

POWER GENERATION JOINT STOCK CORPORATION 3

**SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**



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POWER GENERATION JOINT STOCK CORPORATION 3

CORPORATE INFORMATION

Establishment Decision	No. 3025/QD-BCT which was issued by the Ministry of Industry and Trade on 1 June 2012	
Enterprise registration certificate	No. 3502208399 dated 26 November 2012 which was initially issued by the Department of Planning and Investment of Ba Ria – Vung Tau Province with the latest 8 th amendment dated 9 March 2021 issued by the Department of Planning and Investment of Ho Chi Minh City.	
Board of Management	Mr. Dinh Quoc Lam Mr. Truong Quoc Phuc Mr. Le Van Danh Mr. Nguyen Minh Khoa Mr. Do Mong Hung	Chairman (from 15 January 2020) Member Member (from 15 January 2020) Member (from 15 January 2020) Independent Member
Board of Supervisors	Mr. Pham Hung Minh Mr. Dau Duc Chien Ms. Vu Hai Ngoc	Head Member Member
Board of Directors	Mr. Le Van Danh Mr. Dinh Quoc Lam Mr. Phan Thanh Xuan Mr. Le Van Danh Mr. Cao Minh Trung Mr. Nguyen Thanh Trung Duong Ms. Nguyen Thi Thanh Huong	President (from 15 January 2020) President (until 14 January 2020) Vice President Vice President (until 14 January 2020) Vice President Vice President Vice President
Legal Representative	Mr. Le Van Danh	President
Registered office	60-66 Nguyen Co Thach Street, Sala Residence, An Loi Dong Ward, Thu Duc City, Ho Chi Minh City, Vietnam.	
Auditor	PwC (Vietnam) Limited	

POWER GENERATION JOINT STOCK CORPORATION 3

STATEMENT OF RESPONSIBILITY OF THE BOARD OF DIRECTORS OF THE CORPORATION IN RESPECT OF THE SEPARATE FINANCIAL STATEMENTS

The Board of Directors of Power Generation Joint Stock Corporation 3 (“the Corporation”) is responsible for preparing separate financial statements which give a true and fair view of the separate financial position of the Corporation as at 31 December 2020, and of the separate results of its operations and its separate cash flows for the year then ended. In preparing these separate financial statements, the Board of Directors is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the separate financial statements on a going concern basis unless it is inappropriate to presume that the Corporation will continue in business.

The Board of Directors of the Corporation is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the separate financial position of the Corporation and enable separate financial statements to be prepared which comply with the basis of accounting set out in Note 2 to the separate financial statements. The Board of Directors is also responsible for safeguarding the assets of the Corporation and hence for taking reasonable steps for the prevention and detection of fraud or errors.

APPROVAL OF THE SEPARATE FINANCIAL STATEMENTS

We hereby approve the accompanying separate financial statements as set out on pages 5 to 51 which give a true and fair view of the separate financial position of the Corporation as at 31 December 2020, and of the separate results of its operations and its separate cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of separate financial statements.

Users of these separate financial statements of the Corporation should read them together with the consolidated financial statements of the Corporation and its subsidiaries (together, referred to as “the Group”) for the year ended 31 December 2020 in order to obtain full information of the consolidated financial position and consolidated results of operations and consolidated cash flows of the Group.

On behalf of the Board of Directors



Nguyen Thi Thanh Huong
Vice President
Authorised Legal Representative

Ho Chi Minh City, SR Vietnam
30 March 2021



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF POWER GENERATION JOINT STOCK CORPORATION 3

We have audited the accompanying separate financial statements of Power Generation Joint Stock Corporation 3 ("the Corporation") which were prepared on 31 December 2020 and approved by the Board of Directors on 30 March 2021. The separate financial statements comprise the separate balance sheet as at 31 December 2020, the separate income statement and the separate cash flow statement for the year then ended, and explanatory notes to the separate financial statements including significant accounting policies, as set out on pages 5 to 51.

Responsibility of the Board of Directors

The Board of Directors of the Corporation is responsible for the preparation and the true and fair presentation of these separate financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of separate financial statements and for such internal control which the Board of Directors determines as necessary to enable the preparation and fair presentation of the separate 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 the separate 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 standards and requirements and plan and perform the audit in order to obtain reasonable assurance as to whether the separate financial statements of the Corporation are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditor's judgment, including an assessment of the risks of material misstatement of the separate financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Corporation's preparation and true and fair presentation of the separate 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 Corporation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the separate 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 separate financial statements present fairly, in all material respects, the separate financial position of the Corporation as at 31 December 2020, its separate financial performance and separate cash flows of the Corporation for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of separate financial statements.

Other Matters

The separate financial statements of the Corporation for the year ended 31 December 2019 were audited by another auditor who expressed an unmodified opinion on those separate financial statements on 27 March 2020.

The independent auditor's report is prepared in Vietnamese and English. Should there be any conflict between the Vietnamese and English versions, the Vietnamese versions shall take precedence.

For and on behalf of PwC (Vietnam) Limited



Mai Viet Hung Tran
Audit Practising Licence
No. 0048-2018-006-1
Authorised signatory

Trieu Nguyen Duy
Audit Practising Licence
No. 3022-2019-006-1

Report reference number: HCM10566
Ho Chi Minh City, 30 March 2021

SEPARATE BALANCE SHEET

Code	ASSETS	Note	As at 31 December	
			2020 VND	2019 VND (As restated - Note 32)
100	CURRENT ASSETS		20,110,108,552,025	18,615,478,500,896
110	Cash and cash equivalents	3	2,378,468,854,788	2,805,216,688,122
111	Cash		428,468,854,788	355,216,688,122
112	Cash equivalents		1,950,000,000,000	2,450,000,000,000
120	Short-term investment		3,926,000,000,000	3,826,000,000,000
123	Held to maturity investments	4(a)	3,926,000,000,000	3,826,000,000,000
130	Short-term receivables		9,582,574,077,820	9,038,490,201,110
131	Short-term trade accounts receivable	5	8,821,814,429,122	8,168,540,448,622
132	Short-term prepayments to suppliers		147,036,036,771	180,257,085,215
136	Other short-term receivables	6	613,723,611,927	690,183,309,827
137	Provision for doubtful debts – short-term		-	(490,642,554)
140	Inventories	7	4,136,722,224,450	2,763,763,534,643
141	Inventories		4,138,816,831,543	2,765,790,161,706
149	Provision for decline in value of inventories		(2,094,607,093)	(2,026,627,063)
150	Other current assets		86,343,394,967	182,008,077,021
151	Short-term prepaid expenses		16,094,744,092	3,255,418,410
152	Value Added Tax ("VAT") to be reclaimed		70,148,061,228	54,708,036,933
153	Tax and other receivables from the State	12(b)	100,589,647	124,044,621,678

The notes on pages 11 to 51 are an integral part of these separate financial statements.

SEPARATE BALANCE SHEET
(continued)

Code	ASSETS (continued)	Note	As at 31 December	
			2020 VND	2019 VND (As restated - Note 32)
200	LONG-TERM ASSETS		50,548,026,069,445	54,928,029,263,683
210	Long-term receivable		3,324,424,000	3,314,424,000
216	Other long-term receivables		3,324,424,000	3,314,424,000
220	Fixed assets		47,839,180,151,604	51,923,119,371,876
221	Tangible fixed assets	8(a)	47,737,313,063,160	51,828,300,464,832
222	Historical cost		110,436,235,176,520	109,932,389,134,529
223	Accumulated depreciation		(62,698,922,113,360)	(58,104,088,669,697)
227	Intangible fixed assets	8(b)	101,867,088,444	94,818,907,044
228	Historical cost		134,025,944,282	118,361,471,452
229	Accumulated amortisation		(32,158,855,838)	(23,542,564,408)
240	Long-term assets in progress		113,337,580,047	140,525,401,110
242	Construction in progress	9	113,337,580,047	140,525,401,110
250	Long-term investments		1,505,791,982,438	1,520,334,574,438
251	Investments in subsidiaries	4(b)	551,689,970,000	551,689,970,000
252	Investments in associates	4(b)	791,558,350,850	791,558,350,850
253	Investments in other entities	4(b)	162,543,661,588	177,086,253,588
260	Other long-term assets		1,086,391,931,356	1,340,735,492,259
261	Long-term prepaid expenses		217,958,476,558	396,463,640,508
263	Long-term spare parts, supplies and equipment	10	868,433,454,798	944,271,851,751
270	TOTAL ASSETS		70,658,134,621,470	73,543,507,764,579

The notes on pages 11 to 51 are an integral part of these separate financial statements.

SEPARATE BALANCE SHEET
(continued)

Code	RESOURCES	Note	As at 31 December	
			2020 VND	2019 VND (As restated - Note 32)
300	LIABILITIES		57,378,002,964,319	61,957,380,069,323
310	Short-term liabilities		11,518,769,975,382	11,140,836,273,535
311	Short-term trade accounts payable	11	4,751,532,981,834	3,931,828,821,436
312	Short-term advances from customers		10,314,848,007	103,636,000
313	Tax and other payables to the State	12(a)	267,832,032,252	130,212,664,962
314	Payable to employees		383,618,372,420	257,220,446,581
315	Short-term accrued expenses	13	208,722,942,401	126,501,290,830
318	Short-term unearned revenue	14	16,010,207,364	16,010,207,364
319	Other short-term payables	15	855,074,635,394	1,205,297,536,683
320	Short-term borrowings	16(a)	4,887,543,172,993	5,295,655,055,520
322	Bonus and welfare fund		138,120,782,717	178,006,614,159
330	Long-term liabilities		45,859,232,988,937	50,816,543,795,788
336	Long-term unearned revenue	14	348,638,936,642	363,797,151,279
338	Long-term borrowings	16(b)	45,510,594,052,295	50,452,746,644,509
400	OWNERS' EQUITY		13,280,131,657,151	11,586,127,695,256
410	Capital and reserves		13,280,131,657,151	11,586,127,695,256
411	Owners' capital	17, 18	10,699,695,770,000	10,699,695,770,000
411a	- Ordinary shares with voting rights		10,699,695,770,000	10,699,695,770,000
421	Undistributed earnings	18	2,580,435,887,151	886,431,925,256
421a	- Undistributed post-tax profits of previous years		886,431,925,256	14,839,006,593
421b	- Post-tax profits of current year		1,694,003,961,895	871,592,918,663
440	TOTAL RESOURCES		70,658,134,621,470	73,543,507,764,579



Tran Nguyen Khanh Linh
Preparer



Vu Phuong Thao
Chief Accountant



Nguyen Thi Thanh Huong
Vice President
30 March 2021

The notes on pages 11 to 51 are an integral part of these separate financial statements.

SEPARATE INCOME STATEMENT

Code	Note	Year ended 31 December		
		2020 VND	2019 VND (Restated - Note 32)	
10	Net revenue from sales of goods and rendering of services	20	38,580,961,667,916	41,085,055,594,625
11	Cost of goods sold and services rendered	21	(33,982,271,383,212)	(36,275,323,369,283)
20	Gross profit from sales of goods and rendering of services		4,598,690,284,704	4,809,732,225,342
21	Financial income	22	331,808,954,528	323,704,045,897
22	Financial expenses	23	(2,237,609,054,005)	(3,696,384,191,084)
23	- Including: Interest expense	23	(1,859,245,138,965)	(2,707,358,336,303)
26	General and administration expenses	24	(543,087,632,663)	(471,074,355,667)
30	Net operating profit		2,149,802,552,564	965,977,724,488
31	Other income		37,136,118,116	21,264,594,100
32	Other expenses		(38,721,042,865)	(48,714,533,434)
40	Net other expenses		(1,584,924,749)	(27,449,939,334)
50	Net accounting profit before tax		2,148,217,627,815	938,527,785,154
51	Corporate income tax ("CIT") - current	25	(454,213,665,920)	(66,934,866,491)
60	Net profit after tax		1,694,003,961,895	871,592,918,663



Tran Nguyen Khanh Linh
Preparer



Vu Phuong Thao
Chief Accountant



Nguyen Thi Thanh Huong
Vice President
30 March 2021

The notes on pages 11 to 51 are an integral part of these separate financial statements.

SEPARATE CASH FLOW STATEMENT
(Indirect method)

Code	Note	Year ended 31 December	
		2020 VND	2019 VND (As restated - Note 32)
CASH FLOWS FROM OPERATING ACTIVITIES			
01	Net accounting profit before tax	2,148,217,627,815	938,527,785,154
	Adjustments for:		
02	Depreciation and amortisation	4,603,086,371,227	4,737,924,329,243
03	Provisions	67,980,030	1,865,741,671
04	Unrealised foreign exchange losses	356,321,856,062	968,500,078,999
05	Profits from investing activities	(316,927,690,712)	(269,484,632,420)
06	Interest expense	1,859,245,138,965	2,707,358,336,303
08	Operating profit before changes in working capital	8,650,011,283,387	9,084,691,638,950
09	Increase in receivables	(6,911,182,735,115)	(6,074,523,711,039)
10	Increase in inventories	(1,294,646,084,255)	(608,189,005,824)
11	Increase in payables	947,953,066,369	332,195,596,356
12	Decrease in prepaid expenses	170,416,380,798	70,777,179,389
14	Interest paid	(523,233,814,254)	(395,579,022,379)
15	BIT paid	(234,914,411,588)	(137,063,114,258)
16	Other receipts from operating activities	1,716,980,000	-
17	Other payments on operating activities	(41,602,811,442)	(70,945,246,660)
20	Net cash inflows from operating activities	764,517,853,900	2,201,364,314,535
CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets	(347,218,081,820)	(951,541,567,541)
22	Proceeds from disposals of fixed assets	4,972,356	58,479,215,886
23	Term deposits with an original maturity above three months	(1,766,000,000,000)	(1,196,000,000,000)
24	Collection of term deposits with an original maturity above three months	1,666,000,000,000	720,000,000,000
27	Dividends and interest received	364,393,237,756	329,717,772,959
30	Net cash outflows from investing activities	(82,819,871,708)	(1,039,344,578,696)

The notes on pages 11 to 51 are an integral part of these separate financial statements.

INTERIM SEPARATE CASH FLOW STATEMENT (continued)
(Indirect method)

Code	Note	For the year ended 31 December	
		2020 VND	2020 VND (As restated - Note 32)
CASH FLOWS FROM FINANCING ACTIVITIES			
33		36,824,841,483	470,731,989,040
34		(1,145,270,077,464)	(939,103,284,054)
40		(1,108,445,235,981)	(468,371,295,014)
50		Net (decrease)/increase in cash and cash equivalents	693,648,440,825
60		Cash and cash equivalents at beginning of year	2,111,565,697,349
61		Effect of foreign exchange differences	2,549,948
70		Cash and cash equivalents at end of year	2,805,216,688,122

Additional information relating to the separate cash flow statement is presented in Note 27.



Tran Nguyen Khanh Linh
Preparer



Vu Phuong Thao
Chief Accountant



Nguyen Thi Thanh Huong
Vice President
30 March 2021

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****1 GENERAL INFORMATION**

Power Generation Joint Stock Corporation 3 (the "Corporation") is a joint stock company established from the equitisation of Parent company - Power Generation Corporation 3.

Pursuant to Decision No. 9494/QD-BCT dated 22 October 2014, the Ministry of Industry and Trade decided to equitise the Parent company – Power Generation Corporation 3.

Pursuant to Decision No. 2100/QD-TTg dated 27 December 2017, the Prime Minister approved the equitisation plan of Parent company – Power Generation Corporation 3.

The Corporation operates under the enterprise registration certificate No. 3502208399 initially issued by the Department of Planning and Investment of Ba Ria – Vung Tau Province on 26 November 2012 and the latest amendment issued by the Department of Planning and Investment of Ho Chi Minh City on 9 March 2021.

The Corporation's shares have been listed and traded on UPCoM since 14 March 2018 pursuant to Decision No. 114/QD-SGDHCM issued by the Hanoi Stock Exchange on 14 March 2018.

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

The normal business cycle of the Corporation is 12 months.

As at 31 December 2020, the Corporation had two (2) subsidiaries and three (3) associates (as at 31 December 2019: two subsidiaries and three associates) as presented in Note 4(b).

As at 31 December 2020, the Corporation had 2,099 employees (as at 31 December 2019: 2,065 employees).

The Corporation's head office is located at 60-66 Nguyen Co Thach Street, Sala Residence, An Loi Dong Ward, Thu Duc City, Ho Chi Minh City, Vietnam. As at 31 December 2020, the Corporation had eight (8) dependent branches (as at 31 December 2019: eight (8) dependent branches) as follows:

- Buon Kuop Hydropower Company at No. 22, Mai Xuan Thuong Street, Thanh Nhat Ward, Buon Ma Thuot City, Dak Lak Province, Vietnam;
- Mong Duong Thermal Power Company at Zone No. 8, Mong Duong Ward, Cam Pha City, Quang Ninh Province, Vietnam;
- Phu My Thermal Power Company at Phu My 1 Industrial Zone, Phu My Ward, Phu My Town, Ba Ria-Vung Tau Province, Vietnam;
- Vinh Tan Thermal Power Company at Vinh Tan 2 Thermal Power Plant, Vinh Phuc Village, Vinh Tan Commune, Tuy Phong District, Binh Thuan Province, Vietnam;
- EVNGENCO 3 Power Service Company at No. 332, Doc Lap Street (National Highway 51), Phu My Ward, Phu My Town, Ba Ria - Vung Tau, Vietnam;
- Vinh Tan Thermal Power Project Management Board at Hung Vuong Avenue, Zone No.5, Phu Thuy Ward, Phan Thiet City, Binh Thuan Province, Vietnam;
- Thermal Power 1 Project Management Board at Zone No. 8, Mong Duong Ward, Cam Pha City, Quang Ninh Province, Vietnam; and
- Thai Binh Thermal Power Project Management Board at My Loc Commune, Thai Thuy District, Thai Binh Province, Vietnam.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation of separate financial statements

The separate financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of separate financial statements. The separate financial statements have been prepared under the historical cost convention.

The accompanying separate financial statements are not intended to present the separate financial position and separate results of operations and separate cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam's. The accounting principles and practices utilised in Vietnam may differ from those generally accepted in countries and jurisdictions other than Vietnam's.

Separately, the Corporation has also prepared consolidated financial statements of the Corporation and its subsidiaries (together referred to as "the Group") in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements. In the consolidated financial statements, subsidiaries which are entities over which the Group has the power to govern the financial and operating policies, have been fully consolidated.

Users of these separate financial statements of the Corporation should read them together with the consolidated financial statements of the Group for the year ended 31 December 2020 in order to obtain full information of the consolidated financial position and consolidated results of operations and consolidated cash flows of the Group as a whole.

The separate financial statements in the Vietnamese language are the official statutory separate financial statements of the Corporation. The separate financial statements in the English language have been translated from the Vietnamese version.

2.2 Fiscal year

The Corporation's fiscal year is from 1 January to 31 December.

2.3 Currency

The separate financial statements are measured and presented in Vietnamese Dong ("VND" or "Dong"). The Corporation determines its accounting currency based on the currency which is mainly used in sales of goods and rendering of services, which has a significant impact on selling prices of goods and services, which is normally used for listing selling prices and receiving payments; which is mainly used in purchases of goods or services, which has a significant impact on operating costs and normally used as payments of those costs.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.4 Exchange rates****(a) Foreign currency transactions**

Transactions arising in foreign currencies are translated at exchange rates ruling at the transaction dates. Foreign exchange differences arising from these transactions are recognised in the separate income statement.

Monetary assets and liabilities denominated in foreign currencies at the separate balance sheet date are respectively translated at the buying and selling exchange rates at the separate balance sheet date of the commercial bank where the Corporation regularly conducts transactions. Foreign currencies deposited in bank at the separate balance sheet date are translated at the buying exchange rate of the commercial bank where the Corporation opens its foreign currency accounts. Foreign exchange differences arising from these translations are recognised in the income statement.

Liabilities with Vietnam Electricity (“EVN”) as at the separate balance sheet date are converted at the selling rate (by bank transfer) of Joint Stock Commercial Bank for Foreign Trade of Vietnam announced at the time of preparing the separate financial statements under the guidance of Official letter No. 1779/BTC-CDKT dated 1 February 2013 of the Ministry of Finance (“Official letter 1779”) and Official letter No. 6137/EVN-TCKT dated 11 September 2020 of EVN (“Official letter 6137”).

Except for the accounting policy presented below, exchange rate differences arising from translations are recognised as income or expense in the separate income statement.

(b) Exchange rate differences arising in the construction stage of power projects in the National Electricity Development Plan

Pursuant to the Government's Resolution No. 150/2018/NQ-CP dated 13 December 2018 (“Resolution 150”), for power projects within the National Electricity Development Plan approved by the Prime Minister, foreign exchange rate differences arising in the construction stage are recorded in “Exchange rate difference” in “Owners’ equity” and amortised into the income statement over a period of not exceeding 5 years since the project commercial operation date. The guidance of Resolution 150 is different from the guidance of Circular No. 200/2014/TT-BTC dated 22 December 2014 issued by the Ministry of Finance (“Circular 200”) in which these differences should be recognised in the income statement for the year in which they arise.

Had the Corporation recognised the foreign exchange differences arising during the construction stage consistently with Circular 200 over the years, the financial expenses and net accounting profit before tax on the separate income statement of the Corporation for the year ended 31 December 2020 would remain unchanged (for the year ended 31 December 2019: financial expenses would decrease and profit before tax would increase by the same amount of VND922,067,392,780), the “Exchange rate difference” in “Owners’ equity”, and “Undistributed post-tax profits” in the separate balance sheet of the Corporation as at 31 December 2020 and as at 31 December 2019 would remain unchanged.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.5 Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, cash in bank, demand deposits and other short-term investments with an original maturity of three months or less.

2.6 Receivables

Receivables represent trade receivables from customers arising from sales of goods and rendering of services or non-trade receivables from others and are stated at cost. Provision for doubtful debts is made for each outstanding amount based on overdue days in payment according to the initial payment commitment (exclusive of the payment rescheduling between parties) or based on the estimated loss that may arise. Bad debts are written off when identified.

Receivables are classified into short-term and long-term receivables on the separate balance sheet based on the remaining year from the separate balance sheet date to the maturity date.

2.7 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method and includes all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured products, cost includes all direct expenditure and production overheads based on normal levels of operating activity. Net realisable value is the estimated selling price in the normal course of business, less the estimated costs of completion and selling expenses.

The Corporation applies the perpetual method for inventories.

Provision is made, where necessary, for obsolete, slow-moving and defective inventory items. The difference between the provision of this period and the provision of the previous period are recognised as an increase or decrease of cost of goods sold in the year.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.8 Investments****(a) Held-to-maturity investments**

Held-to-maturity investments are investments which the Corporation has a positive intention and ability to hold until maturity.

Held-to-maturity investments include term deposits. Those investments are initially accounted for at cost. The Board of Directors reviews all outstanding investments to determine the amount of provision to recognise at period-end.

Provision for diminution in value of held-to-maturity investments is made when there is evidence that the investment is uncollectible in whole or in part. Changes in the provision balance during the fiscal year are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

Investments held to maturity are classified into short-term and long-term investments held to maturity on the separated balance sheet based on the remaining period from the balance sheet date to the maturity date.

(b) Investments in subsidiaries

Subsidiaries are all entities over which the Corporation has the power to govern the financial and operating policies in order to gain future benefits from their activities, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Corporation controls another entity.

Investments in subsidiaries are initially recorded at cost of acquisition including purchase cost or capital contribution value plus other expenditure directly attributable to the investment. The Board of Directors reviews all outstanding investments to determine the amount of provision to recognise at period end.

(c) Investments in associates

Associates are investments that the Corporation has significant influence but not control over and would generally have from 20% to less than 50% of the voting rights of the investee.

Investments in associates are initially recorded at cost of acquisition including purchase cost or capital contribution value plus other expenditure directly attributable to the investments. The Board of Directors reviews all outstanding investments to determine the amount of provision to recognise at period end.

(d) Investments in other entities

Investments in other entities are investments in equity instruments of other entities without controlling rights or co-controlling rights, or without significant influence over the investee. These investments are accounted for initially at cost. The Board of Directors reviews all outstanding investments to determine the amount of provision to recognise at the period end.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.8 Investments (continued)****(e) Provision for investments in subsidiaries, associates and other investments**

Provision for investments in subsidiaries, associates and other entities is made when there is a diminution in value of the investments at the period end. Regarding investments in listed shares or those whose fair value can be determined reliably, the provision for diminution in value is made when cost is higher than market value. For other investments, provision for diminution in value is made when the investees make losses, except when the loss is anticipated by the Board of Directors before the date of investment.

Changes in the provision balance during the accounting fiscal year are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

2.9 Fixed assets*Tangible and intangible fixed assets*

Fixed assets are stated at historical cost less accumulated depreciation or amortisation. Historical cost includes expenditure that is directly attributable to the acquisition of the fixed assets bringing them to suitable conditions for their intended use. Expenditure incurred subsequently which has resulted in an increase in the future economic benefits expected to be obtained from the use of fixed assets, can be capitalised as an additional historical cost. Otherwise, such expenditure is charged to the separate income statement when incurred.

Depreciation and amortisation

Fixed assets are depreciated and amortised using the straight-line method so as to write off the historical cost of the fixed assets over their estimated useful lives. The estimated useful lives of each asset class are as follows:

Buildings and structures	10 - 50 years
Machinery and equipment	5 - 20 years
Motor vehicles, transmissions	6 - 30 years
Office equipment	3 - 10 years
Other tangible fixed assets	5 - 10 years
Computer software	3 - 10 years
Technology transfer copyrights	10 years
Other intangible fixed assets	3 - 10 years

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.9 Fixed assets (continued)***Depreciation and amortisation (continued)*

Land use rights are comprised of land use rights with an indefinite useful life and land use rights with a definite useful life, which are granted land use right certificates as follows:

- Land use rights with an indefinite useful life are recorded at historical cost and are not amortised; and
- Land use rights with a definite useful life are recorded in accordance with the terms indicated in the land use rights certificate and amortised using a straight-line method in 50 years in accordance with such land use rights certificate.

Disposals

Gains or losses on disposals are determined by comparing net disposal proceeds with the carrying amount of the fixed assets and are recognised as income or expense in the separate income statement.

Construction in progress

Construction in progress represents the cost of assets in the course of construction for production, which are recorded at cost and are comprised of such necessary costs to newly construct, to repair and maintain, to upgrade, to renew or equip the projects with technologies as construction and repairing costs; costs of tools and equipment for qualifying assets in accordance with the Corporation's accounting policies. Depreciation of these assets, on the same basis as other fixed assets, commences when the assets are ready for their intended use.

2.10 Operating leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the separate income statement on a straight-line basis over the term of the lease.

2.11 Prepaid expenses

Prepaid expenses include short-term and long-term prepayments on the separate balance sheet. Prepaid expenses are recorded at historical cost and allocated on a straight-line basis over their estimated useful lives.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.12 Payables**

Classifications of payables are based on their nature as follows:

- Trade accounts payable are trade payables arising from purchase of goods and services; and
- Other payables are non-trade payables and payables not relating to purchases of goods and services.

Payables are classified as short-term and long-term payables on the separate balance sheet based on the remaining year from the separate balance sheet date to the maturity date.

2.13 Borrowings

Borrowings include borrowings from banks and related parties.

Borrowings are classified into short-term and long-term borrowings on the separate balance sheet based on their remaining term from the separate balance sheet date to the maturity date.

Borrowing costs that are directly attributable to the construction or production of any qualifying assets are capitalised during the year of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are recognised in the separate income statement when incurred.

2.14 Accrued expenses

Accrued expenses include liabilities for goods and services received in the year but not yet paid for due to pending invoices or insufficient records and documents. Accrued expenses are recorded as expenses in the reporting year.

2.15 Provisions

Provisions are recognised when the Corporation has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provision is not recognised for future operating losses.

Provisions are measured at the expenditures expected to be required to settle the obligation. Changes in the provision balance during the accounting fiscal year are recorded as an increase or decrease in operating expenses.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.16 Unearned revenue**

Unearned revenue mainly comprises the amounts that customers have paid in advance for one or many accounting years for assets leases. The Corporation records unearned revenue for the future obligations that the Corporation has to fulfil. Once recognition criteria have been satisfied, unearned revenue is recognised as revenue in the separate income statement to the extent that recognition criteria have been met.

2.17 Capital and reserves

Owners' capital is recorded according to the actual amounts contributed at the par value of the shares.

Undistributed earnings record the Corporation's accumulated results after CIT at the reporting date.

2.18 Appropriation of profit

The Corporation distributes profits and dividend as follows:

- Profit after CIT could be distributed to shareholders after approval at the General Meeting of shareholders, and after appropriation to other funds in accordance with Vietnamese regulations and the Corporation's charter.
- Bonus and welfare fund is appropriated from the Corporation's profit after CIT and subject to shareholders' approval at the General Meeting of shareholders. This fund is presented as a liability on the separate balance sheet.
- The Corporation's dividends are recognised as a liability in the Corporation's separate financial statements in the year in which the dividends are approved by the Corporation's General Meeting of shareholders.

2.19 Revenue recognition**(a) Revenue from sales of goods**

Revenue from sales of goods is recognised in the separate income statement when all five (5) following conditions are satisfied:

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

No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or the possible return of goods.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.19 Revenue recognition (continued)****(b) Revenue from rendering of services**

Revenue from rendering of services is recognised in the separate income statement when the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided. Revenue from rendering of services is only recognised when all four (4) following conditions are satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Corporation;
- The percentage of completion of the transaction at the separate balance sheet date can be measured reliably; and
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

(c) Interest income

Interest income is recognised on a basis with reference to the principal balance and the corresponding applicable interest rate.

(d) Dividend income

Income from dividend is recognised when the Corporation has established the receiving right from investees.

2.20 Cost of goods sold and services rendered

Cost of goods sold and services rendered are cost of finished goods or services rendered during the year and recorded on the basis of matching with revenue and on a prudence basis.

2.21 Financial expenses

Financial expenses are expenses incurred in the year for financial activities including interest expense and losses from foreign exchange differences.

2.22 General and administration expenses

General and administration expenses represent expenses for administrative purposes which mainly include salary expenses of administrative staff, depreciation and amortisation expenses, external services and other expenses.

2.23 Current and deferred income tax

Income tax include all income tax which are based on taxable profits including profits generated from production and trading activities in other countries with which the Socialist Republic of Vietnam has not signed any double taxation agreement. Income tax expense comprises current tax expense and deferred tax expense.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.23 Current and deferred income tax (continued)**

Current income tax is the amount of income tax payable or recoverable in respect of the current year taxable profits at the current year tax rates. Current and deferred tax should be recognised as an income or an expense and included in the profit or loss of the year, except to the extent that the income tax arises from a transaction or event which is recognised, in the same or a different year, directly in equity.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the separate financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of occurrence affects neither the accounting nor the taxable profit or loss. Deferred income tax is determined at the tax rates that are expected to apply to the financial year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the separate balance sheet date.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2.24 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with the Corporation, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Corporation. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Corporation that gives them significant influence over the Corporation, key management personnel, including the Board of Management, Board of Directors of the Corporation and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering its relationship with each related party, the Corporation considers the substance of the relationship not merely the legal form.

2.25 Segment reporting

A segment is a component which can be separated by the Corporation engaged in sales of goods or rendering of services ("business segment"), or sales of goods or rendering of services within a particular economic environment ("geographical segment"). Each segment is subject to risks and returns that are different from those of other segments. A reportable segment is the Corporation's business segment or the Corporation's geographical segment.

Segment reporting is prepared and presented in accordance with accounting policies applied to the preparation and presentation of the Corporation's separate financial statements in order to help users of separate financial statements understand and evaluate the Corporation's operations in a comprehensive manner.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.26 Accounting estimates**

The preparation of separate financial statements in conformity with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of separate financial statements requires the Board of Directors to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the separate financial statements and the reported amounts of revenues and expenses during the financial year.

The area involving significant estimates and assumptions is estimated useful life of fixed assets (Note 2.9 and Note 8).

Such estimates and assumptions are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Corporation and that are believed to be reasonable under the circumstances by the Board of Directors.

3 CASH AND CASH EQUIVALENTS

	31.12.2020 VND	31.12.2019 VND
Cash on hand	1,398,772,574	1,053,662,356
Cash at bank	427,070,082,214	354,163,025,766
Cash equivalents (*)	1,950,000,000,000	2,450,000,000,000
	<u>2,378,468,854,788</u>	<u>2,805,216,688,122</u>

(*) Cash equivalents include term deposits at banks with an original maturity of three months or less and earn interest at the rate from 3.2% – 3.5% per annum for the term deposits with an original maturity from 1 to 3 months (as at 31 December 2019: 0.8% per annum for the term deposits with an original maturity of one-week and 4.8 – 5.4% per annum for the term deposits with an original maturity from 1 to 3 months).

4 INVESTMENTS**(a) Held-to-maturity investments**

	<u>31.12.2020</u>		<u>31.12.2019</u>	
	Cost VND	Book value VND	Cost VND	Book value VND
Term deposits (*)	<u>3,926,000,000,000</u>	<u>3,926,000,000,000</u>	<u>3,826,000,000,000</u>	<u>3,826,000,000,000</u>

(*) Term deposits include term deposits at commercial banks and credit institutions with an original maturity from 6 to 12 months and earn interest at the rates from 3.7% to 6.5% per annum (as at 31 December 2019: from 5.5% to 7.0% per annum).

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4 INVESTMENTS (continued)

(b) Long-term investments

	31.12.2020				31.12.2019			
	Percentage of ownership interest %	Cost VND	Fair value VND	Provision VND	Percentage of ownership interest %	Cost VND	Fair value VND	Provision VND
Investments in subsidiaries								
Ba Ria Thermal Power Joint Stock Company (i)	79.56	481,235,570,000	700,197,754,350	-	79.56	481,235,570,000	591,919,751,100	-
Ninh Binh Thermal Power Joint Stock Company (ii)	54.76	70,454,400,000	94,408,896,000	-	54.76	70,454,400,000	85,954,368,000	-
		<u>551,689,970,000</u>	<u>794,606,650,350</u>	<u>-</u>		<u>551,689,970,000</u>	<u>677,874,119,100</u>	<u>-</u>
Investments in associates								
Thac Ba Hydropower Joint Stock Company (iii)	30.00	190,500,000,000	478,155,000,000	-	30.00	190,500,000,000	455,295,000,000	-
Vinh Son - Song Hinh Hydropower Joint Stock Company (iv)	30.55	517,058,350,850	1,184,718,622,400	-	30.55	517,058,350,850	1,386,372,856,000	-
Se San 3A Power Investment and Development Joint Stock Company (v)	30.00	84,000,000,000	(*)	-	30.00	84,000,000,000	(*)	-
		<u>791,558,350,850</u>	<u>-</u>	<u>-</u>		<u>791,558,350,850</u>	<u>-</u>	<u>-</u>
Investments in other entities								
Petrovietnam Power Nhon Trach 2 Joint Stock Company (vi)	2.47	68,480,000,000	175,199,232,000	-	2.47	83,022,592,000	154,189,568,000	-
GE PMTP Power Service Liability Limited Company (vii)	15.00	74,463,661,588	(*)	-	15.00	74,463,661,588	(*)	-
Viet Lao Power Joint Stock Company (viii)	0.63	19,600,000,000	(*)	-	0.63	19,600,000,000	(*)	-
		<u>162,543,661,588</u>	<u>-</u>	<u>-</u>		<u>177,086,253,588</u>	<u>-</u>	<u>-</u>

(*) As at 31 December 2020 and 31 December 2019, the Corporation could not determine the fair value of these investments to disclose on the separate financial statements since the necessary information was not available. The fair value of such investments may be different from their book value.

4 INVESTMENTS (continued)**(b) Long-term investments (continued)**

- (i) Ba Ria Thermal Power Joint Stock Company was transformed from a state-owned enterprise pursuant to the Decision No. 2744/QD-BCN dated 26 August 2005 of the Ministry of Industry and the enterprise registration certificate No. 4903000451 which was issued by the Department of Planning and Investment of Ba Ria – Vung Tau Province on 1 November 2007. The principal activities of this company are to produce and trade electricity.
- (ii) Ninh Binh Thermal Power Joint Stock Company was established on the basis of equitisation of a state-owned enterprise pursuant to the Decision No. 3945/QD-BCN dated 29 December 2006 of the Ministry of Industry and Trade and the enterprise registration certificate No. 0903000161 which was issued by the Department of Planning and Investment of Ninh Binh Province on 31 December 2007. The principal activities of this company are to produce and trade electricity.
- (iii) Thac Ba Hydropower Joint Stock Company established pursuant to the enterprise registration certificate No. 1603000069 which was issued by the Department of Planning and Investment of Yen Bai Province on 31 March 2006. The principal activities of this company are to produce and trade electricity.
- (iv) Vinh Son – Song Hinh Hydropower Joint Stock Company was transformed from the state-owned enterprise – Vinh Son - Song Hinh Hydropower Plant, a dependent accounting unit of EVN. On 4 May 2005, the company was officially transformed into a joint stock company pursuant to the enterprise registration certificate No. 3503000058 which was issued by the Department of Planning and Investment of Binh Dinh Province. The principal activities of this company are to produce and trade electricity.
- (v) Se San 3A Power Investment and Development Joint Stock Company officially started the operation on 1 November 2003 pursuant to the Official letter No. 1391/CP-CN which was issued by Prime of Minister on 10 October 2003 and the enterprise registration certificate No. 5900308540 which was issued by the Department of Planning and Investment of Gia Lai Province on 1 September 2003. The principal activities of this company are to construct civil works, invest and construct hydropower projects and industrial construction.
- (vi) Petrovietnam Power Nhon Trach 2 Joint Stock Company was established pursuant to the enterprise registration certificate No. 4703000396 which was issued by the Department of Planning and Investment of Dong Nai Province on 20 June 2007. The principal activities of this company are to produce and trade electricity. In accordance with Clause 5, Article 3 of the Decree No. 140/2020/ND-CP dated 30 November 2020 issued by the Government, the Corporation reduced the value of the investment corresponding to the value of stock dividend received additionally from PetroVietnam Power Nhon Trach 2 Joint Stock Company from the time of evaluating the enterprise value to the time of equitisation.
- (vii) GE PMTP Power Service Liability Limited Company was established pursuant to the enterprise registration certificate No. 3502208825 which was issued by the Department of Planning and Investment of Ba Ria – Vung Tau Province on 5 October 2012. The principal activity of this company is repairing machine and equipment.

4 INVESTMENTS (continued)**(b) Long-term investments (continued)**

- (viii) Viet Lao Power Joint Stock Company was established pursuant to the enterprise registration certificate No. 0101389382 which was issued by the Department of Planning and Investment of Ha Noi City on 11 July 2003. The principal activities of this company are to produce and trade electricity.

5 SHORT-TERM TRADE ACCOUNTS RECEIVABLE

	31.12.2020 VND	31.12.2019 VND (As restated - Note 32)
Third parties	8,805,092,617	4,240,028,127
Related parties (Note 28(b))	8,813,009,336,505	8,164,300,420,495
	<u>8,821,814,429,122</u>	<u>8,168,540,448,622</u>

As at 31 December 2020, the Corporation had no balance of short-term trade accounts receivable that was past due or not past due but doubtful (as at 31 December 2019: VND490,642,554).

6 OTHER SHORT-TERM RECEIVABLES

	31.12.2020 VND	31.12.2019 VND
Other receivables from other goods and services (*)	470,362,943,140	451,157,665,619
Dividend receivables	15,000,000,000	46,666,090,000
Interest receivables from term deposits	25,552,775,378	46,506,743,461
Receivable from insurance claims (**)	12,322,065,597	52,123,989,823
Others	90,485,827,812	93,728,820,924
	<u>613,723,611,927</u>	<u>690,183,309,827</u>
In which		
Third parties	124,988,510,855	137,038,004,214
Related parties (Note 28(b))	488,735,101,072	553,145,305,613
	<u>613,723,611,927</u>	<u>690,183,309,827</u>

(*) The balance represents the outstanding receivables for goods and services from the fellow group subsidiaries of EVN.

(**) The balance represents a receivable from insurance company arising from compensation for business interruption at Phu My Thermal Power Company.

As at 31 December 2020 and 31 December 2019, the Corporation had no balance of other short-term receivable that was past due or not past due but doubtful.

7 INVENTORIES

	31.12.2020		31.12.2019	
	Cost VND	Provision VND	Cost VND	Provision VND
Raw materials	3,351,335,544,493	(2,094,607,093)	2,594,403,271,494	(2,026,627,063)
Tools and supplies	133,574,309,462	-	108,640,550,006	-
Goods in transit	636,074,396,134	-	41,172,723,087	-
Work in progress	17,832,581,454	-	21,573,617,119	-
	<u>4,138,816,831,543</u>	<u>(2,094,607,093)</u>	<u>2,765,790,161,706</u>	<u>(2,026,627,063)</u>

Movements in provision for decline in value of inventories during the year are as follows:

	2020 VND	2019 VND
Beginning of year	2,026,627,063	160,885,392
Increase	67,980,030	1,865,741,671
End of year	<u>2,094,607,093</u>	<u>2,026,627,063</u>

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8 FIXED ASSETS

(a) Tangible fixed assets

	Building and structures VND	Machinery and equipment VND	Motor vehicles, transmissions VND	Office equipment VND	Others VND	Total VND
Historical cost						
As at 1 January 2020	20,201,021,457,246	82,901,705,704,197	6,661,872,761,289	149,665,907,412	18,123,304,385	109,932,389,134,529
New purchases	6,976,761,151	80,311,118,615	5,466,251,155	30,765,964,187	-	123,520,095,108
Transfers from construction progress (Note 9)	213,636,823,058	129,830,651,888	7,640,967,723	8,260,261	591,249,080	351,707,952,010
Disposals	(44,476,061)	(7,095,367,421)	-	(168,610,619)	-	(7,308,454,101)
Adjustment upon finalisation	19,788,549,465	(2,983,834,003)	5,696,271,058	(8,000,000)	10,350,472,454	32,843,458,974
Other increase	-	-	3,082,990,000	-	-	3,082,990,000
As at 31 December 2020	<u>20,441,379,114,859</u>	<u>83,101,768,273,276</u>	<u>6,683,759,241,225</u>	<u>180,263,521,241</u>	<u>29,065,025,919</u>	<u>110,436,235,176,520</u>
Accumulated depreciation						
As at 1 January 2020	6,843,852,324,216	47,944,564,829,274	3,230,352,356,866	80,788,826,427	4,530,332,914	58,104,088,669,697
Charge for the year	726,128,830,272	3,535,891,839,183	312,754,824,246	25,806,417,184	3,477,746,368	4,604,059,657,253
Disposals	(27,353,562)	(7,022,476,669)	-	(168,610,619)	-	(7,218,440,850)
Adjustment upon finalisation	-	(2,007,772,740)	-	-	-	(2,007,772,740)
As at 31 December 2020	<u>7,569,953,800,926</u>	<u>51,471,426,419,048</u>	<u>3,543,107,181,112</u>	<u>106,426,632,992</u>	<u>8,008,079,282</u>	<u>62,698,922,113,360</u>
Net book value						
As at 1 January 2020	<u>13,357,169,133,030</u>	<u>34,957,140,874,923</u>	<u>3,431,520,404,423</u>	<u>68,877,080,985</u>	<u>13,592,971,471</u>	<u>51,828,300,464,832</u>
As at 31 December 2020	<u>12,871,425,313,933</u>	<u>31,630,341,854,228</u>	<u>3,140,652,060,113</u>	<u>73,836,888,249</u>	<u>21,056,946,637</u>	<u>47,737,313,063,160</u>

As at 31 December 2020, tangible fixed assets of the Corporation with a total net book value of VND21,654 billion (as at 31 December 2019: VND23,396 billion) were pledged to banks as collateral for the Corporation's borrowings (Note 16).

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8 FIXED ASSETS (continued)

(a) Tangible fixed assets (continued)

The historical cost of tangible fixed assets of the Corporation which were fully depreciated but still in use as at 31 December 2020 was VND33,471 billion (as at 31 December 2019: VND26,855 billion).

(b) Intangible fixed assets

	Land use rights VND	Computer software VND	Technology transfer copyrights VND	Others VND	Total VND
Historical cost					
As at 1 January 2020	73,154,712,081	22,577,602,402	8,854,276,148	13,774,880,821	118,361,471,452
New purchases	2,874,010,917	8,058,039,303	-	693,000,000	11,625,050,220
Transfers from construction in progress (Note 9)	940,371,701	3,099,050,909	-	-	4,039,422,610
As at 31 December 2020	<u>76,969,094,699</u>	<u>33,734,692,614</u>	<u>8,854,276,148</u>	<u>14,467,880,821</u>	<u>134,025,944,282</u>
Accumulated amortisation					
As at 1 January 2020	10,630,631,154	6,819,507,529	4,699,617,359	1,392,808,366	23,542,564,408
Charge for the year	1,176,461,130	4,346,038,609	1,694,461,680	1,399,330,011	8,616,291,430
As at 31 December 2020	<u>11,807,092,284</u>	<u>11,165,546,138</u>	<u>6,394,079,039</u>	<u>2,792,138,377</u>	<u>32,158,855,838</u>
Net book value					
As at 1 January 2020	<u>62,524,080,927</u>	<u>15,758,094,873</u>	<u>4,154,658,789</u>	<u>12,382,072,455</u>	<u>94,818,907,044</u>
As at 31 December 2020	<u>65,162,002,415</u>	<u>22,569,146,476</u>	<u>2,460,197,109</u>	<u>11,675,742,444</u>	<u>101,867,088,444</u>

The historical cost of intangible fixed assets of the Corporation which were fully amortised but still in use as at 31 December 2020 and as at 31 December 2019 was VND4.42 billion.

9 CONSTRUCTION IN PROGRESS

Details of construction in progress by projects are as follows:

	31.12.2020 VND	31.12.2019 VND
Vinh Tan 2 Thermal Power Plant	2,574,703,020	31,005,033,746
Vinh Tan 2 Solar Power Plant	-	51,267,180,711
Vinh Tan Central Power's coal port	-	14,569,448,039
Vinh Tan Central Power's infrastructure	-	11,928,505,106
Others	110,762,877,027	31,755,233,508
	<u>113,337,580,047</u>	<u>140,525,401,110</u>

Movements in construction in progress during the year are as follows:

	2020 VND	2019 VND
Beginning of year	140,525,401,110	2,527,138,611,644
New purchases	390,194,819,418	983,188,192,127
Capitalised interest expense	-	17,736,766,528
Transfers from inventories	-	98,490,209,299
Adjustment upon finalisation	(32,843,458,974)	(1,025,985,923,225)
Transfers to tangible fixed assets (Note 8(a))	(351,707,952,010)	(1,990,793,944,496)
Transfers to intangible fixed assets (Note 8(b))	(4,039,422,610)	(6,661,488,000)
Transfers to prepaid expenses	-	(326,266,187,207)
Transfers to other parties	(26,398,407,452)	(83,508,612,476)
Transfers to expenses	(2,156,561,934)	(44,653,292,999)
Others	(236,837,501)	(8,158,930,085)
	<u>113,337,580,047</u>	<u>140,525,401,110</u>

10 LONG-TERM SPARE PARTS, SUPPLIES AND EQUIPMENT

Long-term spare parts, supplies and equipment represent the net value of equipment, materials and spare parts used for storage, replacement, preventing damage of assets and have storage time of more than one normal operating cycle.

11 SHORT-TERM TRADE ACCOUNTS PAYABLE

	31.12.2020	31.12.2019
	VND	VND
Third parties		
Petrovietnam Gas South East Transmission Company	2,239,680,268,404	2,270,188,234,806
GE Global Parts & Products GmbH	881,015,236,722	25,797,450,961
Vietnam National Coal - Mineral Industries Holding Corporation Limited	567,308,055,578	545,766,104,197
Dong Bac Corporation	141,417,595,819	193,633,784,706
Others	906,421,748,991	873,431,354,735
Related parties (Note 28(b))	15,690,076,320	23,011,892,031
	<u>4,751,532,981,834</u>	<u>3,931,828,821,436</u>

As at 31 December 2020 and 31 December 2019, the Corporation had no balance of short-term trade accounts payable that was past due.

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12 TAXES AND RECEIVABLES FROM/PAYABLES TO THE STATE

Movements in tax and receivables from/payables to the State were as follows:

	As at 1.1.2020 VND (As restated - Note 32)	Receivable/ payable during the year VND	Payment during the year VND	Reclassification during the year VND	As at 31.12.2020 VND
(a) Tax payables					
VAT	49,547,502,034	1,170,245,679,282	(1,155,467,656,875)	(213,899,858)	64,111,624,583
Natural resource taxes	33,109,135,191	427,201,866,925	(407,804,548,779)	-	52,506,453,337
Forest environment services fee	29,655,664,776	97,172,297,676	(85,147,864,812)	-	41,680,097,640
Personal income tax	4,936,469,916	37,823,602,703	(35,175,512,423)	(577,014,886)	7,007,545,310
CIT	768,176,860	454,213,665,920	(234,914,411,588)	(123,125,183,888)	96,942,247,304
Fees for granting the right to exploit water resources	975,360,500	41,600,203,989	(41,525,263,233)	(74,940,756)	975,360,500
Other taxes, fees and obligations	11,220,355,685	212,625,848,641	(219,284,508,105)	47,007,357	4,608,703,578
	<u>130,212,664,962</u>	<u>2,440,883,165,136</u>	<u>(2,179,319,765,815)</u>	<u>(123,944,032,031)</u>	<u>267,832,032,252</u>
(b) Tax receivables					
CIT	123,125,183,888	-	-	(123,125,183,888)	-
Other taxes	919,437,790	-	-	(818,848,143)	100,589,647
	<u>124,044,621,678</u>	<u>-</u>	<u>-</u>	<u>(123,944,032,031)</u>	<u>100,589,647</u>

13 SHORT-TERM ACCRUED EXPENSES

	31.12.2020 VND	31.12.2019 VND
Purchases of materials	169,791,359,389	54,799,683,285
Interest expense	21,968,316,062	30,398,121,097
Others	16,963,266,950	41,303,486,448
	<u>208,722,942,401</u>	<u>126,501,290,830</u>

14 UNEARNED REVENUE

As at 31 December 2020 and 31 December 2019, the balance represents the payments from leased assets received in advance from Vinh Tan 1 Power Company Limited.

15 OTHER SHORT-TERM PAYABLES

	31.12.2020 VND	31.12.2019 VND (As restated - Note 32)
Payables to EVN (*)	514,333,994,661	872,430,867,697
Provisions of VAT payable	267,879,755,704	161,508,746,312
Payables due to sales of shares	25,354,793,665	39,819,385,665
Others	47,506,091,364	131,538,537,009
	<u>855,074,635,394</u>	<u>1,205,297,536,683</u>
In which:		
Third parties	335,538,541,260	208,716,848,776
Related parties (Note 28(b))	519,536,094,134	996,580,687,907
	<u>855,074,635,394</u>	<u>1,205,297,536,683</u>

(*) As at 31 December 2020, the payables mainly include principal, interest expense, re-borrowing fees and foreign contractor tax noticed by EVN (as at 31 December 2019: included interest expense, re-borrowing fees and foreign contractor tax).

POWER GENERATION JOINT STOCK CORPORATION 3

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16 BORROWINGS

(a) Short-term

	As at 1.1.2020 VND	Increase during the year VND	Decrease during the year VND	Reclassification during the year VND	Revaluation of foreign currency as at year end VND	As at 31.12.2020 VND
Current portion of long-term borrowings						
Borrowings from banks (*)	767,292,858,460	-	(957,270,077,464)	561,076,720,108	-	371,099,501,104
Borrowings from related parties (Note 28(b)**))	4,528,362,197,060	-	(4,528,362,200,698)	4,474,593,454,299	41,850,221,228	4,516,443,671,889
	<u>5,295,655,055,520</u>	<u>-</u>	<u>(5,485,632,278,162)</u>	<u>5,035,670,174,407</u>	<u>41,850,221,228</u>	<u>4,887,543,172,993</u>

(b) Long-term

	As at 1.1.2020 VND	Increase during the year VND	Decrease during the year VND	Reclassification during the year VND	Revaluation of foreign currency as at year end VND	As at 31.12.2020 VND
Borrowings from banks (*)	3,132,617,830,820	36,824,841,483	(188,000,000,000)	(561,076,720,108)	-	2,420,365,952,195
Borrowings from related parties (Note 28(b)**))	47,320,128,813,689	-	-	(4,474,593,454,299)	244,692,740,710	43,090,228,100,100
	<u>50,452,746,644,509</u>	<u>36,824,841,483</u>	<u>(188,000,000,000)</u>	<u>(5,035,670,174,407)</u>	<u>244,692,740,710</u>	<u>45,510,594,052,295</u>

16 BORROWINGS (continued)

(*) Details of bank loans are as follows:

		Maturity	31.12.2020 VND	31.12.2019 VND
Mong Duong 1 Thermal Power Plant Project				
Lien Viet Post Joint Stock Commercial Bank ("Lien Viet Post Bank") – Thang Long Branch	(1)	2025	71,852,757,214	87,728,633,890
Vinh Tan 2 Thermal Power Plant Project				
The Vietnam Development Bank – Operation Center I	(2)	2024	846,000,000,000	1,598,000,000,000
Joint Stock Commercial Bank for Foreign Trade of Vietnam ("Vietcombank")	(3)	2025	1,067,303,843,424	1,291,999,389,408
Buon Kuop Hydropower Plant Project				
Saigon - Hanoi Commercial Joint Stock Bank ("SHB") – Ha Noi Branch	(4)	2025	170,000,000,000	210,000,000,000
Military Commercial Joint Stock Bank ("MB Bank") - Hai Ba Trung Branch	(5)	2021	7,929,118,612	39,417,118,612
Vinh Tan Power Center's Infrastructure Project				
SHB – Ha Thanh Branch	(6)	2026	238,724,882,596	283,678,850,123
Vinh Tan 2 Solar Power Plant Project				
SHB – Ha Noi Branch	(7)	2031	389,654,851,453	389,086,697,247
			<u>2,791,465,453,299</u>	<u>3,899,910,689,280</u>
Current portion of long-term borrowings (Note 16(a))			<u>(371,099,501,104)</u>	<u>(767,292,858,460)</u>
			<u>2,420,365,952,195</u>	<u>3,132,617,830,820</u>

- (1) The borrowing was secured by the EVN's guarantee and provided by Lien Viet Post Bank – Thang Long Branch for the purpose of investing in Mong Duong 1 Thermal Power Plant Project with a term of 10 years since the first drawdown date, including grace period. As at 31 December 2020, the applicable interest rate was 7.7% per annum (as at 31 December 2019: 9.475% per annum).

16 BORROWINGS (continued)

- (2) The borrowing was secured by the EVN's guarantee and provided by The Vietnam Development Bank – Operation Center I for the purpose of investing in Vinh Tan 2 Thermal Power Plant Project and Vinh Tan coal port with a term of 12 years since the first drawdown date. As at 31 December 2020, the applicable interest rate was 9.8% per annum (as at 31 December 2019: 9.8% per annum).
- (3) The borrowing was secured by the EVN's guarantee and provided by Vietcombank for the purpose of investing in Vinh Tan 2 Thermal Power Plant Project with a term of 12 years since the loan transfer date. As at 31 December 2020, the applicable interest rate was 8.5% per annum (as at 31 December 2019: 9.1% per annum).
- (4) The borrowing was secured by the EVN's guarantee and provided by SHB – Ha Noi Branch for the purpose of investing in Buon Kuop and Srepok 3 Hydropower Plant Projects with a term of 10 years since the first drawdown date. As at 31 December 2020, the applicable interest rate was 8.46% per annum (as at 31 December 2019: 9.66% per annum).
- (5) The borrowing was secured by the EVN's guarantee and provided by MB Bank – Hai Ba Trung Branch for the purpose of payment of retained expenses of Buon Kuop, Buon Tua Srah and Srepok 3 Hydropower Plant Projects with a term of 5 years since the first drawdown date. As at 31 December 2020, the interest rate was 8.04% per annum (as at 31 December 2019: 8.98% per annum).
- (6) The borrowing was secured by the EVN's guarantee and provided by SHB – Ha Thanh Branch for the purpose of investing in Vinh Tan Power Center's Infrastructure Project with a term of 10 years since the first drawdown date. As at 31 December 2020, the applicable interest rate was 8.52% per annum (as at 31 December 2019: 9.66% per annum).
- (7) The borrowing was from SHB – Ha Noi Branch for the purpose of investing in Vinh Tan 2 Solar Power Plant Project with a term of 12 years since the first drawdown date. As at 31 December 2020, the applicable interest rate was 8.3% per annum (as at 31 December 2019: 9.5% per annum). The collateral assets were the total value of construction of Vinh Tan 2 Solar Power Plant Project (Note 8(a)) and the debts collection right arising and provided by the Power Purchase Agreement of Vinh Tan 2 Solar Power Plant signed between the Corporation and EVN.

16 BORROWINGS (continued)

(**) Details of re-borrowings from EVN were as follows:

		Maturity	31.12.2020 VND	31.12.2019 VND
Mong Duong 1 Thermal Power Plant Project				
Asian Development Bank ("ADB")	(8)	2032	408,855,249,399	427,483,250,258
ADB	(9)	2034	18,084,035,458,704	18,671,848,548,822
Korea Export Import Commercial Joint Stock Bank ("KEXIM")	(10)	2028	7,095,867,406,503	8,047,179,258,796
Vinh Tan 2 Thermal Power Plant Project				
The Export-import Bank of China ("China Eximbank")	(11)	2027	4,874,984,191,273	5,575,010,381,641
China Eximbank	(12)	2027	1,406,265,195,714	1,492,127,865,941
China Eximbank	(13)	2028	11,769,882,556,197	13,249,673,395,282
Buon Kuop Hydropower Plant Project				
Japan Bank for International Cooperation ("JBIC")	(14)	2026	71,974,642,230	79,720,990,095
JBIC	(15)	2028	57,038,490,260	61,372,252,756
Buon Tua Srah Hydropower Plant Project				
China Eximbank	(16)	2020	-	36,704,803,789
Srepok 3 Hydropower Plant Project				
ANZ Bank (Vietnam) Limited ("ANZ")	(17)	2020	-	78,009,490,453
Phu My 1 Thermal Power Plant Project				
JBIC	(18)	2028	3,837,768,581,709	4,129,360,772,916
			<u>47,606,671,771,989</u>	<u>51,848,491,010,749</u>
Current portion of long-term borrowings (Note 16(a))			(4,516,443,671,889)	(4,528,362,197,060)
			<u>43,090,228,100,100</u>	<u>47,320,128,813,689</u>

16 BORROWINGS (continued)

- (8) The re-borrowing has been obtained from EVN with ADB for the purpose of investing in Mong Duong 1 Thermal Power Plant Project with a term of 19.5 years since 1 January 2013. As at 31 December 2020, the applicable interest rate was 1.41% per annum (as at 31 December 2019: 3.31% per annum). The collateral assets are the entire value of construction of Mong Duong 1 Thermal Power Plant Project (Note 8(a)).
- (9) The re-borrowing has been obtained from EVN with ADB for the purpose of investing in Mong Duong 1 Thermal Power Plant Project with a term of 21.9 years since 1 January 2013. As at 31 December 2020, the applicable interest rate was 1.31% per annum (as at 31 December 2019: 3.23% per annum). The collateral assets are the total value of construction of Mong Duong 1 Thermal Power Plant Project (Note 8(a)).
- (10) The re-borrowing has been obtained from EVN with KEXIM for the purpose of investing in Mong Duong 1 Thermal Power Plant Project with a term of 15 years since EVN signed the borrowing contract with KEXIM. As at 31 December 2020, the applicable interest rate was 4.6% per annum (as at 31 December 2019: 6.13% per annum). The collateral assets are the total value of construction of Mong Duong 1 Thermal Power Plant Project (Note 8(a)).
- (11) The re-borrowing has been obtained from EVN with China Eximbank for the purpose of investing in Vinh Tan 2 Thermal Power Plant Project with a term of 14.8 years since 1 January 2013. As at 31 December 2020, the applicable interest rate was 3.45% per annum (as at 31 December 2019: 3.45% per annum).
- (12) The re-borrowing has been obtained from EVN with China Eximbank for the purpose of investing in Vinh Tan 2 Thermal Power Plant Project with a term of 14.3 years since 1 January 2013. As at 31 December 2020, the applicable interest rate was 3.4% per annum (as at 31 December 2019: 3.4% per annum).
- (13) The re-borrowing has been obtained from EVN with China Eximbank for the purpose of investing in Vinh Tan 2 Thermal Power Plant Project with a term of 15.6 years since 1 January 2013. As at 31 December 2020, the applicable interest rate was 2.98% per annum (as at 31 December 2019: 4.82% per annum).
- (14) The re-borrowing has been obtained from EVN with JBIC for investing in Buon Kuop Hydropower Plant Project with a term of 13.7 years since 1 January 2013. As at 31 December 2020, the applicable interest rate was 2.75% per annum (as at 31 December 2019: 2.75% per annum).
- (15) The re-borrowing has been obtained from EVN with JBIC for investing in Buon Kuop Hydropower Plant Project with a term of 15.4 years since 1 January 2013. As at 31 December 2020, the applicable interest rate was 2.55% per annum (as at 31 December 2019: 2.55% per annum).
- (16) The re-borrowing has been obtained from EVN with China Eximbank for the purpose of investing in Tua Srah Hydropower Plant Project with a term of 9 years since 21 July 2011. As at 31 December 2020, the Corporation had repaid fully this borrowing.

16 BORROWINGS (continued)

(17) The re-borrowing has been obtained from EVN with ANZ for the purpose of investing in Srepok 3 Hydropower Plant Project with a term of 9.5 years since 6 June 2011. As at 31 December 2020, the Corporation had repaid fully this borrowing.

(18) The re-borrowing has been obtained from EVN with JBIC for the purpose of investing in Phy My 1 Thermal Power Plant Project with a term of 20 years since 31 December 2008. As at 31 December 2020, the applicable interest rates were from 1.15% to 2.7% per annum (as at 31 December 2019: from 1.15% - 2.7% per annum).

17 OWNERS' CAPITAL**(a) Number of shares**

	<u>31.12.2020</u>		<u>31.12.2019</u>	
	Ordinary shares	Preference shares	Ordinary shares	Preference shares
Number of shares registered, issued and existing shares in circulation	1,069,969,577	-	1,069,969,577	-

(b) Details of owners' shareholding

	<u>31.12.2020</u>		<u>31.12.2019</u>	
	Ordinary shares	%	Ordinary shares	%
EVN	1,061,355,233	99.19	1,061,355,233	99.19
Others	8,614,344	0.81	8,614,344	0.81
Number of shares	<u>1,069,969,577</u>	<u>100</u>	<u>1,069,969,577</u>	<u>100</u>

(c) Movement of share capital

	Number of shares	Ordinary shares VND
As at 1 January 2019 and 31 December 2019	1,069,969,577	10,699,695,770,000
New shares issued	-	-
As at 31 December 2020	<u>1,069,969,577</u>	<u>10,699,695,770,000</u>

Par value per share: VND10,000

The Corporation has no preference shares.

18 MOVEMENTS IN OWNERS' EQUITY

	Owners' capital VND	Foreign exchange difference VND	Undistributed earnings VND (As restated - Note 32)	Total VND
As at 1 January 2019	10,699,695,770,000	(922,067,392,780)	14,839,006,593	9,792,467,383,813
Foreign exchange difference allocation	-	922,067,392,780	-	922,067,392,780
Net profit for the year	-	-	871,592,918,663	871,592,918,663
As at 31 December 2019	10,699,695,770,000	-	886,431,925,256	11,586,127,695,256
Net profit for the year	-	-	1,694,003,961,895	1,694,003,961,895
As at 31 December 2020	10,699,695,770,000	-	2,580,435,887,151	13,280,131,657,151

19 OFF BALANCE SHEET ITEMS**(a) Foreign currencies**

As at 31 December 2020, included in cash and cash equivalents were balances held in foreign currencies of US\$3,596(as at 31 December 2019: US\$5,715.64).

(b) Operating lease assets

The future minimum lease payments under non-cancellable operating leases were presented in Note 29(a).

20 NET REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES

	2020 VND	2019 VND (As restated - Note 32)
Net revenue from sales of electricity	38,118,542,251,655	40,699,533,035,215
Net revenue from rendering of other services	462,419,416,261	385,522,559,410
	<u>38,580,961,667,916</u>	<u>41,085,055,594,625</u>

21 COST OF GOODS SOLD AND SERVICES RENDERED

	2020 VND	2019 VND
Cost of electricity sold	33,562,957,769,267	35,960,241,615,690
Cost of other services rendered	419,313,613,945	315,081,753,593
	<u>33,982,271,383,212</u>	<u>36,275,323,369,283</u>

22 FINANCIAL INCOME

	2020 VND	2019 VND
Interest income from deposits	224,553,116,973	246,953,248,919
Dividend income	87,220,062,700	67,184,676,500
Realised foreign exchange gains	20,035,774,855	9,566,120,478
	<u>331,808,954,528</u>	<u>323,704,045,897</u>

23 FINANCIAL EXPENSES

	2020 VND	2019 VND
Interest expense	1,859,245,138,965	2,707,358,336,303
Realised foreign exchange losses	22,042,058,978	20,525,775,782
Net loss from foreign currency revaluation at year-end	356,321,856,062	968,500,078,999
	<u>2,237,609,054,005</u>	<u>3,696,384,191,084</u>

24 GENERAL AND ADMINISTRATION EXPENSES

	2020 VND	2019 VND
Staff costs	241,168,849,530	212,202,983,531
External service expenses	85,864,641,623	70,203,367,542
Depreciation and amortisation	39,122,495,282	30,465,279,693
Tools and supplies	11,480,551,295	10,979,819,793
Others	165,451,094,933	147,222,905,108
	<u>543,087,632,663</u>	<u>471,074,355,667</u>

25 CORPORATION INCOME TAX (“CIT”)

The Corporation is subject to CIT at a rate of 20% on taxable income in accordance with the current tax regulations. For new investment projects in tax incentive areas or fields eligible for CIT incentives the applicable CIT is in accordance with Article 15 of Decree No. 218/2013/ND-CP dated 26 December 2013; Article 18, Article 19, Article 20, and Article 23 of Decree No. 78/2014/TT-BTC dated 18 June 2014 which were issued by the Ministry of Finance; Article 13 of Decree No. 96/2015/TT-BTC dated 22 June 2015 which were issued by the Ministry of Finance as follows:

- For Mong Duong 1 Thermal Power Plant, the Corporation is subject to a CIT rate of 20%, entitled to four (4) years of CIT exemption starting from the first year it has revenue (from 2015 to 2018) and 50% CIT reduction for the following nine (9) years (from 2019 to 2027); and
- For Vinh Tan 2 Thermal Power Plant, the Corporation is subject to a CIT rate of 20%, entitled to four (4) years of CIT exemption starting from the first year it has revenue (from 2015 to 2018) and 50% CIT reduction for the following nine (9) years (from 2019 to 2027).

The CIT tax on the Corporation’s profit before tax differs from the theoretical amount that would arise using the applicable tax rate of 20% is as follows:

	2020 VND	2019 VND (As restated - Note 32)
Net accounting profit before tax	2,148,217,627,815	938,527,785,154
Tax calculated at a rate of 20%	429,643,525,563	187,705,557,031
Effect of:		
Income not subject to tax	(17,444,012,540)	(23,483,154,237)
Income from restatements	184,775,958,411	-
Expenses not deductible for tax purposes	8,817,928,983	11,761,270,918
Deductible interest expenses from previous year	(5,745,536,424)	-
Tax losses utilisation	-	(98,921,634,326)
Tax reduction	(145,942,155,687)	(18,303,218,505)
Under-provision in previous years	107,957,614	8,176,045,610
CIT charge (*)	<u>454,213,665,920</u>	<u>66,934,866,491</u>
Charged to the separate income statement:		
CIT – current	454,213,665,920	66,934,866,491
CIT – deferred	-	-
	<u>454,213,665,920</u>	<u>66,934,866,491</u>

(*) The CIT charge for the year is based on estimated taxable income and is subject to review and possible adjustments by the tax authorities.

25 CORPORATION INCOME TAX (“CIT”) (continued)

(**) Pursuant to Decree No.68/2020/ND-CP dated 24 June 2020 issued by the Government related to the amendment of Clause 3, Article 8 of Decree No. 20 (“Decree 68”), total deductible interest expense (excluding deposit interests and lending interests) arising within a specific tax year shall not exceed 30% of total net profit generated from business activities plus interest expense (excluding deposit interests and lending interests) and depreciation and amortisation costs arising within that year. The non-deductible interest expense shall be carried forward to the next tax year for CIT calculation in case the total interest expense to be deducted in the next tax year is lower than the deductible interest expense level. The interest expense can be carried forward to offset against future non-deductible interest expense for a maximum period of no more than five (5) consecutive years from the year right after the year in which the non-deductible interest expense was incurred.

For the CIT in years 2017 and 2018, under Clause 2, Article 2 of Decree 68, the Tax Department of Ba Ria - Vung Tau Province has sent the notification to the Corporation to net-off the CIT’s variance which is re-determined in accordance with Decree 68.

For the CIT in year 2019, the Corporation re-determined the 2019 CIT finalisation returns in accordance with Article 1, Decree 68.

Accordingly, the Corporation applied retrospective adjustments for the periods from 2017 to 2019 as follows:

Year	Previously declared VND	Re-declared VND	Variance VND
2017	123,812,012,657	34,949,034,820	88,862,977,837
2018	205,564,765,295	138,732,836,994	66,831,928,301
2019	238,033,796,162	66,934,866,491	171,098,929,671

26 COSTS OF OPERATION BY FACTOR

Costs of operation by factor represent all costs incurred during the year from the Corporation’s operating activities. Details are as follows:

	2020 VND	2019 VND
Raw materials	26,646,040,310,701	28,797,162,533,421
Depreciation and amortisation	4,584,377,676,951	4,710,784,634,589
Major repair expenses	738,427,621,178	1,188,874,350,048
Staff costs	842,173,125,542	692,066,445,088
External service expenses	577,641,662,926	468,494,481,171
Others	1,136,698,618,577	889,015,280,633
	<u>34,525,359,015,875</u>	<u>36,746,397,724,950</u>

27 ADDITIONAL INFORMATION ON CERTAIN ITEMS OF THE CASH FLOW STATEMENT

The major non-cash transactions affecting the separate cash flow statement as follows:

	2020 VND	2019 VND
Purchases of fixed assets and construction in progress that have not been settled	331,877,172,226	156,446,399,759
Asset transfers for which cash has not been collected	-	25,029,396,590
Offset borrowings from EVN against short-term trade account receivables from Electric Power Trading Company	4,528,347,031,195	4,501,807,692,513
Offset interest expense, re-borrowing fees and foreign contractor payable to EVN against short-term trade account receivables from Electric Power Trading Company	1,795,430,225,397	2,401,786,423,160
Offset short-term trade account receivables from Electric Power Trading Company against the short-term trade account payables and other short-term payables to EVN	125,593,958,918	93,910,159,399
Construction in progress transfers from inventories	-	(98,490,209,299)
Appropriated dividend to be collected	15,000,000,000	46,666,090,000
	<u>6,464,371,215,510</u>	<u>6,970,709,552,363</u>

28 RELATED PARTY DISCLOSURES

The Corporation is a joint stock company. Details of the shareholders are presented in Note 17(b).

The list of related parties that had transactions and balances with the Corporation during the year is as follows:

Parent company

EVN

Subsidiaries

Ba Ria Thermal Power Joint Stock Company
Ninh Binh Thermal Power Joint Stock Company

Associates

Thac Ba Hydropower Joint-Stock Company
Vinh Son - Song Hinh Hydropower Joint Stock Company
Se San 3A Power Investment and Development Joint-Stock Company

Other related parties

Hai Phong Thermal Power Joint Stock Company
Electric Power Trading Company
Duyen Hai Thermal Power Company
Northern Power Corporation (Quang Ninh Power Company)

28 RELATED PARTY DISCLOSURES (continued)

Other related parties (continued)

Northern Electrical Testing One Member Company Limited
 Power Engineering Consulting Joint Stock Company 2
 Power Engineering Consulting Joint Stock Company 3
 Power Engineering Consulting Joint Stock Company 4
 Information and Communications Technology Company Of Vietnam Electricity
 Pha Lai Thermal Power Joint Stock Company
 Nghi Son Thermal Power Company – Branch of Power Generation Corporation 1
 Power Transmission Company No. 2
 Vinh Tan 4 Thermal Power Plant - Branch of Vietnam Electricity (“Vinh Tan 4 Thermal Power Plant”)
 Thai Binh Thermal Power Company
 EVN Construction and Technology Investment Management Board

(a) Related party transactions

During the year, the following major transactions were carried out with related parties:

	2020 VND	2019 VND
i) Sales of goods and rendering of services		
Electric Power Trading Company	38,118,407,190,835	40,699,533,035,215
Vinh Tan 4 Thermal Power Plant	297,764,455,928	225,808,479,004
Thai Binh Thermal Power Company	87,213,943,169	86,704,409,025
Quang Ninh Thermal Power Joint Stock Company	14,087,194,386	-
Nghi Son Thermal Power Company – Branch of Power Generation Corporation 1	-	21,374,469,000
Other related parties	1,854,427,964	3,760,659,945
	<u>38,519,327,922,282</u>	<u>41,037,181,052,189</u>
ii) Purchases of goods and services		
EVN	92,938,516,341	83,099,883,803
Northern Power Corporation (Quang Ninh Power Company)	8,846,018,803	5,197,917,748
Power Engineering Consulting Joint Stock Company 3	6,212,541,289	18,864,525,906
Branch of Southern Power Corporation – Southern Electrical Testing Company	4,892,050,387	5,304,173,886
Other related parties	12,502,913,201	12,159,110,591
	<u>125,392,040,021</u>	<u>124,625,611,934</u>
iii) Transfer of fixed assets		
Power Transmission Company No. 2	-	9,937,685,000

28 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

	2020 VND	2019 VND
iii) Transfer of fixed assets		
Power Transmission Company No. 2	-	9,937,685,000
iv) Financing activities		
Dividend income		
Ba Ria Thermal Power Joint Stock Company	52,935,912,700	24,061,778,500
Other related parties	34,284,150,000	43,122,898,000
	<u>87,220,062,700</u>	<u>67,184,676,500</u>
Offset borrowings against short-term trade accounts receivable		
EVN	<u>4,528,347,031,195</u>	<u>4,501,807,692,513</u>
Offset interest expense, re-borrowing fees against short-term trade accounts receivable		
EVN	<u>1,795,430,225,397</u>	<u>2,401,786,423,160</u>
Interest expense		
EVN	<u>1,531,345,945,738</u>	<u>2,308,123,038,110</u>
v) Other transactions		
Offset short-term trade accounts receivable against short-term trade accounts payable and other short-term payables		
EVN	<u>125,593,958,918</u>	<u>93,910,159,399</u>
vi) Compensation of key management		
Board of Management	1,295,700,000	1,101,210,000
Board of Directors	2,899,644,000	3,322,134,000
Others	931,050,000	735,312,000
	<u>5,126,394,000</u>	<u>5,158,656,000</u>

28 RELATED PARTY DISCLOSURES (continued)

(b) Year-end balances with related parties

	31.12.2020 VND	31.12.2019 VND
i) Short-term trade accounts receivable (Note 5)		
Electric Power Trading Company	8,585,466,004,443	7,960,535,799,558
Vinh Tan 4 Thermal Power Plant	152,452,505,514	120,260,587,334
Thai Binh Thermal Power Company	55,839,091,635	61,789,068,119
Quang Ninh Thermal Power Joint Stock Company	15,495,913,825	-
Other related parties	3,755,821,088	21,714,965,484
	<u>8,813,009,336,505</u>	<u>8,164,300,420,495</u>
ii) Short-term prepayments to suppliers		
Power Engineering Consulting Joint Stock Company 4	643,272,655	-
Power Engineering Consulting Joint Stock Company 3	225,060,000	529,517,326
Other related parties	1,096,743,841	-
	<u>1,965,076,496</u>	<u>529,517,326</u>
iii) Other short-term receivables (Note 6)		
Vinh Tan 4 Thermal Power Plant	318,677,897,271	211,554,444,964
EVN Construction and Technology Investment Management Board	67,966,368,944	67,966,368,944
Vinh Tan 4 and Vinh Tan 4 Expansion Thermal Power Plant Project	66,557,084,850	171,636,851,711
EVN	15,256,171,287	15,772,071,287
Se San 3A Power Investment and Development Joint Stock Company	15,000,000,000	43,200,000,000
Northern Power Corporation (Quang Ninh Power Company)	-	25,029,396,590
Other related parties	5,277,578,720	17,986,172,117
	<u>488,735,101,072</u>	<u>553,145,305,613</u>

28 RELATED PARTY DISCLOSURES (continued)

(b) Year-end balances with related parties (continued)

	31.12.2020 VND	31.12.2019 VND
iv) Short-term trade accounts payable (Note 11)		
Power Engineering Consulting Joint Stock Company 3	4,051,004,884	2,296,079,019
Branch of Southern Power Corporation - Southern Electrical Testing Company Ba Ria Thermal Power Joint Stock Company	2,208,950,828	2,273,922,104
Power Engineering Consulting Joint Stock Company 2	1,331,275,000	4,079,879,100
Quang Ninh Thermal Power Joint Stock Company	808,322,334	1,387,768,223
Power Transmission Company No. 2	-	520,944,154
Other related parties	7,290,523,274	10,931,453,500
	<u>15,690,076,320</u>	<u>23,011,892,031</u>
v) Advances from customers		
Duyen Hai Thermal Power Company	10,149,848,007	-
Power Engineering Consulting Joint Stock Company 4	-	103,636,000
	<u>10,149,848,007</u>	<u>103,636,000</u>
vi) Other short-term payables (Note 15)		
EVN	514,333,994,661	872,430,867,697
Vinh Tan 4 and Vinh Tan 4 Expansion Thermal Power Plant Project	-	84,211,612,094
Thai Binh Thermal Power Company	-	39,938,208,116
Other related parties	5,202,099,473	-
	<u>519,536,094,134</u>	<u>996,580,687,907</u>
vii) Short-term borrowings (Note 16(a))		
EVN	<u>4,516,443,671,889</u>	<u>4,528,362,197,060</u>
viii) Long-term borrowings (Note 16(b))		
EVN	<u>43,090,228,100,100</u>	<u>47,320,128,813,689</u>

29 COMMITMENTS**(a) Commitments under operating leases**

The future minimum lease payments under non-cancellable operating leases are as follows:

	31.12.2020 VND	31.12.2019 VND
Within one year	20,159,778,925	17,811,116,773
Between one and five years	60,645,408,222	62,836,147,494
Over five years	371,974,680,244	331,311,723,630
Total minimum payments	<u>452,779,867,391</u>	<u>411,958,987,897</u>

(b) Capital commitments

At the separate balance sheet date, the approved capital expenditure of the Corporation was as follows:

	31.12.2020 VND	31.12.2019 VND
Property, plant and equipment	<u>769,844,000,000</u>	<u>382,524,000,000</u>

30 SEGMENT REPORTING

The Corporation's principal activities are to produce and trade electricity. The risks and profitability of the Corporation will not be impacted by the differences in business segments provided by the Corporation or the geographic areas in which the Corporation operates. Therefore, the Board of Directors of the Corporation determines that the other businesses of the Corporation will not be significantly impacted by the business segments or geographical segments. As a result, it is not necessary to present segment reporting.

31 CONTINGENT LIABILITIES

In accordance with Circular 200, from 1 January 2015, the Corporation is required to make provisions for restoration costs incurred upon the return of land and leased land in accordance with the regulations and policies applicable to the business industry of the Corporation. Accordingly, the Corporation has the obligation to clear, restore and return the premises at the end of the lease term or the termination of the project. As at the date of these separate financial statements, the Corporation has not made such provision because there was not sufficient information which enable a reliable estimation to be made.

32 RESTATEMENT OF THE PREVIOUS YEAR SEPARATE FINANCIAL STATEMENTS

The comparative figures included the adjustments related to:

- CIT expenses and CIT payable are re-determined in accordance with Decree 68. Accordingly, the Corporation has re-determined the CIT finalisation returns and applied retrospective adjustments of the corresponding CIT from 2017 to 2019, amounting to VND 335 billion (Note 25);
- revenue from fly ash treatment costs incurred for the financial year ended 31 December 2018 and 31 December 2019 in accordance with the Amendment of the Contract No. 08 Power Purchase Contract of Vinh Tan 2 Thermal Power Plant in an amount of VND79.7 billion and VND50.2 billion, respectively;
- the exchange rate difference which was factored in sales of electricity for the financial year ended 31 December 2015 and 31 December 2018 in accordance with Decision No. 2682/QD-BCT dated 15 October 2020, Decision No. 3594/QD-BCT and No.3599/QD-BCT dated 31 December 2020 of the Ministry of Industry and Trade with an amount of VND793.9 billion; and
- the financial settlement entries in accordance with the equitisation finalisation file of the Parent Company - Power Generation Corporation 3 including the reduction in bonus and welfare fund and increase in other short-term payables with an amount of VND0.008 billion and VND132.6 billion, respectively.

Effects of the restatements on the separate balance sheet as at 31 December 2019, the separate income statement and the separate cash flow statement for the year ended 31 December 2019 are as follows:

Separate balance sheet statement

Code	ASSETS	As at 31 December 2019		
		As previously reported VND	Adjustments VND	As restated VND
100	CURRENT ASSETS	17,568,805,729,905	1,046,672,770,991	18,615,478,500,896
130	Short-term receivables	8,114,610,409,053	923,879,792,057	9,038,490,201,110
131	Short-term trade accounts receivable	7,244,660,656,565	923,879,792,057	8,168,540,448,622
150	Other current assets	59,215,098,087	122,792,978,934	182,008,077,021
153	Tax and other receivables from the State	1,251,642,744	122,792,978,934	124,044,621,678
270	TOTAL ASSETS	72,496,834,993,588	1,046,672,770,991	73,543,507,764,579

32 COMPARATIVE FIGURES (continued)

Separate balance sheet statement (continued)

		As at 31 December 2019		
Code	RESOURCES	As previously reported VND	Adjustments VND	As restated VND
300	LIABILITIES	62,037,739,139,437	(80,359,070,114)	61,957,380,069,323
310	Short-term liabilities	11,221,195,343,649	(80,359,070,114)	11,140,836,273,535
313	Tax and other payables to the State	343,122,436,090	(212,909,771,128)	130,212,664,962
319	Other short-term payables	1,072,738,428,019	132,559,108,664	1,205,297,536,683
322	Bonus and welfare funds	178,015,021,809	(8,407,650)	178,006,614,159
400	OWNERS' EQUITY	10,459,095,854,151	1,127,031,841,105	11,586,127,695,256
410	Capital and reserves	10,459,095,854,151	1,127,031,841,105	11,586,127,695,256
421	(Accumulated losses)/ Undistributed earnings	(240,599,915,849)	1,127,031,841,105	886,431,925,256
421a	- Accumulated losses of previous years	(890,862,810,156)	905,701,816,749	14,839,006,593
421b	- Post-tax profit of current year	650,262,894,307	221,330,024,356	871,592,918,663
440	TOTAL RESOURCES	72,496,834,993,588	1,046,672,770,991	73,543,507,764,579

Separate income statement

		Year ended 31 December 2019		
Code		As previously reported VND	Adjustments VND	As restated VND
01	Revenue from sales of goods and rendering of services	41,034,824,499,940	50,231,094,685	41,085,055,594,625
10	Net revenue from sales of goods and rendering of services	41,034,824,499,940	50,231,094,685	41,085,055,594,625
20	Gross profit from sales of goods and rendering of services	4,759,501,130,657	50,231,094,685	4,809,732,225,342
30	Net operating profit	915,746,629,803	50,231,094,685	965,977,724,488
50	Net accounting profit before tax	888,296,690,469	50,231,094,685	938,527,785,154
51	CIT - current	(238,033,796,162)	171,098,929,671	(66,934,866,491)
60	Net profit after tax	650,262,894,307	221,330,024,356	871,592,918,663

32 COMPARATIVE FIGURES (continued)

Separate cash flow statement

Code		Year ended 31 December 2019		
		As previously reported VND	Adjustments VND	As restated VND
	CASH FLOWS FROM OPERATING ACTIVITIES			
01	Net accounting profit before tax	888,296,690,469	50,231,094,685	938,527,785,154
08	Operating profit before changes in working capital	9,034,460,544,265	50,231,094,685	9,084,691,638,950
09	Decrease in receivables	(6,024,292,616,354)	(50,231,094,685)	(6,074,523,711,039)

The separate financial statements were approved by the Board of Directors on 30 March 2021.



Tran Nguyen Khanh Linh
Preparer



Vu Phuong Thao
Chief Accountant



Nguyen Thi Thanh Huong
Vice President