We also draw the attention to Note 4(b)(ii) disclosing that exchange losses arising from revaluation of the closing balances of long-term liabilities denominated in foreign currencies as at 31 December 2015 was recognized in "Foreign exchange differences" in Equity rather than in financial expenses according to the Official Letter No. 3003/BTC/TCDN issued by Ministry of Finance dated 8 March 2016, which provides guidance on revaluation of monetary items denominated in foreign currencies for the year ended 2015 and the Official Letter No. 2239/VPCP-KTTH issued by the Government Office dated 4 April 2016 on the treatment of the exchange difference in 2015 by Vietnam Electricity. The guidance of these official documents are different from VAS 10 and Circular 200. The effects of the application of these documents to the consolidated financial statements for the year ended 31 December 2015 are disclosed in Note 4(b)(ii) to the financial statements.



Other Matter

The consolidated financial statements of the Group for the year ended 31 December 2014 were audited by another firm of auditors whose report dated 8 April 2015 expressed an unqualified opinion on the those reports, with emphasis on Foreign exchange differences.

We have audited to express an opinion on these consolidated financial statements, as set out on pages 6 to 54. The supplementary information on page 55 is not an integral part of the consolidated financial statements and is not within the scope of our audit; therefore, we do not express an opinion on this information.

KPMG Limited's Branch in Ho Chi Minh City Vietnam

Report No.: 16-02-070/HN



Nguyễn Thanh Nghi
Practicing Auditor Registration
Certificate No. 0304-2013-007-1
Deputy General Director

Nguyễn Anh Tuan
Practicing Auditor Registration
Certificate No. 0436-2013-007-1

Ho Chi Minh City, 10 April 2016

Power Generation Corporation 3 and its subsidiaries
Consolidated balance sheet as at 31 December 2015

Form B 01 – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	Note	31/12/2015 VND	1/1/2015 VND (Reclassified)
ASSETS				
Current assets (100 = 110 + 120 + 130 + 140 + 150)	100		13,913,070,505,680	11,097,049,811,522
Cash and cash equivalents	110	5	1,157,335,414,262	2,260,941,508,757
Cash	111		572,335,414,262	2,025,941,508,757
Cash equivalents	112		585,000,000,000	235,000,000,000
Short-term financial investments	120		854,000,000,000	1,059,000,000,000
Held-to-maturity investments	123	6(a)	854,000,000,000	1,059,000,000,000
Accounts receivable – short-term	130		9,200,842,851,741	5,541,183,446,730
Accounts receivable from customers	131	7	4,630,809,534,863	2,618,781,142,072
Prepayments to suppliers	132		210,026,415,254	2,780,985,365,543
Other receivables	136	8	4,360,561,174,226	141,416,939,115
Allowance for doubtful debts	137		(554,272,602)	-
Inventories	140	9	2,535,464,768,945	1,726,204,075,054
Inventories	141		2,546,749,324,620	1,742,871,275,672
Allowance for inventories	149		(11,284,555,675)	(16,667,200,618)
Other current assets	150		165,427,470,732	509,720,780,981
Short-term prepaid expenses	151		11,482,074,509	1,718,738,971
Deductible value added tax	152		85,550,771,327	502,122,174,451
Taxes and other receivables from State Treasury	153	14(b)	68,394,624,896	5,879,867,559

The accompanying notes are an integral part of these consolidated financial statements

Power Generation Corporation 3 and its subsidiaries
Consolidated balance sheet as at 31 December 2015 (continued)

Form B 01 – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	Note	31/12/2015 VND	1/1/2015 VND (Reclassified)
Long-term assets (200 = 210 + 220 + 240 + 250 + 260)	200		70,741,610,798,612	72,070,862,771,867
Accounts receivable – long-term	210		12,000,000	12,000,000
Other long-term receivables	216		12,000,000	12,000,000
Fixed assets	220		66,335,137,707,338	13,336,820,124,775
Tangible fixed assets	221	10	66,265,364,261,625	13,274,065,308,969
Cost	222		107,882,690,423,454	49,837,446,325,705
Accumulated depreciation	223		(41,617,326,161,829)	(36,563,381,016,736)
Intangible fixed assets	227	11	69,773,445,713	62,754,815,806
Cost	228		83,105,837,897	73,975,803,528
Accumulated amortisation	229		(13,332,392,184)	(11,220,987,722)
Long-term work in progress	240		2,633,932,162,096	56,899,257,645,196
Construction in progress	242	12	2,633,932,162,096	56,899,257,645,196
Long-term financial investments	250	6(b)	1,732,276,756,152	1,773,812,144,133
Investments in associates, joint-ventures	252		1,267,507,183,792	1,267,877,627,539
Equity investments in other entities	253		518,884,589,388	517,814,589,388
Allowance for diminution in the value of long-term financial investments	254		(54,115,017,028)	(11,880,072,794)
Other long-term assets	260		40,252,173,026	60,960,857,763
Long-term prepaid expenses	261		29,436,259,026	60,960,857,763
Deferred tax assets	262		9,987,734,000	-
Long-term tools, supplies and spare parts	263		828,180,000	-
TOTAL ASSETS (270 = 100 + 200)	270		84,654,681,304,292	83,167,912,583,389

The accompanying notes are an integral part of these consolidated financial statements

Power Generation Corporation 3 and its subsidiaries
Consolidated balance sheet as at 31 December 2015 (continued)

Form B 01 – DN/HN
*(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

	Mã số	Thuyết minh	31/12/2015 VND	1/1/2015 VND
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		75,974,335,415,860	72,146,126,968,192
Current liabilities	310		10,577,281,032,708	16,954,186,203,875
Accounts payable to suppliers	311	13	5,831,933,258,093	8,029,638,826,831
Advances from customers	312		240,000	228,979,723
Taxes and other payables to State Treasury	313	14(a)	164,326,381,907	191,574,788,057
Payables to employees	314		217,374,292,315	193,922,387,301
Accrued expenses	315		67,690,531,208	50,418,897,483
Unearned revenue – short-term	318		15,936,492,876	-
Other payables – short-term	319	15	722,675,300,321	1,029,099,484,625
Short-term borrowings	320	16(a)	3,339,374,074,111	7,363,417,058,508
Provisions – short-term	321		49,938,670,000	-
Bonus and welfare funds	322		168,031,791,877	95,885,781,347
Long-term liabilities	330		65,397,054,383,152	55,191,940,764,317
Long-term unearned revenue	336		424,430,009,826	4,013,503,909
Long-term borrowings	338	16(b)	64,972,624,373,326	55,187,927,260,408
EQUITY (400 = 410)	400		8,680,345,888,432	11,021,785,615,197
Owners' equity	410	17	8,680,345,888,432	11,021,785,615,197
Contributed capital	411	18	10,561,460,840,439	10,487,655,874,046
Capital surplus	412		6,014,917,945	6,014,917,945
Other capital	414		14,151,282,502	11,931,846,660
Foreign exchange differences	417		(3,316,477,195,659)	(810,942,597,255)
Investment and development fund	418		152,791,883,743	84,279,949,403
Other equity funds	420		15,926,238,964	11,122,267,549
Retained profits	421		793,111,874,096	795,725,549,905
- Retained profits brought forward	421a		691,398,489,473	663,886,729,413
- Retained profit for the current year	421b		101,713,384,623	131,838,820,492
Capital expenditure fund	422		114,585,369,933	110,593,427,602
Non-controlling interest	429		338,780,676,469	325,404,379,342
TOTAL RESOURCES (440 = 300 + 400)	440		84,654,681,304,292	83,167,912,583,389

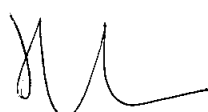
10 April 2016

Prepared by:

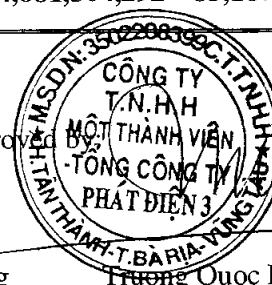


Vu Phuong Thao
Preparer

Approved by:



Nguyen Thi Thanh Huong
Chief Accountant



Truong Quoc Phuc
Deputy General Director

The accompanying notes are an integral part of these consolidated financial statements

Power Generation Corporation 3 and its subsidiaries
Consolidated statement of income for the year ended 31 December 2015

Form B 02 – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	Note	2015 VND	2014 VND
Revenue from sales of goods and provision of services	01	21	28,167,208,487,169	26,647,399,249,865
Revenue deductions	02	21	69,300,000	-
Net revenue (10 = 01 - 02)	10	21	28,167,139,187,169	26,647,399,249,865
Cost of sales	11	22	25,588,283,270,161	24,540,747,492,765
Gross profit (20 = 10 - 11)	20		2,578,855,917,008	2,106,651,757,100
Financial income	21	23	196,602,668,531	937,974,739,470
Financial expenses	22	24	2,376,639,077,119	2,419,787,866,831
<i>In which: Interest expense</i>		23	<i>1,724,951,889,487</i>	<i>1,167,029,199,623</i>
Share of profit in associates and jointly controlled entities	24	6(b)	131,529,253,128	197,976,188,196
Selling expenses	25		757,491,326	608,952,566
General and administration expenses	26	25	265,669,647,096	233,167,201,120
Net operating profit {30 = 20 + (21 - 22) + 24 - (25 + 26)}	30		263,921,623,126	589,038,664,249
Other income	31		20,298,598,213	53,393,558,698
Other expenses	32		37,582,149,549	38,613,219,808
Results of other activities (40 = 31 - 32)	40		(17,283,551,336)	14,780,338,890
Accounting profit before tax (50 = 30 + 40)	50		246,638,071,790	603,819,003,139
Income tax expense – current	51	27	53,065,487,065	84,550,258,174
Income tax expense – deferred	52	27	(9,987,734,000)	-
Net profit after tax (60 = 50 - 51 - 52)	60		203,560,318,725	519,268,744,965

The accompanying notes are an integral part of these consolidated financial statements

Power Generation Corporation 3 and its subsidiaries
Consolidated statement of income for the year ended 31 December 2015 (continued)

Form B 02 – DN/HN
(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

	Code Note	2015 VND	2014 VND
Net profit after tax (60 = 50 - 51 - 52)	60	203,560,318,725	519,268,744,965
Attributable to:			
Equity holders of the Corporation	61	161,830,334,135	471,589,714,475
Non-controlling interest	62	41,729,984,590	47,679,030,490

10 April 2016

Prepared by:



Vu Phuong Thao
Preparer



Nguyen Thi Thanh Huong
Chief Accountant



Truong Quoc Phuc
Deputy General Director

The accompanying notes are an integral part of these consolidated financial statements

Power Generation Corporation 3 and its subsidiaries
Consolidated statement of cash flows for the year ended 31 December 2015
(Indirect method)

Form B 03 – DN/HN

*(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

	Mã số	Thuyết minh	2015 VND	2014 VND
CASH FLOWS FROM OPERATING ACTIVITIES				
Accounting profit before tax	01		246,638,071,790	603,819,003,139
Adjustments for				
Depreciation and amortisation	02		4,298,014,403,705	3,359,851,417,139
Allowances and provisions	03		87,146,331,455	8,248,627,873
Exchange losses arising from revaluation of monetary items denominated in foreign currencies	04		452,235,680,518	425,455,760,861
Profits from investing activities	05		(105,676,725,930)	(67,496,288,187)
Share of profit in associates entities	05		(131,529,253,128)	(197,976,188,196)
Interest expense	06		1,724,951,889,487	1,167,029,199,623
Operating profit before changes in working capital	08		6,571,780,397,897	5,298,931,532,252
Change in receivables	09		(6,285,278,282,894)	(4,323,422,375,665)
Change in inventories	10		(714,052,157,836)	(177,255,072,470)
Change in payables and other liabilities	11		1,753,721,937,893	11,060,987,705,522
Change in prepaid expenses	12		21,994,258,926	(65,994,431,288)
			1,348,166,153,986	11,793,247,358,351
Interest paid	14		(1,593,176,420,064)	(1,821,761,611,770)
Income tax paid	15		(108,027,323,189)	(83,518,534,030)
Other receipts from operating activities	16		184,191,047	2,761,531,015
Other payments for operating activities	17		(60,149,446,904)	(59,870,999,406)
Net cash flows from operating activities	20		(413,002,845,124)	9,830,857,744,160
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for additions to fixed assets and other long-term assets	21		(4,162,421,728,521)	(28,076,661,864,467)
Proceeds from disposals of fixed assets	22		1,379,154,353	1,907,277,109
Payments for investments in term deposits	23		(654,000,000,000)	(743,000,000,000)
Collections on investments in term deposits	23		859,000,000,000	781,000,000,000
Payments for investments in other entities	25		-	(50,000,000,000)
Receipts of interests and dividends	27		313,703,329,449	193,685,065,789
Transfer entities to and receive entities from Vietnam Electricity (net cash)			62,757,784,530	-
Net cash flows from investing activities	30		(3,579,581,460,189)	(27,893,069,521,569)

The accompanying notes are an integral part of these consolidated financial statements

Power Generation Corporation 3 and its subsidiaries
Consolidated statement of cash flows for the year ended 31 December 2015
(Indirect method – continued)

Form B 03 – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Mã số	Thuyết minh	2015 VND	2014 VND
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from borrowings	33		16,256,671,919,189	21,307,992,224,140
Payments to settle loan principals	34		(13,345,843,812,203)	(3,554,183,156,068)
Payments of dividends	36		(21,849,896,168)	(64,769,414,950)
Net cash flows from financing activities	40		2,888,978,210,818	17,689,039,653,122
Net cash flows during the year (50 = 20 + 30 + 40)			(1,103,606,094,495)	(373,172,124,287)
Cash and cash equivalents at the beginning of the year	60		2,260,941,508,757	2,634,103,029,413
Effect of exchange rate fluctuations on cash and cash equivalents	61		-	10,603,631
Cash and cash equivalents at the end of the year (70 = 50 + 60 + 61)	70	5	1,157,335,414,262	2,260,941,508,757

10 April 2016

Prepared by:



Vu Phuong Thao
Preparer

Approved by:



Nguyen Thi Thanh Huong
Chief Accountant




Phung Quoc Phuc
Deputy General Director

The accompanying notes are an integral part of these consolidated financial statements

Power Generation Corporation 3 and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2015

Form B 09 – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

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

1. Reporting Entity

(a) Ownership structure

Power Generation Corporation 3 (“the Corporation”) was incorporated under Decision No. 3025/QĐ-BCT dated 1 June 2012 issued by the Ministry of Industry and Trade, operated in form of Corporation – Subsidiary owned by Vietnam Electricity (“EVN”), on the basis of re-organizing Phu My Thermal Power One Member Limited Company, certain power generation companies, certain power project management units (“PMU”) and receipt of the representative right for the government’s ownership in some power generation companies owned by Vietnam Electricity.

The Corporation operates under Business Registration Certificate No. 3502208399 dated 26 November 2012 issued by the Department of Planning and Investment of Ba Ria – Vung Tau Province.

The consolidated financial statements for the year ended 31 December 2015 comprise the Corporation and its subsidiaries (together referred to as the “Group”).

(b) Principal activities

The principal activities of the Corporation are to produce and trade electricity; provide operation and maintenance management, overhaul, renovation, upgrading electrical equipment, electrical constructions. In addition, the Corporation also operates in science, technology, research and development, training to serve its principal activities.

(c) Normal operating cycle

The normal operating cycle of the Group is generally within 12 months.

(d) Group structure

As at 31 December 2015, the Corporation had 3 subsidiaries (1/1/2015: 2 subsidiaries).

The organisational structure of the Corporation includes:

- Dependent power generation companies: Buon Kuop Hydropower Company, Vinh Tan Thermal Power Company, Mong Duong Thermal Power Company;
- Power project management units: Project Management Unit of Thermal Power 1, Project Management Unit of Vinh Tan Thermal Power; Project Management Unit of Thai Binh Thermal Power;
- Phu My Thermal Power Plant; and
- The Corporation’s office.

Power Generation Corporation 3 and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2015
(continued)

Form B 09 – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

The subsidiaries include:

Subsidiaries	Principal activities	% of equity owned and voting rights	
		31/12/2015	1/1/2015
Ninh Binh Thermal Power Joint Stock Company	Produce electricity, produce chemical products, repair and install electrical equipment and other related services.	54.76%	54.76%
Ba Ria Thermal Power Joint Stock Company	Produce and trade electricity, provide operation and maintenance management, repair, experiment, adjustment, renovation of electrical equipment, electrical construction and related services and products.	79.56%	79.56%
Thu Duc Thermal Power One-member Limited Company (*)	Produce electricity, produce, distribute steam, hot water, air-conditioner, repair and trade electrical equipment and other related services.	100%	-

(*) In accordance with Decision No. 223/QĐ-EVN dated 2 December 2015 of Vietnam Electricity, ownership rights and obligations over Thu Duc Thermal Power One-member Limited Company were transferred from Power Generation Corporation 2 to Power Generation Corporation 3. In accordance with Official Letter No. 846/EVN-TCKT-QLV dated 10 March 2016 of Vietnam Electricity, equity, assets and liabilities of Thu Duc Thermal Power One-member Limited Company will be transferred from Power Generation Corporation 2 to Power Generation Corporation 3, for an increase of the investment of Vietnam Electricity in Power Generation Corporation 3 at carrying value as at 1 January 2015.

As at 31 December 2015, the Group had 3,147 employees (1/1/2015: 2,690 employees).

2. Basis of preparation

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting.

(b) Basis of measurement

The consolidated financial statements, except for the consolidated statement of cash flows, are prepared on the accrual basis using the historical cost concept. The consolidated statement of cash flows is prepared using the indirect method.

Power Generation Corporation 3 and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2015
(continued)

Form B 09 – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

(c) Annual accounting period

The annual accounting period of the Group is from 1 January to 31 December.

(d) Accounting and presentation currency

The Group's accounting currency is Vietnam Dong ("VND"), which is also the currency used for financial statement presentation purpose.

3. Adoption of new guidance on accounting system for enterprises

On 22 December 2014, the Ministry of Finance issued Circular No. 200/2014/TT-BTC providing guidance on Vietnamese Accounting System for enterprises ("Circular 200"). Circular 200 replaces previous guidance on Vietnamese Accounting System for enterprises under Decision No. 15/2006-QD/BTC dated 20 March 2006 and Circular No. 244/2009/TT-BTC dated 31 December 2009. Circular 200 is effective 45 days after the signing date and applicable for annual accounting periods beginning on or after 1 January 2015.

On the same date of 22 December 2014, the Ministry of Finance also issued Circular No. 202/2014/TT-BTC providing guidance on preparation and presentation of consolidated financial statements ("Circular 202"). Circular 202 replaces previous guidance on preparation and presentation of consolidated financial statements provided in Part XIII of Circular No. 161/2007/TT-BTC dated 31 December 2007 of the Ministry of Finance. Circular 202 is also effective from 15 February 2015 and applicable for annual accounting periods beginning on or after 1 January 2015.

Since 1 January 2015, The Group has adopted the applicable requirements of Circular 200 and Circular 202 on a prospective basis. The significant changes to the Group's accounting policies and the effects on the consolidated financial statements, if any, are disclosed in the following notes to the financial statements.

- Non-controlling interest (Note 4(a)(ii)); and
- Recognition of foreign exchange differences (Note 4(b)).

4. Summary of significant accounting policies

The following significant accounting policies have been adopted by the Group in the preparation of these consolidated financial statements.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Corporation. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Power Generation Corporation 3 and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2015
(continued)

Form B 09 – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

(ii) *Non-controlling interests*

Non-controlling interests (“NCI”) are measured at their proportionate share of the acquiree’s identifiable net assets at date of acquisition.

Changes in the Corporation’s interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners. The difference between the change in the Group’s share of net assets of the subsidiary and any consideration paid or received is recorded directly in retained profits under equity.

Prior to 1 January 2015, the outstanding losses and the additional losses were reduced into the interest of the shareholders of the parent company except when non-controlling interests have a binding obligation and ability to offset. If the subsidiary subsequently makes a profit, the interest will be distributed to the controlling interests until the loss is previously fully repaid by the shareholders of the parent company. Effective from 1 January 2015, as a result of the adoption of Circular 202, losses incurring from subsidiaries corresponding with the equity of non-controlling interests in net assets of the subsidiaries.

(iii) *Loss of control*

When the Corporation loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognized in the consolidated income statement. Any interest retained in the former subsidiary when control is lost is stated at the carrying amount of the retained investment in the separate financial statements adjusted for appropriate shares of changes in equity of the investee since the acquisition date, if significant influence in the investee is maintained, or otherwise stated at cost.

(iv) *Associates*

Associates are those entities in which the Corporation has significant influence, but not control, over the financial and operating policies. Associates are accounted for using the equity method. The consolidated financial statements include the Corporation’s share of the income and expenses of the associates, after adjustments to align the accounting policies with those of the Corporation, from the date that significant influence or joint control commences until the date that significant influence ceases. When the Corporation’s share of losses exceeds its interest in an associate, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Corporation has an obligation or has made payments on behalf of the associate

(v) *Transactions eliminated on consolidation*

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains and losses arising from transactions with associates are eliminated against the investment to the extent of the Group’s interest in the associate.

Power Generation Corporation 3 and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2015
(continued)

Form B 09 – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

(vi) Business combination

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Corporation. Control exists when the Corporation has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

(b) Foreign currency

(i) Foreign currency transactions

Transactions in currencies other than VND during the year have been translated into VND at actual rates of exchange ruling at the transaction dates. The actual rates of exchange applied to account for foreign currency transaction are determined as follows:

- Exchange rate applied to buying or selling foreign currency is the exchange rate stipulated in the currency exchange contract between the Group and the bank.
- Exchange rate applied to recognize trade and other receivables is the foreign currency buying rate at the transaction date quoted by the bank through which the Group receives money from the customer or counterparty.
- Exchange rate applied to recognize trade and other payables is the foreign currency selling rate at the transaction date quoted by the bank through which the Group intends to make payment for the liability.
- For asset acquisitions or expenses that are settled with immediate payment, the exchange rate applied is the foreign currency buying rate at the transaction date quoted by the bank through which the Group makes payment.

Monetary assets and liabilities denominated in currencies other than VND are translated into VND at actual rates of exchange ruling at the balance sheet date. The actual rates of exchange applied to retranslate monetary items denominated in foreign currency at reporting date are determined as follows:

- For monetary assets (cash on hand and receivables): the foreign currency buying rate at the reporting date quoted by the commercial bank where the Group most frequently conducts transactions. Cash at bank and bank deposits are retranslated using the foreign currency buying rate of the bank where the Group deposits the money or maintains those bank accounts.
- For monetary liabilities (payables and borrowings): the foreign currency selling rate at reporting date quoted by the commercial bank where the Group most frequently conducts transactions.

Liabilities with Vietnam Electricity at the end of the annual accounting period are translated at the selling rate (by transfer) of Joint Stock Commercial Bank for Foreign Trade of Vietnam announced at the time of reporting under the guidance of Official Letter No. 1779/BTC-CĐKT dated 1 February 2013 of the Ministry of Finance on the use of exchange rates to revalue monetary items denominated in foreign currencies at the end of the period (“Official Letter 1779”) and Official Letter No. 4962/EVN-TCKT dated 25 November 2015 of Vietnam Electricity on guiding the preparation of financial statements in 2015 (“Official Letter 4962”).

Except for the special accounting policies set out below, all foreign exchange differences are recorded in the consolidated statement of income.

Power Generation Corporation 3 and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2015
(continued)

Form B 09 – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

(ii) Foreign exchange differences due to revaluation of the balances of monetary items denominated in foreign currencies

Prior to 1 January 2016, the Corporation adopted Circular No. 179/2012/TT-BTC issued by the Ministry of Finance on 24 October 2012 ("Circular 179") which regulated the revaluation and recognition of foreign exchange differences by enterprises. This Circular replaces Circular No. 201/2009/TT-BTC issued by the Ministry of Finance dated 15 October 2009 ("Circular 201"). Circular 179 stipulates the revaluation and recognition of foreign exchange differences arising from transactions in foreign currencies and balances of monetary items arising from 1 January 2012. Circular 179's guidance are essentially the same as the guidance related to foreign exchange differences of the Vietnam Accounting Standards ("VAS 10") - "Effect of foreign exchange differences", except that the Group is allowed to continue to use Circular 201 for foreign exchange losses from revaluation of the closing balance at the end of the accounting period of long-term liabilities denominated in foreign currencies of previous years, before the effective date of Circular 179. If the Group applied VAS 10 for the recognition of foreign exchange differences, retained profits as at 1 January 2015 would be reduced by VND 810,942,597,255 and "foreign exchange differences" in equity as at 1 January 2015 would be reduced by VND810,942,597,255.

On 22 December 2014, the Ministry of Finance issued Circular No. 200/2014/TT-BTC as the Accounting System for enterprises ("Circular 200"). Circular 200 replaces the provisions of Accounting System for enterprises issued under Decision No. 15/2006/QĐ-BTC dated 20 March 2006 and Circular No. 244/2009/TT-BTC dated 31 December 2009 by the Ministry of Finance. Article 69 of Circular 200 specifies that all foreign exchange differences are immediately recorded in the financial income (if gain) or financial expenses (if loss) as incurred. Foreign exchange differences in the pre-operation period of 100% State-owned enterprises which implement key national projects or works attached to the mission of stabilizing the macro-economy, security, defense are accumulated and recorded in "Foreign exchange difference" and is gradually allocated to financial income or financial expenses when the enterprise starts its commercial operation. However, foreign exchange differences due to revaluation the closing balance of long-term liabilities denominated in foreign currencies as at 31 December 2015 are recognized in the "Foreign exchange differences", rather than in financial expenses, according to the Official Letter 3003/BTC-TCDN dated 8 March 2016 by the Ministry of Finance on the treatment of foreign exchange differences for revaluation of monetary items in foreign currency at the end of 2015 ("Official Letter 3003") and Official Letter 2239/VPCP-KTTH of the Government Office dated 4 April 2016 on the treatment of foreign exchange differences in 2015 of the Vietnam Electricity ("Official Letter 2239"). If the Group recognised foreign exchange differences consistently with Circular 200, the Group's profit before tax for the year ended 31 December 2015 would decrease by VND2,505,534,598,404 and the unrealized foreign exchange losses recognized in "Foreign exchange differences" in equity as at 31 December 2015 would decrease by VND2,505,534,598,404.

The Corporation's Board of Directors decided to apply the guidance of Circular 179, Official Letter 3003 and Official Letter 2239 in recognition of foreign exchange differences and believed that such application together with disclosure of full information about the difference from application under guidance under VAS 10 and Circular 200 will provide sufficient information for users of consolidated financial statements.

For power projects within the National Electricity Development Plan approved by the Prime Minister, foreign exchange differences in the construction period shall be accumulated and allocated to expenses or income for the period not exceeding 5 years from the date the projects start its commercial operation pursuant to Decree No. 82/2014/ND-CP dated 25 August 2014.

Power Generation Corporation 3 and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2015
(continued)

Form B 09 – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

(c) Cash and cash equivalents

Cash comprises cash balances and call deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

(d) Investments

(i) *Held-to-maturity investments*

Held-to-maturity investments are those that the Group's management has the intention and ability to hold until maturity. Held-to-maturity investments include term deposits at bank, bonds, redeemable preference shares which the issuers are required to repurchase at a certain date and loans receivable held to maturity. These investments are stated at costs less allowance for doubtful debts.

(ii) *Investments in equity instruments of other entities*

Investments in equity instruments of other entities are initially recognised at cost which include purchase price plus any directly attributable transaction costs. Subsequent to initial recognition, these investment are stated at cost less allowance for diminution in value. An allowance is made for diminution in investment values if the investee has suffered a loss, except where such a loss was anticipated by the Group's management before making the investment. The allowance is reversed if the investee subsequently made a profit that offsets the previous loss for which the allowance had been made. An allowance is reversed only to the extent that the investment's carrying amount does not exceed the carrying amount that would have been determined if no allowance had been recognised.

(e) Accounts receivable

Trade and other receivables are stated at cost less allowance for doubtful debts.

(f) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis and includes all costs incurred in bringing the inventories to their present location and condition. Cost in the case of finished goods and work in progress includes raw materials, direct labour and attributable manufacturing overheads. Net realisable value is the estimated selling price of inventory items, less the estimated costs of completion and selling expenses.

The Group applies the perpetual method of accounting for inventories.

Power Generation Corporation 3 and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2015
(continued)

Form B 09 – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

(g) Tangible fixed assets

(i) Cost

Tangible fixed assets are stated at cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises its purchase price, including import duties, non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition for its intended use. For property, plant and equipment formed through construction under contractual assignment or self-construction and manufacturing, cost is the finalisation price of construction works in accordance with the current Investment and Construction Management Regulation, other directly attributable costs and registration fee (if any). In case the construction has been completed and put into use but the finalisation is not approved, cost of items of property, plant and equipment is stated at estimated cost. The estimated cost is determined in the following methods: by investment cost if all construction costs are collected, by the approved budget or by value of the equivalent assets. Expenditure incurred after tangible fixed assets have been put into operation, such as repair, maintenance and overhaul cost, is charged to the consolidated statement of income in the year in which the cost is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of tangible fixed assets beyond their originally assessed standard of performance, the expenditure is capitalised as an additional cost of tangible fixed assets.

(ii) Depreciation

Depreciation is computed on a straight-line basis over the estimated useful lives of tangible fixed assets. The estimated useful lives are as follows:

▪ buildings and structures	10 – 35 years
▪ machinery and equipment	5 – 20 years
▪ motor vehicles	5 – 20 years
▪ Office equipment	3 – 10 years
▪ others	5 – 10 years

(h) Intangible fixed assets

(i) Land use rights

Land use rights comprise:

- those granted by the State for which land use payments are collected;
- those acquired in a legitimate transfer; and
- rights to use leased land obtained before the effective date of Land Law 2003 for which payments have been made in advance for more than 5 years and supported by land use right certificate issued by competent authority.

Power Generation Corporation 3 and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2015
(continued)

Form B 09 – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

Land use rights are stated at cost less accumulated amortisation. The initial cost of land use rights comprises its purchase price and any directly attributable costs incurred in conjunction with securing the land use rights. Amortisation is computed on a straight-line basis over 50 years.

Land use rights with indefinite term are stated at cost and not amortized.

(ii) Software

Cost of acquiring new software, which is not an integral part of the related hardware, is capitalised and treated as an intangible asset. Software cost is amortised on a straight-line basis over 10 years.

(iii) Technology transfer rights

Technology transfer rights is stated at cost and amortised on a straight-line basis over 10 years.

(i) Construction in progress

Construction in progress represents the costs of construction and machinery which have not been fully completed or installed. No depreciation is provided for construction in progress during the period of construction and installation.

(j) Long-term prepaid expenses

Tools and instruments

Tools and instruments include assets held for use by the Company in the normal course of business whose costs of individual items are less than VND30 million and therefore not qualified for recognition as fixed assets under prevailing regulation. Cost of tools and instruments are amortised on a straight-line basis over a period ranging within 3 years.

(k) Trade and other payables

Trade and other payables are stated at their cost.

Power Generation Corporation 3 and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2015
(continued)

Form B 09 – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

(l) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(m) Contributed capital

Contributed capital is recognized on the contribution date at the actual amount contributed less any directly attributable transaction costs.

(n) Investment and development fund

The Group's investment and development fund is set up and used in accordance with Decree No. 82/2014/ND-CP dated 25 August 2014 issued by the Government on the financial management regulations of Vietnam Electricity.

(o) Taxation

Income tax on profit or loss for the year comprises current and deferred tax. Income tax is recognised in the consolidated statement of income except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the end of the annual accounting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amounts of assets and liabilities using the tax rates enacted or substantively enacted at the end of the annual accounting period.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Power Generation Corporation 3 and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2015
(continued)

Form B 09 – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

(p) Revenue and other income

(i) Electricity sold

Revenue from sales of electricity is recognised in the consolidated statement of income based on electricity output generated to the electricity grid and confirmed by customers. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due.

(ii) Services rendered

Revenue from services rendered is recognised in the consolidated statement of income in proportion to the stage of completion of the transaction at the balance sheet date. The stage of completion is assessed by reference to surveys of work performed. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due.

(iii) Rental income

Rental income from leased property is recognised in the consolidated statement of income on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income.

(iv) Interest income

Interest income is recognised on a time proportion basis with reference to the principal outstanding and the applicable interest rate.

(v) Dividend income

Dividend income is recognised when the right to receive dividend is established. Dividends received which are attributable to the period before investment acquisition date are deducted from the carrying amount of the investment.

(q) Operating lease payments

Payments made under operating leases are recognised in the consolidated statement of income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the consolidated statement of income as an integral part of the total lease expense.

Power Generation Corporation 3 and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2015
(continued)

Form B 09 – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

(r) Borrowing costs

Borrowing costs are recognised as an expense in the year in which they are incurred, except where the borrowing costs relate to borrowings in respect of the construction of qualifying assets, in which case the borrowing costs incurred during the period of construction are capitalised as part of the cost of the assets concerned.

(s) Related parties

Parties are considered to be related to the Group if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions, or where the Group and the other party are subject to common control or significant influence. Related parties may be individuals or corporate entities and include close family members of any individual considered to be a related party.

5. Cash and cash equivalents

	31/12/2015	1/1/2015
	VND	VND
Cash on hand	1,514,133,390	1,015,512,474
Cash in banks	570,821,280,872	2,024,925,996,283
Cash equivalents	585,000,000,000	235,000,000,000
	1,157,335,414,262	2,260,941,508,757
	1,157,335,414,262	2,260,941,508,757

6. Investments

(a) Held-to-maturity investments

Held-to-maturity investments represented term deposits at banks with maturity of more than 3 months to 1 year are as follows:

	31/12/2015	1/1/2015
	VND	VND
		(Reclassified)
EVN Finance Joint Stock Company, a related party	360,000,000,000	510,000,000,000
Third parties	494,000,000,000	549,000,000,000
	854,000,000,000	1,059,000,000,000
	854,000,000,000	1,059,000,000,000

Held-to-maturity investments with the related party earned the interest at 5.1%/annum (1/1/2015: 5%/annum).

Power Generation Corporation 3 and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2015 (continued)

Form B 09 – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

		% of equity owned	% of voting rights	31/12/2015 Carrying amount VND	Allowance VND	% of equity owned	% of voting rights	1/1/2015 Carrying amount VND	Allowance VND
(b) Equity investments in other entities									
Equity investments in associates									
▪ Vinh Son-Song Ninh Hydropower Joint Stock Company	Binh Dinh Province	(i) 30.6%	30.6%	859,239,711,994	-	30.55%	30.55%	844,393,180,090	-
▪ Thac Ba Hydropower Joint-Stock Company	Yen Bai Province	(ii) 30.0%	30.0%	264,761,917,314	-	30.0%	30.0%	287,324,659,967	-
▪ Se San 3A Power Investment and Development Joint-stock Company	Gia Lai Province	(iii) 30.0%	30.0%	143,505,554,484	-	30.0%	30.0%	136,159,787,482	-
				1,267,507,183,792	-				
Equity investments in other entities									
▪ Ninh Binh Thermal Power Joint-stock Company	Quang Ninh Province	1.8%	1.8%	114,770,927,800	(54,115,017,028)	1.8%	1.8%	114,770,927,800	(11,880,072,794)
▪ Hai Phong Thermal Power Joint-stock Company	Hai Phong City	1.6%	1.6%	108,730,000,000	-	1.6%	1.6%	108,730,000,000	-
▪ Buon Don Hydro Power Joint Stock Company	Dak Lak Province	19.89%	19.89%	83,750,000,000	-	19.89%	19.89%	83,750,000,000	-
▪ Alstom Energy Services Co., Ltd.	Ba Ria Vung Tau Province	15.0%	15.0%	74,463,661,588	-	15.0%	15.0%	74,463,661,588	-
▪ Petro Vietnam Power Nhon Trach 2 Joint Stock Company	Dong Nai Province	2.5%	-	64,000,000,000	-	2.5%	-	64,000,000,000	-
▪ Phu Thanh My Joint Stock Company	Da Nang City	12.1%	12.1%	50,000,000,000	-	12.1%	12.1%	50,000,000,000	-
▪ Viet – Lao Power Joint Stock Company	Hanoi City	0.65%	-	19,600,000,000	-	0.65%	-	19,600,000,000	-
▪ Northern Thermal Power Repairing Service Joint Stock Company	Hai Duong Province	2.7%	2.7%	2,500,000,000	-	2.7%	2.7%	2,500,000,000	-
▪ Pha Lai Thermal Power Joint Stock Company	Hai Duong Province	0.03%	0.03%	1,070,000,000	-	-	-	-	-
				518,884,589,388	(54,115,017,028)				
				1,267,877,627,539	-				
				518,884,589,388	(54,115,017,028)				
				1,267,877,627,539	-				
				517,814,589,388	(11,880,072,794)				

Power Generation Corporation 3 and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2015
(continued)

Form B 09 – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

- (i) Vinh Son – Song Hinh Hydropower JSC was converted from a state-owned enterprise – Vinh Son – Song Hinh Hydropower Plant, a dependent accounting unit of Vietnam Electricity. On 4 May 2005, the Plant was officially converted to Vinh Son – Song Hinh Hydropower JSC under Business Registration Certificate No. 3503000058 dated 4 May 2005 issued by the Department of Planning and Investment of Binh Dinh province. The principal activities of Vinh Son – Song Hinh Hydropower JSC are to produce and trade electricity.
- (ii) Thac Ba Hydropower JSC was established under Business Registration Certificate No. 1603000069 dated 31 March 2006 issued by the Department of Planning and Investment of Yen Bai province. The principal activities of Thac Ba Hydropower JSC are to produce and trade electricity.
- (iii) Se San 3A Power Investment and Development JSC officially went into operation on 1 November 2003 under Official Letter No. 1391/CP-CN dated 10 October 2003 of the Prime Minister. The principal activities of Se San 3A Power Investment and Development JSC are to construct civil works, invest and construct hydropower projects and industrial construction.

The financial information of the associates of the Group was as follows:

	31/12/2015	1/1/2015
	VND	VND
Total assets	7,072,443,428,008	5,817,142,980,563
Total liabilities	2,978,658,030,860	1,484,514,676,999
Net assets	4,093,785,397,148	4,332,628,303,564
Share of net assets in associates	1,267,507,183,792	1,267,877,627,539
	2015	2014
	VND	VND
Revenue	982,070,872,068	1,239,231,867,756
Net profit after tax	433,398,410,507	653,274,709,560
Share of net profit in associates	131,529,253,128	197,976,188,196

Movements in allowance for long-term investments during the year were as follows:

	2015	2014
	VND	VND
Opening balance	11,880,072,794	12,609,819,429
Additions during the year	42,234,944,234	-
Allowance reversed during the year	-	(729,746,635)
Closing balance	54,115,017,028	11,880,072,794

Power Generation Corporation 3 and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2015
(continued)

Form B 09 – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

7. Accounts receivable from customers

	31/12/2015	1/1/2015
	VND	VND
Related parties		
Trading Electricity Company	4,622,001,128,110	2,609,442,240,384
Third party		
Other customers	8,808,406,753	9,338,901,688
	<hr/>	<hr/>
	4,630,809,534,863	2,618,781,142,072
	<hr/>	<hr/>

8. Other receivables

	31/12/2015	1/1/2015
	VND	VND
		(Reclassified)
Receivables from Vietnam Electricity (*)	4,223,779,810,981	-
Receivables from Project Management Unit of Thermal Power 3	833,367,237	833,367,237
Receivables from EVN Finance Joint Stock Company	12,500,527,777	9,243,500,000
Interest receivable	18,665,523,615	27,095,156,340
Dividends receivable	-	71,779,948,000
Other receivables	104,781,944,616	32,464,967,538
	<hr/>	<hr/>
	4,360,561,174,226	141,416,939,115
	<hr/>	<hr/>

(*) This included VND3,890,576,415,008 invested by the Corporation in Vinh Tan 4 Thermal Power Project. This project was transferred to Vietnam Electricity during the year (Note 28).

Power Generation Corporation 3 and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2015
(continued)

Form B 09 – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

9. Inventories

	31/12/2015	1/1/2015
	VND	VND
Goods in transit	125,409,722,156	-
Raw materials	2,391,646,877,016	1,582,396,554,349
Tools and instruments	12,564,093,104	4,576,004,289
Work in progress	16,918,337,376	155,219,458,327
Finished goods	160,838,203	392,843,601
Merchandise inventories	49,456,765	286,415,106
	<hr/>	<hr/>
	2,546,749,324,620	1,742,871,275,672
	<hr/>	<hr/>

Allowance for inventories which presented allowance for raw materials with the movements in during the year were as follows:

	2015	2014
	VND	VND
Opening balance	16,667,200,618	7,533,234,609
Additions during the year	98,226,929	9,575,755,255
Allowance reversed during the year	(5,480,871,872)	(441,789,246)
	<hr/>	<hr/>
Closing balance	11,284,555,675	16,667,200,618
	<hr/>	<hr/>

Power Generation Corporation 3 and its subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2015 (continued)

Form B 09 – DN/HN

(Issued under Circular No. 202/2014/TT-BTC

dated 22 December 2014 of the Ministry of Finance)

10. Tangible fixed assets

Cost	Buildings and structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Others VND	Total VND
Opening balance	8,025,009,510,668	38,188,710,847,300	3,542,442,621,353	76,569,912,209	4,713,434,175	49,837,446,325,705
Additions	2,856,580,336	35,038,504,530	12,739,614,998	5,977,201,355	1,467,048,700	58,078,949,919
Renovation and repair	-	-	-	15,584,489,972	-	15,584,489,972
Transfer from construction in progress	11,110,645,131,778	43,248,262,587,895	2,840,646,286,146	1,647,689,778	-	57,201,201,695,597
Receipt from Vietnam Electricity	15,618,309,720	850,486,250,036	7,855,912,935	4,202,741,356	35,714,285	878,198,928,332
Internal transfer	(13,673,320,283)	-	13,673,320,283	-	-	-
Reclassified	(1,090,488,847,760)	816,055,726,491	289,226,853,467	(589,929,495)	-	14,203,802,703
Disposals	(3,862,656,000)	(352,645,956)	(2,139,915,657)	-	-	(6,355,217,613)
Transfer to Vietnam Electricity	(15,974,019,254)	(85,243,382,294)	(8,473,688,275)	(475,607,038)	(38,460,000)	(110,205,156,861)
Decreases	(2,833,652,072)	-	(2,337,801,889)	(291,940,339)	-	(5,463,394,300)
Closing balance	18,027,297,037,133	83,052,957,888,002	6,693,633,203,361	102,624,557,798	6,177,737,160	107,882,690,423,454
Accumulated depreciation						
Opening balance	4,105,722,849,309	30,789,133,744,177	1,623,397,967,855	44,435,511,125	690,944,270	36,563,381,016,736
Charge for the year	542,875,769,339	3,421,928,765,951	314,680,344,186	15,941,501,348	476,618,419	4,295,902,999,243
Receipt from Vietnam Electricity	15,310,834,926	836,752,850,652	7,244,671,211	2,429,219,104	35,714,285	861,773,290,178
Reclassified	(6,732,289,197)	1,074,089,974	5,610,703,043	47,496,180	-	-
Disposals	(3,037,009,818)	(321,340,430)	(2,037,058,705)	-	-	(5,395,408,953)
Transfer to Vietnam Electricity	(5,406,022,025)	(81,081,864,977)	(5,554,307,154)	(417,611,438)	(35,237,691)	(92,495,043,285)
Decreases	(3,210,949,862)	-	(2,337,801,889)	(291,940,339)	-	(5,840,692,090)
Closing balance	4,645,523,182,672	34,967,486,245,347	1,941,004,518,547	62,144,175,980	1,168,039,283	41,617,326,161,829
Net book value						
Opening balance	3,919,286,661,359	7,399,577,103,123	1,919,044,653,498	32,134,401,084	4,022,489,905	13,274,065,308,969
Closing balance	13,381,773,854,461	48,085,471,642,655	4,752,628,684,814	40,480,381,818	5,009,697,877	66,265,364,261,625

Power Generation Corporation 3 and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2015
(continued)

Form B 09 – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

Included in fixed assets were assets costing VND1,364,690,088,014 which were fully depreciated as at 31 December 2015 (1/1/2015: VND1,697,209,140,741), but which are still in active use.

Some tangible fixed assets used to secure bank loans are disclosed in Note 16.

11. Intangible fixed assets

	Land use rights VND	Software VND	Technology transfer rights VND	Total VND
Cost				
Opening balance	67,463,477,322	2,741,435,058	3,770,891,148	73,975,803,528
Additions	-	39,550,875	-	39,550,875
Transfer from construction in progress	-	9,090,483,494	-	9,090,483,494
Closing balance	67,463,477,322	11,871,469,427	3,770,891,148	83,105,837,897
Khấu hao trong năm				
Opening balance	7,150,009,855	1,386,497,102	2,684,480,765	11,220,987,722
Charge for the year	984,269,873	718,907,669	408,226,920	2,111,404,462
Closing balance	8,134,279,728	2,105,404,771	3,092,707,685	13,332,392,184
Net book value				
Opening balance	60,313,467,467	1,354,937,956	1,086,410,383	62,754,815,806
Closing balance	59,329,197,594	9,766,064,656	678,183,463	69,773,445,713

As at 31 December 2015, included in land use rights with indefinite term of land use rights were assets costing as 31 December 2015 VND8,015,608,652 which were not amortised (1/1/2015: VND3,011,117,583).

Included in intangible fixed assets were assets costing VND606,628,866 which were fully amortised as of 31 December 2015 (1/1/2015: VND606,628,866 million), but which are still in use.

Power Generation Corporation 3 and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2015
(continued)

Form B 09 – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

12. Construction in progress

	2015	2014
	VND	VND
Opening balance	56,899,257,645,196	41,101,445,817,217
Additions during the year	3,756,998,112,340	30,376,204,260,389
Interest expenses capitalised	678,364,588,158	2,004,203,192,817
Increase from taking over subsidiaries	219,501,921	-
Transfer to tangible fixed assets	(57,201,201,695,597)	(2,435,242,799,974)
Transfer to intangible fixed assets	(9,090,483,494)	-
Transfer to Vietnam Electricity	(1,120,338,504,035)	(13,767,322,259,129)
Other decreases	(370,277,002,393)	(380,030,566,124)
	<hr/>	<hr/>
Closing balance	2,633,932,162,096	56,899,257,645,196
	<hr/>	<hr/>

Major constructions in progress were as follows:

	31/12/2015	1/1/2015
	VND	VND
Mong Duong Thermal Power Company	1,023,884,297,980	27,580,942,083,512
Vinh Tan 2 Thermal Power Company	925,047,930,443	24,575,165,834,062
Power Center of Vinh Tan	412,469,077,282	296,350,737,496
Vinh Tan coal port	259,888,105,390	3,660,614,342,492
Vinh Tan 4 Thermal Power Company	-	781,915,719,273
Others	12,642,751,001	4,268,928,361
	<hr/>	<hr/>
	2,633,932,162,096	56,899,257,645,196
	<hr/>	<hr/>

During the year, borrowing costs capitalised into construction in progress amounted to VND678,365 million (2014: VND2,004,203 million).

Future assets forming from construction in progress are used to secure bank loans as presented in Note 16.

Power Generation Corporation 3 and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2015
(continued)

Form B 09 – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

13. Accounts payable to suppliers

	31/12/2015	1/1/2015
	VND	VND
Related parties		
Vietnam Electricity	157,314,832,070	953,294,760
Others	6,609,615,082	2,976,985,733
Third parties		
Dong Nam Gas Transportation Company	1,848,611,996,884	2,568,098,435,194
Shanghai Electric Group Company Limited	1,519,970,146,668	2,503,142,877,099
Huyndai E&C Construction Group	1,314,517,829,383	2,057,490,987,315
Others	984,908,838,006	896,976,246,730
	<hr/>	<hr/>
	5,831,933,258,093	8,029,638,826,831
	<hr/>	<hr/>
Amount within payment capacity	5,831,933,258,093	8,029,638,826,831
	<hr/>	<hr/>

Power Generation Corporation 3 and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2015 (continued)

Form B 09 – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

14. Taxes and other receivables from and payables to State Treasury

(a) Taxes and other payables to State Treasury

	1/1/2015 VND	Increase from taking over a subsidiary VND	Incurred VND	Paid VND	Reclassified VND	31/12/2015 VND
Value added tax	103,775,837,984	287,765,949	928,921,527,446	(970,103,762,975)	18,755,324,816	81,636,693,220
Corporate income tax	58,101,530,238	217,207,318	53,109,297,065	(108,027,323,189)	42,111,011,155	45,511,722,587
Withholding tax	225,014,607	-	34,605,992,367	(27,282,776,183)	-	7,548,230,791
Import – export tax	-	-	14,120,238,545	(14,120,238,545)	-	-
Personal income tax	2,469,221,638	-	15,569,761,121	(16,839,185,934)	1,108,129,748	2,307,926,573
Natural resource taxes	15,273,206,150	109,200	187,026,195,565	(181,814,042,179)	-	20,485,468,736
Land and housing taxes	-	-	12,933,939,148	(12,890,474,022)	(43,465,126)	-
Duty and fees - fees for forest environmental services	11,729,977,440	1,706,482	37,549,058,847	(42,444,402,769)	-	6,836,340,000
Other taxes	-	-	22,027,000	(22,027,000)	-	-
	191,574,788,057	506,788,949	1,283,858,037,104	(1,373,544,232,796)	61,931,000,593	164,326,381,907

(b) Taxes and other receivables from State Treasury

	1/1/2015 VND	Increase from taking over a subsidiary VND	Incurred VND	Received VND	Reclassified VND	31/12/2015 VND
Value added tax	4,679,949,909	-	-	-	18,755,324,816	23,435,274,725
Corporate income tax	608,545	-	-	-	42,111,011,155	42,111,619,700
Personal income tax	1,199,309,105	330,664,668	-	-	1,108,129,748	2,638,103,521
Land and housing taxes	-	253,092,076	-	-	(43,465,126)	209,626,950
	5,879,867,559	583,756,744	-	-	61,931,000,593	68,394,624,896

Power Generation Corporation 3 and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2015
(continued)

Form B 09 – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

15. Other payables

	31/12/2015	1/1/2015
	VND	VND
Related parties		
Vietnam Electricity	498,148,789,015	123,008,936,270
Others	19,443,867,919	10,582,688,799
Third parties		
Value added tax	151,562,350,386	217,174,574,817
Srepok 3 Hydropower Joint Stock Company	-	613,267,623,287
Others	53,520,293,001	65,065,661,452
	<hr/>	<hr/>
	722,675,300,321	1,029,099,484,625
	<hr/>	<hr/>

16. Borrowings

(a) Short-term borrowings

	1/1/2015	Increase	Decrease	31/12/2015
	VND	VND	VND	VND
Short-term borrowings	400,000,000,000	-	(400,000,000,000)	-
Current portion of long-term borrowings	6,963,417,058,508	3,349,399,244,174	(6,973,442,228,571)	3,339,374,074,111
	<hr/>	<hr/>	<hr/>	<hr/>
	7,363,417,058,508	3,349,399,244,174	(7,373,442,228,571)	3,339,374,074,111
Amount within payment capacity	<hr/>			<hr/>
	7,363,417,058,508			3,339,374,074,111
	<hr/>			<hr/>

(b) Long-term borrowings

	31/12/2015	1/1/2015
	VND	VND
Long-term borrowings	68,311,998,447,437	62,151,344,318,916
Repayable within twelve months	(3,339,374,074,111)	(6,963,417,058,508)
	<hr/>	<hr/>
Repayable after twelve months	64,972,624,373,326	55,187,927,260,408
	<hr/>	<hr/>

Power Generation Corporation 3 and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2015
(continued)

Form B 09 – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

Terms and conditions of outstanding long-term borrowings were as follows:

		Year of	31/12/2015	1/1/2015
	Currency	maturity	VND'000	VND'000
Loans from organisations				
<i>Mong Duong Thermal Power Project</i>				
Lien Viet Post Joint Stock Commercial Bank				
– Thang Long Branch	VND	2025	143,294,202	-
Vietnam Electricity	VND	2018	599,000,000	599,000,000
<i>Vinh Tan 2 Thermal Power Project</i>				
Vietnam Development Bank – Transaction				
Center I	VND	2024	2,548,769,980	-
Vietnam Electricity	VND	2018	374,000,000	374,000,000
Joint Stock Commercial Bank for Foreign				
Trade of Vietnam	VND	2025	2,190,781,573	-
<i>Vinh Tan 4 Thermal Power Project</i>				
Joint Stock Commercial Bank for Investment				
and Development of Vietnam	VND	2029	2,338,883,568	2,134,864,480
Joint Stock Commercial Bank for Foreign				
Trade of Vietnam	VND	2029	1,167,134,661	891,221,088
<i>Vinh Tan Coal Terminal Project</i>				
Vietnam Development Bank – Transaction				
Center I	VND	2024	553,230,020	-
<i>Buon Kuop Hydropower Project</i>				
Saigon - Hanoi Commercial Joint Stock Bank –				
Ha Noi Branch	VND	2025	185,000,000	-
Vietnam Electricity	VND	2018	178,000,000	178,000,000
<i>Buon Tua Srah Hydropower Project</i>				
Vietnam Electricity	VND	2018	338,000,000	338,000,000
<i>Srepok 3 Hydropower Project</i>				
Saigon - Hanoi Commercial Joint Stock Bank –				
Ha Noi Branch	VND	2025	185,000,000	-
Vietnam Electricity	VND	2018	202,000,000	202,000,000
<i>Project of electrical resistance installation in</i>				
<i>Southern region to reduce short circuit</i>				
National Power Transmission Corporation	VND	2017	50,000,000	50,000,000

Power Generation Corporation 3 and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2015
(continued)

Form B 09 – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

		Year of	31/12/2015	1/1/2015
	Currency	maturity	VND'000	VND'000
Loans from Vietnam Electricity				
<i>Mong Duong Thermal Power Project</i>				
Asian Development Bank	USD	2032	470,921,022	457,042,892
Asian Development Bank	USD	2034	17,231,947,166	16,183,665,845
Export-Import Bank of Korea	USD	2028	10,955,373,164	7,664,165,713
Bonds	VND	2015	-	150,000,000
<i>Vinh Tan 2 Thermal Power Project</i>				
Export-Import Bank of China	USD	2026	6,186,010,169	5,867,652,946
Export-Import Bank of China	CNY	2026	2,026,195,834	2,046,269,653
Export-Import Bank of China	USD	2026	8,957,320,564	7,068,466,839
Vietnam Development Bank	VND	2015	-	2,698,714,818
Joint Stock Commercial Bank for Foreign				
Trade of Vietnam	USD	2015	-	2,199,629,475
Bonds	VND	2015	-	31,941,067
<i>Buon Kuop Hydropower Project</i>				
Japan Bank for International Cooperation	JPY	2026	108,894,686	111,231,238
Japan Bank for International Cooperation	JPY	2028	78,451,727	79,333,714
Credit Agricole Corporate and Investment Bank	USD	2016	112,562,876	213,539,865
Vietnam Bank for Agriculture and Rural				
Development	VND	2018	540,518,839	804,841,313
Bonds	VND	2015	-	100,000,000
<i>Buon Tua Srah Hydropower Project</i>				
Export-Import Bank of China	USD	2020	178,072,813	202,690,155
Asia Commercial Joint Stock Bank	VND	2019	194,793,046	250,394,168
Asia Commercial Joint Stock Bank	VND	2017	117,397,949	195,663,248
Bonds	VND	2016	100,000,000	290,000,000
<i>Srepok 3 Hydropower Project</i>				
Credit Agricole Corporate and Investment Bank	USD	2020	378,461,884	430,781,637
Joint Stock Commercial Bank for Foreign				
Trade of Vietnam	VND	2019	774,791,628	996,160,654
Bonds	VND	2015	-	25,000,000

Power Generation Corporation 3 and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2015
(continued)

Form B 09 – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Year of Currency maturity	31/12/2015 VND'000	1/1/2015 VND'000
<i>Phu My Thermal Power Project</i>			
Japan Bank for International Cooperation	JPY 2028	5,278,533,404	5,337,876,865
Vietnam Joint Stock Commercial Bank for Industry and Trade	USD 2015	-	184,968,820
World Bank	USD 2015	-	67,567,222
Bonds	VND 2015	-	1,124,524
<i>Vinh Tan Power Center Coal Terminal Project</i>			
Export-Import Bank of China	USD 2026	575,759,848	546,128,906
Export-Import Bank of China	USD 2026	2,416,549,105	1,983,870,345
Vietnam Development Bank	VND 2015	-	553,230,020
Bonds	VND 2015	-	745,597
<i>Steam tail 306-2 Ba Ria Power Plant</i>			
Vietnam Development Bank – Ba Ria – Vung Tau Branch	KRW 2028	576,348,719	611,431,446
<i>Vinh Tan Power Center Infrastructure Project</i>			
Bonds	VND 2015	-	30,129,767
		68,311,998,447	62,151,344,320
		68,311,998,447	62,151,344,320

All assets formed from the above projects are used to secure the corresponding borrowings.

Interest rate of borrowings dominated in USD is ranging from 0.45% to 6.9%.

Interest rate of borrowings dominated in VND is ranging from 6.7% to 10.5%.

Interest rate of borrowings dominated in JPY is ranging from 1.66% to 2.5%.

Interest rate of borrowings dominated in CNY is 3.2%.

Interest rate of borrowings dominated in KRW is 2.4%.

Power Generation Corporation 3 and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2015 (continued)

Form B 09 – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

17. Changes in owners' equity

	Contributed capital VND	Capital surplus VND	Other capital VND	Foreign exchange differences VND	Investment and development fund VND	Other equity funds VND	Retained profits VND	Investment in construction VND	Non-controlling interest VND	Total VND
Balance at 1 January 2014	12,400,642,458,755	6,014,917,945	10,047,959,908	(514,824,732,641)	131,257,556,522	8,910,405,380	530,880,574,526	204,576,931,617	296,464,525,961	13,073,970,597,973
Additions	721,596,120	-	-	-	-	-	-	-	-	721,596,120
Transfer to Vietnam Electricity	(1,913,708,180,829)	-	-	9,328,629,723	-	-	(4,542,544,190)	(200,201,000,000)	-	(2,109,123,095,296)
Transfer profit to Vietnam Electricity	-	-	-	-	-	-	(70,451,992,374)	-	-	(70,451,992,374)
Transfer source of fixed assets	-	-	-	-	(1,883,886,752)	-	-	-	-	(1,883,886,752)
Foreign exchange differences	-	-	-	(305,446,494,337)	-	-	-	-	-	(305,446,494,337)
Net profit for the year	-	-	-	-	-	-	471,589,714,475	-	47,679,030,490	519,268,744,965
Dividends	-	-	-	-	-	-	-	-	(17,457,063,172)	(17,457,063,172)
Appropriation to equity funds	-	-	-	-	65,639,476,008	2,419,938,094	(137,247,499,140)	-	(1,928,974,300)	(71,117,059,338)
Reclassified	-	-	-	(106,217,495,985)	(106,217,495,985)	-	-	106,217,495,985	-	-
Other additions/(decreases)	-	-	1,883,886,752	-	(4,515,700,390)	(208,075,925)	5,497,296,608	-	646,860,363	3,304,267,408
Balance at 31 December 2015	10,487,655,874,046	6,014,917,945	11,931,846,660	(810,942,597,255)	84,279,949,403	11,122,267,549	795,725,549,905	110,593,427,602	325,404,379,342	11,021,785,615,197

Power Generation Corporation 3 and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2015 (continued)

Form B 09 – DN/HN
(Ban hành theo Thông tư số 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Contributed capital VND	Capital surplus VND	Other capital VND	Foreign exchange differences VND	Investment and development fund VND	Other equity funds VND	Retained profits VND	Investment in construction VND	Non-controlling interest VND	Total VND
Balance at 1 January 2015	10,487,655,874,046	6,014,917,945	11,931,846,660	(810,942,597,255)	84,279,949,403	11,122,267,549	795,725,549,905	110,593,427,602	325,404,379,342	11,021,785,615,197
Take-over of Thu Duc Thermal Power One-member Limited Company from Power Generation Corporation 2 (i)	96,728,456,859	-	1,566,487,558	-	16,178,490,841	-	-	1,705,055,583	-	116,178,490,841
Additions	1,271,458,000	-	-	-	-	-	-	-	-	1,271,458,000
Transfer to Vietnam Electricity	(25,900,004,049)	-	-	(25,181,627,228)	-	-	-	-	-	(51,081,631,277)
Transfer profit to Vietnam Electricity	-	-	-	-	-	-	(2,659,523,292)	-	-	(2,659,523,292)
Reclassified	1,705,055,583	-	-	-	(1,142,186,802)	-	-	2,286,886,748	-	2,849,755,529
Appropriation to equity funds	-	-	-	-	54,128,578,585	5,032,203,784	(62,010,537,898)	-	-	(2,849,755,529)
Appropriation to bonus and welfare funds	-	-	-	-	-	-	(98,926,848,113)	-	(5,435,341,350)	(104,362,189,463)
Net profit for the year	-	-	-	-	-	-	161,830,334,135	-	41,729,984,590	203,560,318,725
Transfers of funds	-	-	652,948,284	-	(652,948,284)	-	-	-	-	-
Foreign exchange differences	-	-	-	(2,480,352,971,176)	-	-	-	-	-	(2,480,352,971,176)
Dividends	-	-	-	6)	-	-	-	-	(22,839,890,601)	(22,839,890,601)
Other decrease	-	-	-	-	-	(228,232,369)	(847,100,641)	-	(78,455,512)	(1,153,788,522)
Balance at 31 December 2015	10,561,460,840,439	6,014,917,945	14,151,282,502	(3,316,477,195,659)	152,791,883,743	15,926,238,964	793,111,874,096	114,585,369,933	338,780,676,469	8,680,345,888,432

(i) The Corporation handed over Thuduc Power Company Limited from Power Corporation No. 2 - One Member Limited Liability Company under Decision No. 223/QĐ-EVN of Vietnam Electricity.

Power Generation Corporation 3 and its subsidiaries
Thuyết minh báo cáo tài chính hợp nhất cho năm kết thúc ngày 31 tháng 12 năm 2015
(tiếp theo)

Form B 09 – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

18. Contributed capital

The Corporation's authorised legal capital has been fully contributed by Vietnam Electricity.

Movements in contributed legal capital during the year were as follows:

	2015	2014
	VND	VND
Balance at beginning of the year	10,487,655,874,046	12,400,642,458,755
Addition of capital during the year	1,271,458,000	721,596,120
Take-over of Thu Duc Thermal Power One-member Limited Company from Power Generation Corporation 2	96,728,456,859	-
Transfer to Vietnam Electricity	(25,900,004,049)	(1,913,708,180,829)
Reclassification	1,705,055,583	-
	<hr/>	<hr/>
Balance at end of the year	10,561,460,840,439	10,487,655,874,046
	<hr/>	<hr/>

The immediate and ultimate parent company, Vietnam Electricity, is incorporated in Vietnam.

19. Profit distribution

Under the provisions of Article 29 Decree No. 82/2014/NĐ-CP of the Government, the remaining profits after appropriation to funds will be remitted to Business Support and Development Fund or State Budget. In 2015, the Group transferred the remaining profit in 2014 to Vietnam Electricity in accordance with Official Letter No. 4716/EVN-TCKT dated 10 November 2015 through the financial statement in 2014 with an amount of VND6,660 million (2014: the profit transferred to Vietnam Electricity was VND70,452 million),

Power Generation Corporation 3 and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2015
(continued)

Form B 09 – DN/HN
(Ban hành theo Thông tư số 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

20. Off balance sheet items

(a) Lease

At the reporting dates, the future minimum lease payments under operating leases were:

	31/12/2015	1/1/2015
	VND	VND
Within one year	5,965,683,038	5,965,683,038
Within two to five years	23,862,732,152	23,862,732,152
More than five years	205,405,497,779	211,371,180,817
	<hr/>	<hr/>
	235,233,912,969	241,199,596,007
	<hr/>	<hr/>

Operating lease commitments represented land rental at Phu My Town, Tan Thanh District, Ba Ria – Vung Tau Province, Vietnam for 38 years from 26 November 2012 and 3 parcels of land at Vinh Tan Commune, Tuy Phong District, Binh Thuan Province, Vietnam for 70 years from 28 November 2013.

(b) Foreign currencies

	31/12/2015		1/1/2015	
	Original currency	VND equivalent	Original currency	VND equivalent
USD	38,292.9	859,689,573	47,502.09	1,014,621,533
	<hr/>		<hr/>	

(c) Investment commitments

As at 31 December 2015, in accordance with the approved construction plan, the Group will invest VND8,186,719 million to build power plants and other works (1/1/2015: VND18,737,025 million).

Power Generation Corporation 3 and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2015
(continued)

Form B 09 – DN/HN
(Ban hành theo Thông tư số 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

21. Revenue from sales of goods and provision of services

	2015	2014
	VND	VND
Total revenue		
▪ Sales of electricity	28,085,275,090,829	26,590,650,368,426
▪ Sales of other goods and services	27,423,019,741	13,813,447,707
▪ Other services	54,510,376,599	42,935,433,732
	28,167,208,487,169	26,647,399,249,865
Less revenue deductions		
▪ Sales returns	(69,300,000)	-
	28,167,139,187,169	26,647,399,249,865

22. Cost of sales

	2015	2014
	VND	VND
Cost of electricity	25,530,079,179,816	24,491,389,489,749
Cost of other goods	26,640,290,207	12,429,859,989
Cost of other services	31,563,800,138	36,928,143,027
	25,588,283,270,161	24,540,747,492,765
	25,588,283,270,161	24,540,747,492,765

23. Financial income

	2015	2014
	VND	VND
Interest income	83,131,053,207	100,148,044,714
Dividends	22,292,500,000	27,200,500,000
Foreign exchange gains due to payments	6,216,158,112	14,571,106,537
Foreign exchange gains due to revaluation	84,962,957,212	796,055,088,219
	196,602,668,531	937,974,739,470
	196,602,668,531	937,974,739,470

Power Generation Corporation 3 and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2015
(continued)

Form B 09 – DN/HN
(Ban hành theo Thông tư số 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

24. Financial expenses

	2015 VND	2014 VND
Interest expense	1,724,951,889,487	1,167,029,199,623
Foreign exchange losses due to payments	72,252,640,208	31,977,564,763
Foreign exchange losses due to revaluation	537,198,637,730	1,221,510,849,080
Providing/(reversal) of allowance for long-term investments	42,234,944,234	(729,746,635)
Other financial expenses	965,460	-
	<hr/> 2,376,639,077,119	<hr/> 2,419,787,866,831 <hr/>

25. General and administration expenses

	2015 VND	2014 VND
Labour costs and staff costs	147,395,629,493	138,752,419,211
Outside services	17,807,910,288	15,051,995,481
Other expenses	100,466,107,315	79,362,786,428
	<hr/> 265,669,647,096	<hr/> 233,167,201,120 <hr/>

26. Production and business costs by element

	2015 VND	2014 VND
Raw material costs	19,333,074,498,194	18,968,488,149,267
Labour and staff costs	552,731,309,969	443,320,826,950
Depreciation and amortisation	4,262,012,035,373	3,338,797,600,828
Outside services	258,489,300,280	50,819,451,430
Overhaul expenses	1,049,425,738,513	1,482,584,085,431
Other expenses	398,977,526,254	490,513,532,545
	<hr/>	<hr/>

Power Generation Corporation 3 and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2015
(continued)

Form B 09 – DN/HN
(Ban hành theo Thông tư số 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

27. Income tax

(a) Recognised in the statement of income

	2015	2014
	VND	VND
Current tax expense		
Current year	53,065,487,065	84,449,711,869
Under provision in prior years	-	100,546,305
	53,065,487,065	84,550,258,174
Deferred tax expense		
Origination and reversal of temporary differences	(9,987,734,000)	-
	43,077,753,065	84,550,258,174
	43,077,753,065	84,550,258,174

(b) Reconciliation of effective tax rate

	2015	2014
	VND	VND
Accounting profit before tax	246,638,071,790	603,819,003,139
	54,260,375,794	132,840,180,691
Tax at the Corporation's tax rate	(33,840,785,688)	(49,615,513,166)
Non-taxable income	926,725,615	-
Effect of different tax rates	2,476,447,192	1,225,044,344
Non-deductible expenses	-	100,546,305
Under provision in prior years	19,254,990,152	-
Deferred tax assets not recognised	43,077,753,065	84,550,258,174
	43,077,753,065	84,550,258,174

(c) Applicable tax rates

Under the current Income Tax Law, the Group has an obligation to pay the government income tax at the rate of 22% of taxable profits in 2014 and 2015, and will reduce 20% since 2016.

Power Generation Corporation 3 and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2015
(continued)

Form B 09 – DN/HN
(Ban hành theo Thông tư số 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

28. Non-cash investing and financing activities

On 1 May 2015, the Corporation transferred Vinh Tan 4 Thermal Power Plant Project to Vietnam Electricity by reducing work in progress and prepayments to suppliers, and reducing capital contribution of Vietnam Electricity in the Corporation amounting to VND6,896,370,403 and by increasing receivables from Vietnam Electricity amounting to VND3,890,576,415,008 (Note 8).

On 1 January 2015, the Corporation spun off assets, capital of the Project Management Unit of Hydropower 5 in accordance with Official Letter No. 1483B/EVN-TCKT dated 20 April 2015 of Vietnam Electricity by reducing cost, accumulated depreciation of fixed assets and other receivables, and reducing corresponding other payables and capital.

On 1 January 2015, the Corporation received Thu Duc Thermal Power One-member Limited Company from Power Generation Corporation 2, in accordance with the decision of Vietnam Electricity, as a subsidiary.

Payments for fixed assets during the year excluding VND3,107,021,688,118 (2014: VND3,127,206,915,604) of fixed assets and construction in progress incurred during the year and VND24,288,146,499 (2014: VND385,945,140,244) of interest expense capitalised into work in progress but not yet paid.

29. Financial instruments

(a) Financial risk management

(i) Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk; and
- market risk.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk.

The Corporation's Chairman oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

Power Generation Corporation 3 and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2015
(continued)

Form B 09 – DN/HN
(Ban hành theo Thông tư số 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

(ii) Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board is responsible for developing and monitoring the Group's risk management policies.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(b) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's cash in banks and cash equivalents, held-to-maturity investments, receivables from customers and other short-term receivables.

Exposure to credit risk

The total of carrying amounts of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	Note	31/12/2105 VND	1/1/2015 VND
Cash and cash equivalents	(i)	1,155,821,280,872	2,259,925,996,283
Held-to-maturity investments	(i)	854,000,000,000	1,059,000,000,000
Accounts receivable from customers and other receivables	(ii)	8,990,828,436,487	2,760,210,081,187
		11,000,649,717,359	6,079,136,077,470

(i) Cash and cash equivalents and held-to-maturity investments

The cash and cash equivalents and held-to-maturity investments of the Group are mainly held with well-known financial institutions. Management does not foresee any significant credit risks from these deposits and does not expect that these financial institutions may default and cause losses to the Group.

Power Generation Corporation 3 and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2015
(continued)

Form B 09 – DN/HN
(Ban hành theo Thông tư số 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

(ii) Accounts receivable from customers and other receivables

Accounts receivable from customers and other receivables of the Group that are mainly receivables from customers, receivables from project investment for Vietnam Electricity and accrued interest on term deposits at banks.

Receivables from customers and receivables from project investment for Vietnam Electricity, are mainly related to receivables from related parties in Vietnam Electricity. Historical recovery of receivables from these parties is within acceptable time frame. Due to these factors, the Board of Directors believes that the Group's exposure to credit risk related to receivables from customers is relatively small.

The Group's exposure to credit risk is related to accrued interest on term deposits at banks is considered relatively small because term deposits at banks of the Group are mainly held with well-known banks and financial institutions. The Group does not foresee any loss incurred from these banks and financial institutions failing to meet their contractual obligations.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade receivables.

The Group believes that, other than allowance for doubtful debts made, there is no further allowance for doubtful debts necessary for trade and other receivables as at 31 December 2015 and 1 January 2015.

Movements in the allowance for doubtful debts during the year were as follows:

	2015	2014
	VND	VND
Opening balance	-	-
Increase in allowance during the year	198,910,438	-
Increase from taking over subsidiaries	355,362,164	-
	<hr/>	<hr/>
Closing balance	554,272,602	-
	<hr/> <hr/>	<hr/> <hr/>

(c) Liquidity risks

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages its ability to meet the expected operational expenses and servicing its debts by investing its cash surpluses in short-term investments and maintaining several bank facilities.

Power Generation Corporation 3 and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2015 (continued)

Form B 09 – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

The financial liabilities with fixed or determinable payments have the following contractual maturities excluding the estimated interest payments:

31 December 2015	Carrying amount VND	Contractual cash flows VND	Within 1 year VND	2 – 5 years VND	More than 5 years VND
Accounts payable to suppliers	5,831,933,258,093	5,831,933,258,093	5,831,933,258,093	-	-
Payables to employees	217,374,292,315	217,374,292,315	217,374,292,315	-	-
Accrued expenses	67,690,531,208	67,690,531,208	67,690,531,208	-	-
Other payables	722,675,300,321	722,675,300,321	722,675,300,321	-	-
Short-term borrowings	3,339,374,074,111	3,339,374,074,111	3,339,374,074,111	-	-
Long-term borrowings	64,972,624,373,326	64,972,624,373,326	-	21,026,365,758,312	43,946,258,615,014
	75,151,671,829,374	75,151,671,829,374	10,179,047,456,048	21,026,365,758,312	43,946,258,615,014
1 January 2015	Carrying amount VND	Contractual cash flows VND	Within 1 year VND	2 – 5 years VND	More than 5 years VND
Accounts payable to suppliers	8,029,638,826,831	8,029,638,826,831	8,029,638,826,831	-	-
Payables to employees	193,922,387,301	193,922,387,301	193,922,387,301	-	-
Accrued expenses	50,418,897,483	50,418,897,483	50,418,897,483	-	-
Other payables	1,029,099,484,625	1,029,099,484,625	1,029,099,484,625	-	-
Short-term borrowings	7,363,417,058,508	7,363,417,058,508	7,363,417,058,508	-	-
Long-term borrowings	55,187,927,260,408	55,187,927,260,408	-	16,742,180,418,681	38,445,746,841,727
	71,854,423,915,156	71,854,423,915,156	16,666,496,654,748	16,742,180,418,681	38,445,746,841,727

Power Generation Corporation 3 and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2015
(continued)

Form B 09 – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

(d) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's results of operations or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Foreign exchange risk

The Group is exposed to currency risk on transactions that are denominated in a currency other than the respective accounting currency of the Group, Vietnam Dong ("VND"). The currencies in which these transactions primarily are denominated are United States Dollars ("USD"), Japanese Yen ("JPY"), Chinese Yuan ("CNY"), Korea Won ("KRW"), Euro ("EUR") and Swiss Franc ("CHF").

The Group's exposure to currency risk is managed by keeping the exposure to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term over-exposures.

Exposure to currency risk

The Group had the following net monetary liability positions exposed to currency risk::

	USD	JPY	31/12/2015 CNY	KRW	EUR	CHF
Cash and cash equivalents	38,293	-	-	-	-	-
Accounts payable to suppliers and other payables	(218,242,187)	(309,558,247)	(5,722,766)	(83,963,393)	(455,727)	(372,510)
Short-term and long-term borrowings	(2,105,722,210)	(29,095,495,677)	(599,934,811)	(32,485,836,581)	-	-
	(2,323,926,104)	(29,405,053,924)	(605,657,577)	(32,569,799,974)	(455,727)	(372,510)
	USD	JPY	1/1/2015 CNY	KRW	EUR	CHF
Cash and cash equivalents	47,502	-	-	-	-	-
Accounts payable to suppliers and other payables	(240,119,716)	(197,937,987)	(5,722,766)	(83,380,314)	-	(20,782)
Short-term and long-term borrowings	(2,016,135,569)	(31,429,458,880)	(599,934,811)	(32,485,836,581)	-	-
	(2,256,207,783)	(31,627,396,867)	(605,657,577)	(32,569,216,895)	-	(20,782)

Power Generation Corporation 3 and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2015
(continued)

Form B 09 – DN/HN
(Ban hành theo Thông tư số 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

The following significant exchange rates were applied during the year:

	Exchange rate as at	
	31/12/2015 VND	1/1/2015 VND
1 USD	22,540.00	21,380.00
1 JPY	187.86	175.90
1 CNY	3,377.36	3,410.82
1 KRW	19.22	17.75
1 EUR	24,730.00	25,542.36
1 CHF	22,880.00	21,499.00

Below is an analysis of the possible impact on the net profit before tax of the Group, after taking into account the current level of exchange rates and the historical volatility as well as market expectations at the reporting date. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecasted sales and purchases.

	Effect to net profit before tax VND
31/12/2015	
USD (strengthening 5%)	(2,619,064,890,997)
JPY (strengthening 7%)	(386,682,118,900)
CNY (weakening 1%)	20,455,236,096
KRW (weakening 1%)	46,236,999,644
EUR (weakening 3%)	337,549,096
CHF (strengthening 6%)	(510,224,244)
	<hr/>
	Effect to net profit before tax VND
1/1/2015	
USD (strengthening 1%)	(482,403,904,107)
JPY (strengthening 1%)	(55,632,591,090)
CNY (strengthening 1%)	(20,657,889,792)
KRW (strengthening 1%)	(5,782,328,394)
CHF (strengthening 1%)	(3,916,748)

The opposite movement of the currencies would have the equal but opposite effect to the net profit before tax of the Group.

Power Generation Corporation 3 and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2015
(continued)

Form B 09 – DN/HN
(Ban hành theo Thông tư số 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

(ii) Interest rate risk

At the reporting date, the interest rate profile of the Group's interest bearing financial instruments was:

	Carrying amount	
	31/12/2015 VND	1/1/2015 VND
Fixed rate instruments		
▪ Cash equivalents	585,000,000,000	235,000,000,000
▪ Held-to-maturity investments	854,000,000,000	1,059,000,000,000
▪ Short-term and long-term borrowings	(15,108,267,201,524)	(15,584,091,919,300)
	(13,669,267,201,524)	(14,290,091,919,300)
Short-term and long-term borrowings		
▪ Cash in banks	570,821,280,872	2,024,925,996,283
▪ Short-term and long-term borrowings	(53,203,731,245,913)	(46,967,252,399,616)
	(52,632,909,965,041)	(44,942,326,403,333)

Sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates would have increased or decreased the net profit before tax of the Group by VND368,256,072,922 (2014: VND79,430,859,048). This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

Power Generation Corporation 3 and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2015
(continued)

Form B 09 – DN/HN
(Ban hành theo Thông tư số 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

(e) Fair values

(i) Carrying amounts

The carrying amounts of financial assets and liabilities shown in the consolidated balance sheet, are as follows:

		Carrying amount	
		31/12/2015	1/1/2015
		VND	VND
Financial assets			
<i>Categorised as loans and receivables:</i>			
▪	Cash and cash equivalents	(*) 1,157,335,414,262	2,260,941,508,757
▪	Accounts receivable from customers and other receivables	(*) 8,990,828,436,487	2,760,210,081,187
<i>Categorised as held-to-maturity investments</i>			
▪	Held-to-maturity investments	(*) 854,000,000,000	1,059,000,000,000
		11,002,163,850,749	6,080,151,589,944
Financial liabilities			
<i>Categorised as financial liabilities at amortised cost:</i>			
▪	Accounts payable to suppliers	(*) (5,831,933,258,093)	(8,029,638,826,831)
▪	Payables to employees	(*) (217,374,292,315)	(193,922,387,301)
▪	Accrued expenses	(*) (67,690,531,208)	(50,418,897,483)
▪	Other payables	(*) (722,675,300,321)	(1,029,099,484,625)
▪	Short-term borrowings	(*) (3,339,374,074,111)	(7,363,417,058,508)
▪	Long-term borrowings	(*) (64,972,624,373,326)	(55,187,927,260,408)
		(75,151,671,829,374)	(71,854,423,915,156)

(ii) Fair values

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable, willing parties in an arm's length transaction on the measurement date.

- (*) The Group has not determined fair values of these financial instruments for disclosure in the consolidated financial statements because information about their market prices is not available and there is currently no guidance on determination of fair value using valuation techniques under the Vietnamese Accounting Standards or the Vietnamese Accounting System for enterprises. Their fair values of these financial instruments may differ from their carrying amounts.

Power Generation Corporation 3 and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2015
(continued)

Form B 09 – DN/HN
(Ban hành theo Thông tư số 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

30. Significant transactions with related parties

In addition to related party balances disclosed in other notes to the consolidated financial statements, the Group had the following significant transactions with related parties during the year:

	Transaction value	
	2015	2014
	VND	VND
Vietnam Electricity		
Profit distribution	2,659,523,292	70,451,992,374
Purchases of electricity	240,902,178,000	126,708,801,946
Loan interests	1,449,090,291,740	3,084,129,688,727
Borrowings during the year	4,388,588,567,669	22,867,232,159,952
Loan payment during the year	2,517,935,126,477	3,204,395,996,594
Trading Electricity Company		
Sales of electricity and services rendered	29,110,481,291,492	26,590,179,208,930
Northern Power Corporation		
Purchases of electricity	25,874,441,559	-
Northern High-voltage Power Grid Company		
Purchases of electricity	1,936,896,124	-
National Power Transmission Corporation		
Loan interests	3,185,090,556	3,701,423,055
Project Management Unit of Thai Binh Thermal Power Plant		
Sales of electricity and services rendered	-	996,768,229
Electrical Power Testing Center – Southern Power Corporation		
Purchases of services	958,444,796	1,608,067,591
EVN Finance Joint Stock Company		
Purchases of services	29,378,222,222	31,397,388,889
Northern Electrical Testing Company Limited		
Purchases of services	661,784,504	1,421,953,542
Power Engineering Consulting Joint Stock Company 2		
Purchases of services	32,353,298,347	100,870,163,910
Power Engineering Consulting Joint Stock Company 3		
Purchases of services	547,735,561	9,794,839,671
Power Engineering Consulting Joint Stock Company 4		
Purchases of services	493,220,827	3,491,306,897
Information Technology Center		
Purchases of services	1,235,469,665	2,030,929,461

Power Generation Corporation 3 and its subsidiaries
Notes to the consolidated financial statements for the year ended 31 December 2015
(continued)

Form B 09 – DN/HN
(Ban hành theo Thông tư số 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Transaction value	
	2015	2014
	VND	VND
Management Officer		
Salary and bonus	8,623,454,000	6,649,441,000

31. Corresponding figures

As described in Note 3, effective from 1 January 2015, the Group applied prospectively Circular 200 and Circular 202. As a result of the change in accounting policy, corresponding figures as at 1 January have been reclassified. In addition, certain corresponding figures have been reclassified to conform with the regulation of Circular 200 and Circular 202 to the current year's presentation. A comparison of the amounts previously reported and reclassified was as follows:

Consolidated balance sheet

	1/1/2015	1/1/2015
	VND	VND
	(Reclassified)	(as previously reported)
Other short-term receivables	141,416,939,115	139,950,955,283
Other current assets	-	1,465,983,832
Held-to-maturity investments	1,059,000,000,000	-
Short-term investments	-	1,059,000,000,000
Long-term receivables	12,000,000	-
Other long-term assets	-	12,000,000
Investment and development fund	84,279,949,403	58,846,248,077
Financial reserve fund	-	25,433,701,326

10 April 2016

Prepared by:

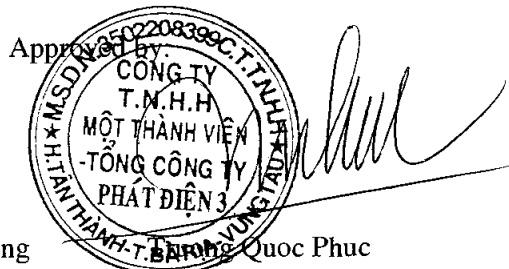


Vu Phuong Thao
Preparer



Nguyen Thi Thanh Huong
Chief Accountant

Approved by:



T. M. H. H.
ĐẠI BIỂU QUOC PHUC
Deputy General Director