

**VIETNAM ELECTRICITY
POWER GENERATION CORPORATION 3 -
ONE MEMBER LIMITED LIABILITY COMPANY
AND ITS SUBSIDIARIES**

(Incorporated in the Socialist Republic of Vietnam)

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2014

This is the translation from the report originally issued in Vietnamese and for reference only.



Nguyen Quang Trung
Audit Partner

Ho Chi Minh City, 30 January 2018

**POWER GENERATION CORPORATION 3 - ONE MEMBER LIMITED LIABILITY COMPANY
AND ITS SUBSIDIARIES**

Phu My Town, Tan Thanh District
Ba Ria – Vung Tau Province, S.R. Vietnam

Deloitte Vietnam <i>FOR IDENTIFICATION PURPOSE ONLY</i>

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**POWER GENERATION CORPORATION 3 - ONE MEMBER LIMITED LIABILITY COMPANY
AND ITS SUBSIDIARIES**

Phu My Town, Tan Thanh District
Ba Ria – Vung Tau Province, S.R. Vietnam

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STATEMENT OF THE BOARD OF DIRECTORS

The Board of Directors of Power Generation Corporation 3 – One Member Limited Liability Company (the “Parent Company”) and its subsidiaries (together as the “Corporation”) presents this report together with the Corporation’s consolidated financial statements for the year ended 31 December 2014.

CHAIRMAN AND THE BOARD OF DIRECTORS

Chairman and the members of the Board of Directors of the Corporation who held office during the year and to the date of this report are as follows:

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

BOARD OF DIRECTORS’ STATEMENT OF RESPONSIBILITY

The Board of Directors of the Corporation is responsible for preparing the consolidated financial statements, which give a true and fair view of the financial position of the Corporation and of its results and cash flows for the year in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting. In preparing these consolidated financial statements, the Board of Directors is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting principles have been followed, subject to any material departures disclosed and explained in the consolidated financial statements;
- prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Corporation will continue in business; and
- design and implement an effective internal control system for the purpose of properly preparing and presenting the consolidated financial statements so as to minimize errors and frauds.

The Board of Directors is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the financial position of the Corporation and that the consolidated financial statements comply with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting. 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 frauds and other irregularities.

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

For and on behalf of the Board of Directors,

Truong Quoc Phuc
Deputy General Director
8 April 2015

INDEPENDENT AUDITORS' REPORT

Deloitte Vietnam
FOR IDENTIFICATION
PURPOSE ONLY

**To: The Chairman and Board of Directors
of Power Generation Corporation 3 - One Member Limited Liability Company**

We have audited the accompanying consolidated financial statements of Power Generation Corporation 3 – One Member Limited Liability Company (the “Parent Company”) and its subsidiaries (together as the “Corporation”), prepared on 8 April 2015, as set out from page 4 to page 40, which comprise the consolidated balance sheet as at 31 December 2014, and the consolidated statement of income, and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information (collectively referred to as the “consolidated financial statements”).

Board of Directors' Responsibility for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Corporation's preparation and fair presentation of the consolidated 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 consolidated financial statements.

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

Auditors' Opinion

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Corporation as at 31 December 2014, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting.

We conduct our audit to express an opinion on the consolidated financial statements as set out from page 4 to page 40. The supplemental information presented in page 41 is an optional part of these consolidated financial statements and its presentation is the responsibility of the Board of Directors. The supplemental information is out of scope of our audit, and therefore, we do not provide an opinion on this information.

INDEPENDENT AUDITORS' REPORT (Continued)

Emphasis of Matters

We draw attention to the following matter:

As stated in Note 4, the Corporation prospectively adopted Circular No. 179/2012/TT-BTC dated 24 October 2012 ("Circular 179") replacing Circular No. 201/2009/TT-BTC dated 15 October 2009 by the Ministry of Finance ("Circular 201"). The guidance under Circular 179 on recognition, measurement and treatment of foreign exchange differences arising from transactions and balances of monetary items denominated in foreign currencies arising from 1 January 2012 is basically the same as that under Vietnamese Accounting Standard No. 10 ("VAS 10") - "Effects of changes in foreign exchange rates" except that under Circular 179, the Corporation is permitted to continue recording foreign exchange losses of the previous years arising from revaluation of the year-end balances of long-term liability denominated in foreign currencies in accordance with Circular 201 prior to the effectiveness of Circular 179. Such regulation in Circular 179 differs from that in VAS 10. The effect of the Corporation's adoption of Circular 179 on its consolidated financial statements for the year ended 31 December 2014 is presented in Note 4 of the Notes to the consolidated financial statements.

Our opinion is not modified in respect of this matter.

Nguyen Quang Trung
Audit Partner
Audit Practising Registration Certificate
No. 0733-2013-001-1
For and on behalf of
DELOITTE VIETNAM COMPANY LIMITED
8 April 2015
Ho Chi Minh City, S.R. Vietnam

Van Dinh Khue
Auditor
Audit Practising Registration Certificate
No. 1178-2013-001-1

**POWER GENERATION CORPORATION 3 - ONE MEMBER LIMITED LIABILITY COMPANY
AND ITS SUBSIDIARIES**

Phu My Town, Tan Thanh District
Ba Ria – Vung Tau Province, S.R. Vietnam

Deloitte Vietnam
FOR IDENTIFICATION
COMPANY ONLY

Consolidated financial statements
For the year ended 31 December 2014

CONSOLIDATED BALANCE SHEET

As at 31 December 2014

FORM B 01-DN/HN

Unit: VND

ASSETS	Codes	Notes	31/12/2014	31/12/2013
A. CURRENT ASSETS (100=110+120+130+140+150)	100		11,097,049,811,522	11,158,027,710,605
I. Cash and cash equivalents	110	5	2,260,941,508,757	2,634,103,029,413
1. Cash	111		2,025,941,508,757	1,997,727,128,126
2. Cash equivalents	112		235,000,000,000	636,375,901,287
II. Short-term financial investments	120		1,059,000,000,000	1,097,000,000,000
1. Short-term investments	121	6	1,059,000,000,000	1,097,000,000,000
III. Short-term receivables	130		5,539,717,462,898	5,016,470,380,601
1. Trade accounts receivable	131		2,618,781,142,072	1,313,788,651,542
2. Advances to suppliers	132		2,780,985,365,543	3,150,805,982,478
3. Other receivables	135	7	139,950,955,283	552,031,338,082
4. Provision for short-term doubtful debts	139		-	(155,591,501)
IV. Inventories	140	8	1,726,204,075,054	1,934,429,803,695
1. Inventories	141		1,742,871,275,672	1,941,963,038,304
2. Provision for devaluation of inventories	149		(16,667,200,618)	(7,533,234,609)
V. Other short-term assets	150		511,186,764,813	476,024,496,896
1. Short-term prepayments	151		1,718,738,971	2,199,711,886
2. Value added tax deductibles	152		502,122,174,451	437,279,431,258
3. Taxes and other receivables from the State Budget	154	17	5,879,867,559	30,849,566,999
4. Other short-term assets	158		1,465,983,832	5,695,786,753
B. NON-CURRENT ASSETS (200=220+250+260)	200		72,070,862,771,867	69,585,982,474,990
I. Fixed assets	220		70,236,077,769,971	66,921,775,754,433
1. Tangible fixed assets	221	9	13,274,065,308,969	25,777,614,102,100
- Cost	222		49,837,446,325,705	59,845,277,713,579
- Accumulated depreciation	223		(36,563,381,016,736)	(34,067,663,611,479)
2. Intangible fixed assets	227	10	62,754,815,806	42,715,835,116
- Cost	228		73,975,803,528	65,928,466,837
- Accumulated amortisation	229		(11,220,987,722)	(23,212,631,721)
3. Construction in progress	230	11	56,899,257,645,196	41,101,445,817,217
II. Long-term financial investments	250		1,773,812,144,133	1,639,153,157,302
1. Investments in associates	252	13	1,267,877,627,539	1,183,948,387,343
2. Other long-term investments	258	14	517,814,589,388	467,814,589,388
3. Provision for impairment of long-term financial investments	259		(11,880,072,794)	(12,609,819,429)
III. Other long-term assets	260		60,972,857,763	1,025,053,563,255
1. Long-term prepayments	261	15	60,960,857,763	1,024,830,723,255
2. Other long-term assets	268		12,000,000	222,840,000
TOTAL ASSETS (270=100+200)	270		83,167,912,583,389	80,744,010,185,595

The accompanying notes set out on pages 9 to 40 are an integral part of these consolidated financial statements

POWER GENERATION CORPORATION 3 - ONE MEMBER LIMITED LIABILITY COMPANY AND ITS SUBSIDIARIES

Phu My Town, Tan Thanh District
Ba Ria – Vung Tau Province, S.R. Vietnam

Consolidated financial statements
For the year ended 31 December 2014

CONSOLIDATED BALANCE SHEET (Continued)
As at 31 December 2014

FORM B 01-DN/HN
Unit: VND

RESOURCES	Codes	Notes	31/12/2014	31/12/2013
A. LIABILITIES (300 = 310+330)	300		72,146,126,968,192	67,670,039,587,622
I. Current liabilities	310		16,954,186,203,875	18,927,258,344,527
1. Short-term loans and liabilities	311	16	7,363,417,058,508	3,964,580,976,599
2. Trade accounts payable	312		8,029,638,826,831	6,781,500,198,941
3. Advances from customers	313		228,979,723	619,339,091
4. Taxes and amounts payable to the State budget	314	17	191,574,788,057	187,107,927,290
5. Payables to employees	315		193,922,387,301	166,503,064,913
6. Accrued expenses	316		50,418,897,483	20,436,886,753
7. Other current payables	319	18	1,029,099,484,625	7,751,007,873,417
8. Bonus and welfare funds	323		95,885,781,347	55,502,077,523
II. Long-term liabilities	330		55,191,940,764,317	48,742,781,243,095
1. Long-term loans and liabilities	334	19	55,187,927,260,408	48,736,828,495,581
2. Unearned revenue	338	20	4,013,503,909	5,952,747,514
B. EQUITY (400=410)	400		10,696,381,235,855	12,777,506,072,012
I. Owners' equity	410		10,696,381,235,855	12,777,506,072,012
1. Owners' contributed capital	411	21	10,487,655,874,046	12,400,642,458,755
2. Share premium	412	21	6,014,917,945	6,014,917,945
3. Other owner's capital	413	21	11,931,846,660	10,047,959,908
4. Foreign exchange reserve	416	23	(810,942,597,255)	(514,824,732,641)
5. Investment and development fund	417	23	58,846,248,077	107,795,223,272
6. Financial reserve fund	418	23	25,433,701,326	23,462,333,250
7. Other reserves	419	23	11,122,267,549	8,910,405,380
8. Retained earnings	420	23	795,725,549,905	530,880,574,526
9. Construction investment capital	421	23	110,593,427,602	204,576,931,617
C. MINORITY INTEREST	439	24	325,404,379,342	296,464,525,961
TOTAL RESOURCES (440=300+400+439)	440		83,167,912,583,389	80,744,010,185,595
OFF BALANCE SHEET ITEMS			31/12/2014	31/12/2013
1. Materials, goods held under trust ("VND")			-	186,078,801
2. Foreign currency				
United States Dollar ("USD")			47,502.09	40,096.66

Vu Phuong Thao
Preparer

Nguyen Thi Thanh Huong
Chief Accountant

Truong Quoc Phuc
Deputy General Director
8 April 2015

The accompanying notes set out on pages 9 to 40 are an integral part of these consolidated financial statements

POWER GENERATION CORPORATION 3 - ONE MEMBER LIMITED LIABILITY COMPANY AND ITS SUBSIDIARIES

Phu My Town, Tan Thanh District
Ba Ria – Vung Tau Province, S.R. Vietnam

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For the year ended 31 December 2014

CONSOLIDATED INCOME STATEMENT
For the year ended 31 December 2014

FORM B 02-DN/HN
Unit: VND

ITEMS	Codes	Notes	2014	2013
1. Net revenue from goods sold and services rendered	10	26	26,647,399,249,865	19,438,976,403,947
2. Cost of sales	11	27	24,540,747,492,765	16,535,710,206,184
3. Net profit from goods sold and services rendered (20=10-11)	20		2,106,651,757,100	2,903,266,197,763
4. Financial income	21	28	937,974,739,470	1,589,585,416,039
5. Financial expenses	22	29	2,419,787,866,831	3,857,091,586,774
- In which: Interest expense	23		1,167,029,199,623	1,192,918,104,051
6. Selling expenses	24		608,952,566	629,922,467
7. General and administration expenses	25		233,167,201,120	218,002,181,397
8. Operating profit (30 = 20+(21-22)-(24+25))	30		391,062,476,053	417,127,923,164
9. Other income	31		53,393,558,698	109,691,044,909
10. Other expenses	32		38,613,219,808	288,947,496,080
11. Loss from other activities (40=31-32)	40	30	14,780,338,890	(179,256,451,171)
12. Profit from associates	45		197,976,188,196	144,936,760,192
13. Accounting profit before tax (50=30+40+45)	50		603,819,003,139	382,808,232,185
14. Current corporate income tax expense	51	31	84,550,258,174	90,489,279,621
15. Deferred tax expense	52		-	9,000,000,000
16. Net profit after corporate income tax (60=50-51-52)	60		519,268,744,965	283,318,952,564
16.1. Attributable to the Minority interests	61	24	47,679,030,490	25,563,465,671
16.2. Attributable to the Parent Company's shareholders	62		471,589,714,475	257,755,486,893

Vu Phuong Thao
Preparer

Nguyen Thi Thanh Huong
Chief Accountant

Truong Quoc Phuc
Deputy General Director
8 April 2015

**POWER GENERATION CORPORATION 3 - ONE MEMBER LIMITED LIABILITY COMPANY
AND ITS SUBSIDIARIES**

Phu My Town, Tan Thanh District
Ba Ria – Vung Tau Province, S.R. Vietnam

Consolidated financial statements
For the year ended 31 December 2014

FOR IDENTIFICATION
PURPOSE ONLY

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2014

FORM B 03-DN/HN

Unit: VND

ITEMS	Codes	2014	2013
I. CASH FLOWS FROM OPERATING ACTIVITIES			
<i>1. Profit before tax</i>	<i>01</i>	<i>603,819,003,139</i>	<i>382,808,232,185</i>
<i>2. Adjustments for:</i>			
Depreciation and amortization of assets	02	3,359,851,417,139	3,248,057,013,331
Provisions	03	8,248,627,873	9,679,200,608
Unrealised foreign exchange difference	04	422,923,623,328	1,217,622,548,041
Gain from investing activities	05	(265,472,476,383)	(300,766,331,080)
Interest expense	06	1,167,029,199,623	1,192,918,104,051
<i>3. Operating profit before movements in working capital</i>	<i>08</i>	<i>5,296,399,394,719</i>	<i>5,750,318,767,136</i>
Changes in receivables	09	(4,323,422,375,665)	1,947,764,802,239
Changes in inventories	10	(177,255,072,470)	134,302,907,265
Changes in accounts payable	11	11,063,519,843,055	665,777,170,659
Changes in prepaid expenses	12	(65,994,431,288)	1,595,357,241
Interest paid	13	(1,821,761,611,770)	(1,208,804,279,799)
Corporate income tax paid	14	(83,518,534,030)	(91,395,505,197)
Other cash inflows	15	2,761,531,015	547,914,286
Other cash outflows	16	(59,870,999,406)	(9,701,869,847)
<i>Net cash from operating activities</i>	<i>20</i>	<i>9,830,857,744,160</i>	<i>7,190,405,263,983</i>
II. CASH FLOWS FROM INVESTING ACTIVITIES			
1. Acquisition and construction of fixed assets	21	(28,076,661,864,467)	(21,906,212,921,043)
2. Proceeds from sales, disposal of fixed assets	22	1,907,277,109	279,692,035
3. Cash outflows for short-term deposits at banks	23	(743,000,000,000)	(547,000,000,000)
4. Cash recovered from short-term deposits at banks	24	781,000,000,000	326,631,160,000
5. Investments in other entities	25	(50,000,000,000)	-
6. Interest earned	27	193,685,065,789	137,800,276,123
<i>Net cash (used in) investing activities</i>	<i>30</i>	<i>(27,893,069,521,569)</i>	<i>(21,988,501,792,885)</i>
III. CASH FLOWS FROM FINANCING ACTIVITIES			
1. Proceeds from receiving capital from the owner	31	-	634,206,300
2. Proceeds from borrowings	33	21,307,992,224,140	19,554,841,510,311
3. Repayments of borrowings	34	(3,554,183,156,068)	(3,041,663,917,794)
4. Dividends and profits paid	36	(64,769,414,950)	-
<i>Net cash from financing activities</i>	<i>40</i>	<i>17,689,039,653,122</i>	<i>16,513,811,798,817</i>
Net (decrease)/increase in cash (50=20+30+40)	50	(373,172,124,287)	1,715,715,269,915
Cash and cash equivalents at the beginning of the year	60	2,634,103,029,413	-
Cash and cash equivalents increase from other EVN's subsidiaries due to re-structure process	60	-	920,990,949,827
Effect of changes in foreign exchange rates	61	10,603,631	(2,603,190,329)
Cash and cash equivalents at the end of the year (70=50+60+61)	70	2,260,941,508,757	2,634,103,029,413

The accompanying notes set out on pages 9 to 40 are an integral part of these consolidated financial statements

CONSOLIDATED CASH FLOW STATEMENT (Continued)

For the year ended 31 December 2014

Supplemental non-cash disclosures

Cash outflows for acquisition and construction of fixed assets and other long-term assets during the year include payments for purchases of inventories for construction of fixed assets and other long-term assets, and loan interest payments during civil construction phase.

As at 1 November 2014, the Corporation has transferred the Huoi Quang - Ban Chat Hydropower Company and the Hydropower Project Management Board 1 to the Viet Nam for its management by decreasing the cost and accumulated depreciation/amortization of fixed assets, construction in progress, receivables, inventories, accrued expenses, long-term investments and other assets in correspondence with the decrease in liabilities, loans and resources. These are non-cash transactions, which are not disclosed in this statement.

Cash outflows for purchases of fixed assets and construction in progress during the year exclude the amounts of VND 3,127,206,914,604 (2013: VND 8,008,103,214,738) representing an addition in fixed assets and construction in progress during the year and VND 385,945,140,244 (2013: VND 215,445,889,964) representing an interest expense capitalized in construction in progress that have not yet been paid. Consequently, changes in accounts payable have been adjusted by the same amount.

Vu Phuong Thao
Preparer

Nguyen Thi Thanh Huong
Chief Accountant

Truong Quoc Phuc
Deputy General Director
8 April 2015

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FORM B 09-DN/HN

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

1. GENERAL INFORMATION

The Corporation includes the Parent Company and its subsidiaries, details are as follows:

The Parent Company

The Power Generation Corporation 3 – One Member Limited Liability Company (the “Parent Company”) and its subsidiaries (together as the “Corporation”) was established as per Decision No. 3025/QĐ-BCT dated 01 June 2012 of the Ministry of Industry and Trade following the parent - subsidiary model belong to Vietnam Electricity (“EVN”) and on the basis of reorganization and restructuring of Phu My Thermal Power One Member Limited Liability Company, a dependent accounting divisions, and a number of generation project management boards and the taking-over of rights of state capital representatives in a number of power generation companies within Vietnam Electricity.

The Corporation operates under the Business Registration Certificate No. 3502208399 issued by the Ba Ria - Vung Tau Provincial Department of Planning and Investment dated 26 November 2012, and its amendments. According to the enterprise registration, the first financial year of the Corporation begins on 1 January 2013 and ends on 31 December 2013.

The organizational structure of the Corporation includes:

- Parent Company - Power Generation Corporation 3 – One Member Limited Company
- Subsidiaries: Ba Ria Thermal Power Joint Stock Company and Ninh Binh Thermal Power Joint Stock Company;
- Associates: Vinh Son - Song Hinh Hydropower Joint Stock Company, Thac Ba Hydropower Joint Stock Company and Se San 3A Power Investment and Development JSC.

The total number of employees of the Corporation as at 31 December 2014 was 2,646 (31 December 2013: 2,849).

Operating industry and principal activities

The principal activities of the Parent Company are to produce and trade electricity; to manage, operate, repair and maintain, overhaul, renovate and upgrade electric equipment and works; in addition, the Parent Company operates in fields of science, technology, research, development and training for its main business.

Subsidiaries

- Ninh Binh Thermal Power Joint Stock Company (“NBP”):

NBP was established on the basis of equitisation of Ninh Binh Thermal Power Company under the Decision No. 3945 / QĐ-BCN dated 29 December 2006 of the Minister of Industry (now the Ministry of Industry and Trade). The Company operates under the Business Registration Certificate No. 0903000161 issued by the Department of Planning and Investment of Ninh Binh Province for the first time on 31 December 2007. On 25 October 2011, the NBP was granted a Certificate of Business Registration The first change company, code number 2700283389.

The main activities of the NBP are to produce electricity, produce chemical products, repair and install electrical equipment and other related services.

- Ba Ria Thermal Power Joint Stock Company (“BTP”):

BTP was transformed from a state-owned enterprise established under Decision No. 2744/QĐ-BCN dated 26 August 2005 of the Ministry of Industry and Business Registration Certificate No. 4903000451 issued on 1 November 2007; changed the fourth time and changed the business code number 3500701305 dated 24 September 2012 by the Department of Planning and Investment of Ba Ria - Vung Tau.

**POWER GENERATION CORPORATION 3 - ONE MEMBER LIMITED LIABILITY COMPANY
AND ITS SUBSIDIARIES**

Phu My Town, Tan Thanh District
Ba Ria – Vung Tau Province, S.R. Vietnam

Consolidated financial statements
For the year ended 31 December 2014

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FORM B 09-DN/HN

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

The main activities of BTP are electricity production, management, operation, maintenance, repair, testing, adjustment and improvement of electrical equipment, power projects, power plants Other related service products.

2. ACCOUNTING CONVENTION AND FINANCIAL YEAR

Accounting convention

The accompanying consolidated financial statements, expressed in Vietnam Dong (“VND”), are prepared under the historical cost convention and in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting.

The accompanying consolidated financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam.

Financial year

The Corporation’s financial year begins on 1 January and ends on 31 December.

3. NEW ACCOUNTING GUIDANCE IN ISSUE NOT YET ADOPTED

On 22 December 2014, the Ministry of Finance issued Circular No. 200/2014/TT-BTC (“Circular 200”) guiding the application of accounting regime for enterprises and Circular No. 202/2014/TT-BTC (“Circular 202”) guiding the preparation and presentation of consolidated financial statements. These circulars are effective for financial years beginning on or after 1 January 2015. Circular 200 will supersede the regulations for accounting regime promulgated under Decision No. 15/2006/QĐ-BTC dated 20 March 2006 issued by the Ministry of Finance and Circular No. 244/2009/TT-BTC dated 31 December 2009 issued by the Ministry of Finance. Circular 202 will supersede section XIII in Circular No. 161/2007/TT-BTC dated 31 December 2007 of the Ministry of Finance guiding the preparation and presentation of consolidated financial statements in accordance with Vietnamese Accounting Standard No. 25 “Consolidated Financial Statements and Accounting for Investments in Subsidiaries”.

The Board of Directors is considering the extent of impact of the adoption of these circulars on the Company’s consolidated financial statements for future accounting periods.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Estimates

The preparation of consolidated financial statements in conformity with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting 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 consolidated financial statements and the reported amounts of revenues and expenses during the financial year. Although these accounting estimates are based on the Board of Directors’ best knowledge, actual results may differ from those estimates.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Parent Company and enterprises controlled by the Parent Company (its subsidiaries) up to 31 December each year. Control is achieved where the Parent Company has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities.

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

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

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

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

Investments in associates

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

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

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

Financial instruments

Initial recognition

Financial assets: At the date of initial recognition, financial assets are recognised at cost plus transaction costs that are directly attributable to the acquisition of the financial assets. Financial assets of the Corporation comprise cash, and cash equivalents, trade and other receivables, and financial investments.

Financial liabilities: At the date of initial recognition financial liabilities are recognised at cost plus transaction costs that are directly attributable to the issue of the financial liabilities. Financial liabilities of the Corporation comprise trade and other payables, accrued expenses, and borrowings.

Subsequent measurement after initial recognition

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

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Provision for doubtful debts

Provision for doubtful debts is made for receivables that are overdue for six months or more or when the debtor is in dissolution, in bankruptcy, or is experiencing similar difficulties and so may be unable to repay the debt.

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Inventories are stated at the lower of cost and net realisable value. Cost comprises purchase prices and where applicable, direct costs that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all costs to completion and costs to be incurred in marketing, selling and distribution.

The evaluation of necessary provision for inventory obsolescence follows current prevailing accounting regulations which allow provisions to be made for obsolete, damaged, or sub-standard inventories and for those which have costs higher than net realisable values as at the balance sheet date.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation.

The costs of purchased tangible fixed assets comprise their purchase prices and any directly attributable costs of bringing the assets to their working conditions and locations for their intended use. The costs of tangible fixed assets formed from construction investment by contractual mode or self-construction or self-generating process are the settled costs of the invested construction projects in accordance with the prevailing State's regulations on investment and construction management, directly-related expenses and registration fee (if any). In the event the construction project has been completed and put into use but the settled costs thereof have not been approved, the cost of tangible fixed assets is recognised at the estimated cost based on investment execution expenses up to the time of hand-over or estimated costs or equivalent value of assets. The estimated cost will be adjusted according to the settled costs approved by competent authorities.

Tangible fixed assets are revalued in accordance with the State's decisions are equitised. The cost and accumulated depreciation of tangible fixed assets are adjusted based on the revaluation value approved by competent authorities as regulated.

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

	2014
Tangible fixed assets	(Years)
Buildings and structures	10 - 35
Machinery and equipment (*)	06 - 15
Motor vehicles, transmission equipment	05 - 10
Office equipment	03 - 05
Others	05 - 10

(*) According to the Official Letter No. 2492/BTC-TCDN of Ministry of Finance dated 23 February 2011 on "Depreciation of Phu My 1 Thermal Power Plant", the depreciation period of machinery and equipment was extended by 4 years compared with the maximum useful lives of 10 years according to Circular No. 203/2009/TT-BTC dated 20 October 2009 of the Ministry of Finance "Guiding the regime of management, use and depreciation of fixed assets". The Corporation has started to apply the new depreciation framework for machinery and equipment of Phu My 1 Thermal Power Plant based on the guidance in Official Letter No. 550/EVN-TCKT dated 24 February 2011 of the Vietnam Electricity about "The time of starting to calculate depreciation costs of Phu My 1 Thermal Power Plant".

According to Official Letter No. 1017/EVN-TCKT dated 20 March 2015, the Corporation changed the depreciation period for some tangible fixed assets of Phu My 2.1 Thermal Power Plant and Phu My 2.1 Thermal Power Plant – extension and Phu My 4 Thermal Power Plant starting 1 January 2014. Accordingly, the depreciation expense in 2014 of the Corporation increased with an amount of VND 268 billion.

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All existing fixed assets of the Corporation (including assets which are temporarily not in use, unused, awaiting disposal) must be depreciated according to the current regulations. Depreciation of fixed assets used in production and business is recognised into operating expenses; depreciation of fixed assets which are temporarily not in use, unused, awaiting disposal used shall be recognised into other expenses.

Loss or gain resulting from sales and disposals of tangible fixed assets is the difference between profit from sales or disposals of assets and their residual values and is recognised in the income statement.

Intangible assets and amortization

Intangible assets represent land use rights that are stated at cost less accumulated amortisation. Land use rights are amortised using the straight-line method over the duration of the right to use the land life but not exceed 50 years.

The indefinite use of land use rights (including the costs of obtaining land use rights) is not amortized.

Intangible fixed assets are software and technology transfer rights are amortised on the straight-line basis over their estimated useful lives but not exceed 10 years.

Leasing

Leases are classified as operating leases whenever the terms of the lease substantially all the risks and rewards of ownership belong to the lessor.

(a) The Corporation as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

(b) The Corporation as lessee

Rentals payable under operating leases are charged to the income statement on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

Construction in progress

Properties in the course of construction for production, rental and administrative purposes or for other purposes are carried at cost. The cost includes any costs that are necessary to form the asset including construction cost, equipment cost, other costs and related borrowing costs in accordance with the Corporation's accounting policy. Such costs will be included in the estimated costs of the fixed assets (if settled costs have not been approved) when they are put into use.

According to the State's regulations on investment and construction management, the settled costs of completed construction projects are subject to approval by appropriate level of competent authorities. The final costs of these completed construction projects may vary depending on the final approval by competent authorities.

Other long-term investments

Other long-term investments comprise equity investments or equity investments as founding shareholders with less than 20% of the charter capital of the investee company. The investments are recognised on a trade date basis and are initially measured at acquisition price plus directly attributable transaction costs. At the balance sheet date, other long-term investments are measured at cost less provisions for impairment of long-term investments. Provisions for impairment of long-term investments are made in accordance with prevailing accounting regulations.

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Long-term prepayments

Long-term prepayments comprise costs of tools, supplies which are expected to provide future economic benefits to the Corporation for one year or more. These expenditures are allocated to the income statement using the straight-line method over the period of three years.

Equity and Funds

Equity of Corporation include:

- Equity granted by the State Budget
- Self-supplemented capital from retained earnings
- Others

Funds of Corporation include:

- Investment and development fund
- Financial reserve fund

Revenue recognition

Revenue from selling electricity are recognised monthly based on electricity output distributing to the National Grid, which has confirmed monthly by Electric Power Trading Company (EPTC) belong to EVN.

Revenue of a transaction involving the rendering of services is recognised when the outcome of such transactions can be measured reliably. Where a transaction involving the rendering of services is attributable to several periods, revenue is recognised in each year by reference to the percentage of completion of the transaction at the balance sheet date of that year. The outcome of a transaction can be measured reliably when all four (4) following conditions are satisfied:

- (a) the amount of revenue can be measured reliably;
- (b) it is probable that the economic benefits associated with the transaction will flow to the Corporation;
- (c) the percentage of completion of the transaction at the balance sheet date can be measured reliably; and
- (d) the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the applicable interest rate.

Dividend income from investments is recognised when the Corporation's right to receive payment has been established.

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The Corporation adopted Circular No. 179/2012/TT-BTC dated 24 October 2012 (“Circular 179”) providing guidance on recognition, measurement and treatment of foreign exchange differences in enterprises and replacing Circular No. 201/2009/TT-BTC dated 15 October 2009 (“Circular 201”). Accordingly, transactions denominated in foreign currencies are translated at the exchange rates ruling at the transaction date. The balances of monetary items denominated in foreign currencies as at the balance sheet date are retranslated at the buying exchange rate announced on the same date by the commercial bank where the Corporation opens its bank account, the outstanding liabilities with the Vietnam Electricity as at the balance sheet date were translated at the transfer rate of Vietcombank at the date of preparation of the report under the guidance of Official Letter No. 4658/ EVN-TCKT dated 19 November 2014 on the guidance for the preparation of the financial statements for the year ended 2014. Foreign exchange differences incurred and arising from revaluation of the balances of monetary assets denominated in foreign currencies are recognised in the income statement. Particularly for electrical projects within the national electricity development planning approved by the Prime Minister, the exchange difference arising during the investment shall be reflected in accumulation and entered into the expenditure for no more than five years since the project is put into operation in accordance with Decree No. 82/2014/NĐ-CP dated 25 August 2014. Unrealised foreign exchange gains from revaluation of foreign currency balances as at the balance sheet date are not treated as part of distributable profit to owners.

The guidance under Circular 179 on recognition, measurement and treatment of foreign exchange differences arising from transactions and balances of monetary items denominated in foreign currencies arising from 1 January 2012 is basically the same as that under VAS 10 except that under Circular 179, the Corporation is permitted to continue recording foreign exchange losses of the previous years arising from revaluation of the year-end balances of long-term payables denominated in foreign currencies in accordance with Circular 201 prior to the effectiveness of Circular 179. If the Corporation had adopted VAS 10 in recognition of foreign exchange differences, the balance of retained earnings as at 1 January 2014 would have decreased by VND 1,158 billion and the Corporation’s profit before tax for the year ended 31 December 2014 would have increased by VND 1,158 billion and the debit balance of the “Long-term prepayments” and “Foreign exchange reserve” in the balance sheet as at 1 January 2014 would have decreased by VND 965 billion and VND 193 billion, respectively. The Board of Directors has decided to recognise foreign exchange differences as guided in Circular 179 and believes that such application and disclosure of differences at the same time, in the case where the Corporation would apply VAS 10, may provide more information to users of the consolidated financial statements.

Borrowing costs

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

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

Provisions

Provisions are recognised when the Corporation has a present obligation as a result of a past event, and it is probable that the Corporation will be required to settle that obligation. Provisions are measured at the Board of Directors’ best estimate of the expenditure required to settle the obligation as at the balance sheet date.

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Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years (including loss carried forward, if any) and it further excludes items that are never taxable or deductible.

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

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

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

The determination of the tax currently payable and deferred tax is based on the current interpretation of tax regulations. However, these regulations are subject to periodic variation and their ultimate determination depends on the results of the tax authorities' examinations.

Other taxes are paid in accordance with the prevailing tax laws in Vietnam.

5. CASH AND CASH EQUIVALENTS

	31/12/2014	31/12/2013
	<u>VND</u>	<u>VND</u>
Cash on hand	1,015,512,474	2,076,038,861
Cash in bank	2,024,925,996,283	1,995,651,089,265
Cash equivalents	235,000,000,000	636,375,901,287
	<u>2,260,941,508,757</u>	<u>2,634,103,029,413</u>

Cash equivalents represent term deposits in commercial banks in Vietnam Dong with the terms no more than 3 months.

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6. SHORT-TERM INVESTMENTS

	31/12/2014 VND	31/12/2013 VND
VietinBank - Ninh Binh Branch	-	40,000,000,000
Vietnam Export Import Commercial Joint Stock Bank- Ba Ria Vung Tau Branch	30,000,000,000	120,000,000,000
Vietnam Bank for Agriculture and Rural Development- Vung Tau Branch	79,000,000,000	57,000,000,000
Vietnam Bank for Agriculture and Rural Development- Ba Ria Branch	160,000,000,000	150,000,000,000
An Binh Commercial Joint Stock Bank - Ba Ria Branch	60,000,000,000	50,000,000,000
Saigon - Hanoi Commercial Joint Stock Bank	50,000,000,000	100,000,000,000
Financial Power Joint Stock Company	510,000,000,000	580,000,000,000
National Bank of Vietnam	50,000,000,000	-
Vietnam Joint Stock Commercial Bank	100,000,000,000	-
Vietnam Thuong Tin Commercial Joint Stock Bank - Ba Ria Vung Tau Branch	20,000,000,000	-
	1,059,000,000,000	1,097,000,000,000

Short-term investments represent term deposits in commercial banks and EVN Finance JSC with the term of more than 3 months to 1 year.

7. OTHER RECEIVABLES

	31/12/2014 VND	31/12/2013 VND
Project Management 300MW	10,745,869,074	11,745,869,074
Costs related to Hydropower Project Management Board 5 and I	-	105,379,090,329
Receivables related to land clearance of Hydropower 1	-	22,770,739,769
Receivables related to consultant for Thermal Power Project Management Board 1	3,997,699,440	3,808,875,589
Receivable of Vinh Tan 3 Energy Joint Stock Company	-	15,192,122,857
Receivables from the State Pre-Acceptance Test Council	542,703,089	542,703,089
Accrued interest income	30,800,141,665	24,218,325,098
Dividend declared	71,779,948,000	-
Exchange rate difference in exchange rate of loan principal of EVN	-	329,981,625,214
Receivables from taxes paid on behalf	-	15,109,226,091
Receivables from Bac Ai Pumped Storage Power Plant project	6,536,081,726	-
Others	15,548,512,289	23,282,760,972
	139,950,955,283	552,031,338,082

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	31/12/2014	31/12/2013
	<u>VND</u>	<u>VND</u>
Goods in transit	-	5,553,478,974
Raw materials	1,582,396,554,349	1,857,258,213,177
Tools and supplies	4,576,004,289	9,617,806,243
Work in progress	155,219,458,327	69,110,761,468
<i>In which:</i>	-	
<i>Equipment and equipment to be recovered</i>	4,324,245,450	69,004,824,303
<i>Other work in progress</i>	150,895,212,877	105,937,165
Finished goods	392,843,601	259,236,710
Merchandise	286,415,106	163,541,732
Total	1,742,871,275,672	1,941,963,038,304
Provision for devaluation of inventories	(16,667,200,618)	(7,533,234,609)
Net realizable value	1,726,204,075,054	1,934,429,803,695

Inventories comprise the value of supplies and equipment used for construction work at project management units and the value of raw materials, materials and spare parts replacing for serviced assets for production and business activities.

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9. TANGIBLE FIXED ASSETS

COST	Buildings, structures VND	Machinery, Equipment VND	Motor Vehicles VND	Office Equipment VND	Other fixed assets VND	Total VND
As at 01/01/2014	16,306,839,405,929	40,057,999,519,786	3,410,038,970,834	68,612,130,081	1,787,686,949	59,845,277,713,579
Additions	424,430,217	9,748,941,032	10,645,612,272	11,324,592,655	2,925,747,226	35,069,323,402
Transfer from construction in progress	1,643,217,708,370	648,633,621,415	143,391,470,189	-	-	2,435,242,799,974
Increase after settlement	-	34,677,038,835	421,081,118	1,016,131,720	-	36,114,251,673
Transfer to EVN	(9,898,034,000,000)	(2,546,513,396,540)	(19,873,185,155)	(2,768,794,767)	-	(12,467,189,376,462)
Disposals	(589,217,727)	(278,177,340)	(1,723,537,000)	(590,675,760)	-	(3,181,607,827)
Reclassifications	(15,432,516,369)	-	-	-	-	(15,432,516,369)
Decrease after settlement	(11,416,299,752)	(15,556,699,888)	(457,790,905)	(1,023,471,720)	-	(28,454,262,265)
As at 31/12/2014	8,025,009,510,668	38,188,710,847,300	3,542,442,621,353	76,569,912,209	4,713,434,175	49,837,446,325,705
ACUMULATED DEPRECIATION						
As at 01/01/2014	4,108,551,135,724	28,509,770,922,790	1,408,157,977,707	40,878,052,251	305,523,007	34,067,663,611,479
Charge for the year	597,723,768,994	2,524,835,927,078	227,994,192,421	6,581,350,229	399,057,627	3,357,534,296,349
Increase after settlement	5,127,495,120	7,513,811,279	139,611,362	532,969,037	-	13,313,886,798
Transfer to EVN	(605,224,079,229)	(252,708,739,630)	(11,030,665,273)	(2,291,891,159)	-	(871,255,375,29)
Disposals	(455,471,300)	(278,177,340)	(1,723,537,000)	(590,675,760)	-	(3,047,861,400)
Other decreases	-	-	(139,611,362)	(674,293,473)	(13,636,364)	(827,541,199)
As at 31/12/2014	4,105,722,849,309	30,789,133,744,177	1,623,397,967,855	44,435,511,125	690,944,270	36,563,381,016,736
NET BOOK VALUE						
As at 31/12/2014	3,919,286,661,359	7,399,577,103,123	1,919,044,653,498	32,134,401,084	4,022,489,905	13,274,065,308,969
As at 31/12/2013	12,198,288,270,205	11,548,228,596,996	2,001,880,993,127	27,734,077,830	1,482,163,942	25,777,614,102,100

A number of tangible fixed assets used to secure bank loans are presented in Note 16 and Note 19.

At as 31 December 2014, the cost of the Corporation's fixed assets includes VND 1,697,209,139,741 (31 December 2013: VND 687,683,362,123) of assets which have been fully depreciated but are still in use.

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10. INTANGIBLE ASSETS

	Land use rights	Software and patents from technology transferring	Total
	<u>VND</u>	<u>VND</u>	<u>VND</u>
COST			
As at 01/01/2014	60,185,430,365	5,743,036,472	65,928,466,837
Addition	-	769,289,734	769,289,734
Classified from tangible fixed assets	15,432,516,369	-	15,432,516,369
Other decreases	(8,154,469,412)	-	(8,154,469,412)
As at 31/12/2014	67,463,477,322	6,512,326,206	73,975,803,528
ACCUMULATED AMORTISATION			
Other decreases	19,909,973,790	3,302,657,931	23,212,631,721
Charge for the year	1,247,515,510	768,319,936	2,015,835,446
Other decreases	(14,007,479,445)	-	(14,007,479,445)
As at 31/12/2014	7,150,009,855	4,070,977,867	11,220,987,722
NET BOOK VALUE			
As at 31/12/2014	60,313,467,467	2,441,348,339	62,754,815,806
As at 31/12/2013	40,275,456,575	2,440,378,541	42,715,835,116

11. CONSTRUCTION IN PROGRESS

	31/12/2014 <u>VND</u>	31/12/2013 <u>VND</u>
Construction in progress project	56,897,826,322,762	41,096,543,080,292
Mong Duong Power Plant Project (*)	27,580,942,083,512	15,554,212,853,831
Vinh Tan 2 Thermal Power Plant (*)	24,575,165,834,062	18,569,989,699,101
Vinh Tan Power Center (*)	296,350,737,496	207,710,104,122
Vinh Tan Coal Port (*)	3,660,614,342,492	1,823,567,473,514
Vinh Tan 4 Thermal Power Plant (*)	781,915,719,273	39,844,468,387
Buon Kuop Hydropower Plant (*)	-	100,436,471,436
Buon Tua Srah Hydropower Plant (*)	513,929,708	85,228,826,453
Srepok 3 Hydropower Plant (*)	1,391,483,995	107,638,591,113
Ban Chat Hydropower Plant	-	44,985,835,958
Huoi Quang Hydropower Plant	-	4,558,295,589,845
Phu My 4 Power Plant capacity upgrading project	-	577,235,815
Phu My 1 Power Plant capacity upgrading project	-	573,641,543
Phu My 4 Operation Management and Maintance	-	1,147,839,732
Office Building Project	-	-
Renovation and replacement of transformer 220/110kV	-	2,313,149,042
Office Building 4 construction	6,873,489	-
Hazardous Waste Storage construction	925,318,735	-
Others	-	21,300,400
Overhaul expense	1,431,322,434	4,902,736,925
Check and replace the 4T transformer	-	4,326,174,491
Dredging of cooling canals of Phu My Power Center	576,562,434	576,562,434
Renovation of UPS systems 1 & 2 GT Phu My 1	854,760,000	-
	56,899,257,645,196	41,101,445,817,217

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(*) Assets formed in the future from construction in progress are used to secure bank loans as described in Note 16 and Note 19.

During the year, interest expenses were capitalized as part of the construction in progress amounting to VND 2,004,203,192,817 (2013: VND 1,746,719,468,910). In particular, interest expense capitalized at Huoi Quang Ban Chat Hydropower Company Limited in the amount of VND 409,021,948,902 has been transferred to EVN as described in Note 1.

12. INVESTMENTS IN SUBSIDIARIES

Details of the Corporation's subsidiaries as at 31 December 2014 and 31 December 2013 are as follows:

Name of subsidiaries	Place of incorporation and operation	Proportion of ownership interest %	Proportion of voting power held %	Principal activity
Ba Ria Thermal Power JSC	Ba Ria - Vung Tau	79.56%	79.56%	Electricity producing and trading
Ninh Binh Thermal Power JSC	Ninh Binh	54.76%	54.76%	Electricity producing and trading

13. INVESTMENTS IN ASSOCIATES

	31/12/2014 VND	31/12/2013 VND
Thac Ba Hydropower JSC	287,324,659,967	272,492,500,335
Vinh Son Song Hinh Hydropower JSC	844,393,180,090	797,634,610,005
Se San 3A Power Investment and Development JSC	136,159,787,482	113,821,277,003
	1,267,877,627,539	1,183,948,387,343

Details of the Corporation's associates as at 31 December 2014 and 31 December 2013 are as follows:

Name of associates	Place of incorporation and operation	Proportion of ownership interest %	Proportion of voting power held %	Principal activities
Thac Ba Hydropower JSC	Yen Bai	30.00%	30.00%	Electricity producing and trading
Vinh Son Song Hinh Hydropower JSC	Binh Dinh	30.55%	30.55%	Electricity producing and trading
Se San 3A Power Investment and Development JSC	Gia Lai	30.00%	30.00%	Electricity producing and trading

Summary financial information of the Corporation's associates are as follows:

	31/12/2014 VND	31/12/2013 VND
Total assets	5,817,142,980,563	5,902,167,169,047
Liabilities	1,484,514,626,999	2,003,962,127,833
Net assets	4,332,628,353,564	3,898,205,041,214
Corporation's share of associates' net assets	1,267,877,627,539	1,183,948,387,343

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	2014	2013
	<u>VND</u>	<u>VND</u>
Revenue	1,239,231,867,765	911,030,235,626
Net profit	653,274,709,560	440,400,088,913
Corporation's share of associates' net profit	<u>197,976,188,196</u>	<u>144,936,760,192</u>

14. OTHER LONG-TERM INVESTMENTS

	31/12/2014	31/12/2013
	<u>VND</u>	<u>VND</u>
PV Power NT2 JSC	64,000,000,000	64,000,000,000
Hai Phong Hydropower JSC	108,730,000,000	108,730,000,000
Quang Ninh Hydropower JSC	114,770,927,800	114,770,927,800
Buon Don Hydropower JSC	83,750,000,000	83,750,000,000
Viet Lao Power JSC	19,600,000,000	19,600,000,000
Northern Power Services JSC	2,500,000,000	2,500,000,000
Alstom Energy Service Limited	74,463,661,588	74,463,661,588
Phu Thanh My JSC	50,000,000,000	-
	<u>517,814,589,388</u>	<u>467,814,589,388</u>

15. LONG-TERM PREPAYMENTS

	31/12/2014	31/12/2013
	<u>VND</u>	<u>VND</u>
Tools, equipment awaiting for allocation	21,662,372,749	20,227,628,183
Cost of production preparation for Buon Kuop, Buon Tua	38,390,705,559	39,344,780,738
Srah and Srepok 3 Hydropower Plant	-	965,177,950,698
Exchange rate difference pending for allocation	-	-
Others	907,779,455	80,363,636
	<u>60,960,857,763</u>	<u>1,024,830,723,255</u>

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	31/12/2014	31/12/2013
	<u>VND</u>	<u>VND</u>
Short-term loans	400,000,000,000	740,000,000,000
Vietnam Joint Stock Commercial Bank for Industry and Trade	-	140,000,000,000
Vietnam International Commercial Joint Stock Bank	-	100,000,000,000
Re-borrowing loans from the Vietnam Electricity	400,000,000,000	500,000,000,000
+ <i>Vietnam Joint Stock Commercial Bank for Industry and Trade</i>	-	100,000,000,000
+ <i>Pha Lai Thermal Power JSC (*)</i>	400,000,000,000	400,000,000,000
Current portion of long-term borrowings (Note 19)	6,963,417,058,508	3,224,580,976,599
Joint Stock Commercial Bank for Investment and Development of Vietnam	-	122,196,110,116
Vietnam Bank for Agriculture and Rural Development	-	558,596,397,688
Vietnam Development Bank	-	555,868,753,395
An Binh Commercial Joint Stock Bank	-	12,500,000,000
Asia Commercial Joint Stock Bank - Thang Long Branch	-	55,601,121,858
Joint Stock Commercial Bank for Foreign Trade of Vietnam	-	171,560,282,000
Credit Agricole Vietnam Corporate and Investment Bank - Hanoi Branch	-	176,437,098,923
Vietnam Development Bank - Ba Ria Vung Tau Branch	44,355,661,499	45,405,203,912
Re-borrowing loans from the Vietnam Electricity	6,919,061,397,009	1,526,416,008,707
<i>Details:</i>		
+ <i>Vietnam Bank for Agriculture and Rural Development (**)</i>	264,322,474,356	-
+ <i>Credit Agricole Vietnam Corporate and Investment Bank - Hanoi Branch</i>	178,566,872,188	-
+ <i>Vietnam Development Bank (**)</i>	2,650,339,087,218	-
+ <i>Japan International Cooperation Agency (JICA)</i>	410,544,127,584	465,952,414,047
+ <i>Joint Stock Commercial Bank for Foreign Trade of Vietnam (**)</i>	2,420,998,500,880	-
+ <i>World Bank</i>	102,375,067,743	200,240,660,550
+ <i>Bonds borrowing</i>	528,940,954,246	556,922,791,178
+ <i>Vietnam Joint Stock Commercial Bank for Industry and Trade</i>	184,968,819,854	182,416,616,046
+ <i>Asia Commercial Joint Stock Bank</i>	133,866,421,152	78,265,299,294
+ <i>Asia Development Bank</i>	10,357,379,153	9,239,450,374
+ <i>China Eximbank</i>	33,781,692,635	33,378,777,218
	7,363,417,058,508	3,964,580,976,599

(*) Re-borrowing loan from Vietnam Electricity ("EVN") with the loan that EVN borrowed from Pha Lai Thermal Power Joint Stock Company under loan contract No. 01/2011/EVN-PPC dated 30 September 2013. This loan is to invest in Srepok 3 Hydropower Project and Buon Kuop Hydropower Plant. The loan limit is VND 400 billion. The term of this loan is from 1 January 2014 to 26 October 2014 and has been extended. The loan interest is paid in lump sum equal to the principal repayment date, with the interest rate applicable to the 12-month time deposit interest rate in arrear of the average of four State-owned commercial banks, including: Joint Stock Commercial Bank for Investment and Development Vietnam; Vietnam Joint Stock Commercial Bank for Industry and Trade; Bank for Agriculture and Rural Development of Vietnam and Joint Stock Commercial Bank for Foreign Trade of Vietnam at the time of signing the contract (9.125% per annum) and re-lending fee is 0.2% per annum.

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(**) According to Official Letter No. 3036/EVN-TCKT dated 5 August 2014 of the Vietnam Electricity and Official Letter No. 1768/VPCP-KTTH dated 16 March 2015 by the Government Office, by the time the financial statements are issued, Vietnam Electricity and the Corporation are still working with banks to transfer the subject loan contract to the Corporation and restructure these loans.

17. TAXES AND AMOUNTS PAYABLE TO THE STATE BUDGET

	31/12/2014	31/12/2013
	<u>VND</u>	<u>VND</u>
Value added tax	103,775,837,984	66,660,706,814
Withholding tax	225,014,607	17,074,956,380
Natural resources Tax	15,273,206,150	8,191,573,685
Corporate Income Tax	58,101,530,238	75,853,351,660
Personal Income Tax	2,469,221,638	1,709,204,751
Fees and tolls - forest environment service fee	11,729,977,440	17,618,134,000
	<u>191,574,788,057</u>	<u>187,107,927,290</u>

The movement of taxes and amounts payable to the State Budget during the year are as follows:

	As at 01/01/2014	Payable during the year	Paid during the year	As at 31/12/2014
	<u>VND</u>	<u>VND</u>	<u>VND</u>	<u>VND</u>
Value added tax	56,006,423,157	1,243,728,401,564	1,200,638,936,646	99,095,888,075
Excise tax	-	48,381,537	48,381,537	-
Import-export Tax	-	56,547,038,334	56,547,038,334	-
Withholding tax	17,074,956,380	40,184,332,257	57,034,274,030	225,014,607
Natural resources Tax	8,191,573,685	258,502,049,912	251,420,417,447	15,273,206,150
Corporate Income Tax	56,834,943,602	84,781,506,483	83,515,528,392	58,100,921,693
Personal Income Tax	532,329,467	15,800,887,006	15,063,303,940	1,269,912,533
Land rental	-	7,385,880,680	7,385,880,680	-
Other fees and charges	-	427,361,867	427,361,867	-
Environment service fee	17,618,134,000	62,504,097,020	68,392,253,580	11,729,977,440
Penalty payable	-	34,772,741	34,772,741	-
	<u>156,258,360,291</u>	<u>1,769,944,709,401</u>	<u>1,740,508,149,194</u>	<u>185,694,920,498</u>
In which:				
- Taxes and amounts receivable from the State Budget	<u>30,849,566,999</u>			<u>5,879,867,559</u>
- Taxes and amounts payable to the State Budget	<u>187,107,927,290</u>			<u>191,574,788,057</u>

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18. OTHER CURRENT PAYABLES

	31/12/2014	31/12/2013
	<u>VND</u>	<u>VND</u>
Bidding Guarantee	-	377,065,416
Compensation for oil pipeline removing	8,361,211,018	-
Payable for construction short-circuit current resistance - Power Transmission Company 4	10,511,924,733	58,646,976,816
Accrued value added tax of December and annual settlement	119,531,664,970	146,028,299,250
Union fee	892,844,403	492,903,943
Social insurance, health insurance and unemployment insurance	209,659,246	366,736,250
Payable for unused investment credit interest subsidy - Hydropower 1 Project Management Unit	-	18,472,532,485
Other payables related to temporary increases in assets	-	2,825,772,975,032
Srepok 3 Hydropower Joint Stock Company	613,267,623,287	613,267,623,287
Payable for assets acquisition expenses paid on behalf	-	115,354,633,583
Accrued interest of Huoi Quang, Ban Chat and Buon Kuop plants	3,050,817,721	67,642,565,576
Value-added tax on electricity running tests charge - Vinh Tan PMU	97,642,909,847	-
Paid on behalf contractor - Vinh Tan PMU	3,270,556,026	-
Renovation of the 220/110 KV MBA program in Buon Kuop Plant	29,413,591,330	-
Payable related to office expense of contractor of Thai Binh Project - Vinh Tan PMU	2,899,863,781	2,899,863,781
Payable to EVN	123,008,936,280	3,890,754,566,930
Others	17,037,881,983	10,931,131,068
	<u>1,029,099,484,625</u>	<u>7,751,007,873,417</u>

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	31/12/2014 <u>VND</u>	31/12/2013 <u>VND</u>
Vietnam Development Bank	-	1,989,483,441,947
Joint Stock Commercial Bank for Foreign Trade of Vietnam	891,221,087,771	1,045,969,397,761
Asia Commercial Joint Stock Bank	-	250,394,167,823
Vietnam Bank for Agriculture and Rural Development	-	2,675,715,838,114
Credit Agricole Vietnam Corporate and Investment Bank	-	636,636,657,735
Joint Stock Commercial Bank for Investment and Development of Vietnam	2,134,864,479,902	2,433,359,642,776
An Binh Commercial Joint Stock Bank	-	74,187,201,067
Ba Ria - Vung Tau Development Supporting Fund	532,267,937,814	590,267,650,677
National Power Transmission Corporation	50,000,000,000	-
Vietnam Electricity	1,691,000,000,000	-
Re-borrowing loans from the Vietnam Electricity	49,888,573,754,921	39,040,814,497,681
+ <i>Japan International Cooperation Agency (JICA)</i>	<i>5,117,897,689,408</i>	<i>6,274,577,170,802</i>
+ <i>World Bank</i>	-	<i>100,962,502,496</i>
+ <i>Bonds borrowing</i>	<i>100,000,000,000</i>	<i>928,940,954,246</i>
+ <i>Vietnam Joint Stock Commercial Bank for Industry and Trade</i>	-	<i>182,416,630,806</i>
+ <i>Asia Commercial Joint Stock Bank</i>	<i>312,190,994,907</i>	<i>195,663,248,236</i>
+ <i>Asia Development Bank</i>	<i>16,630,351,357,263</i>	<i>13,822,517,419,769</i>
+ <i>China Eximbank</i>	<i>17,681,297,152,368</i>	<i>11,925,124,614,216</i>
+ <i>Pha Lai Thermal Power JSC</i>	-	<i>350,000,000,000</i>
+ <i>Joint Stock Commercial Bank for Foreign Trade of Vietnam</i>	<i>774,791,627,761</i>	-
+ <i>Joint Stock Commercial Bank for Foreign Trade of Vietnam</i>	-	<i>2,169,279,114,960</i>
+ <i>Vietnam Development Bank</i>	<i>601,605,750,967</i>	<i>2,828,828,149,401</i>
+ <i>Credit Agricole Vietnam Corporate and Investment Bank</i>	<i>465,754,630,410</i>	-
+ <i>Vietnam Bank for Agriculture and Rural Development</i>	<i>540,518,838,667</i>	-
+ <i>French Development Agency</i>	-	<i>262,504,692,749</i>
+ <i>Korea Eximbank</i>	<i>7,664,165,713,170</i>	-
	55,187,927,260,408	48,736,828,495,581

Long-term loans include long-term loans from domestic banks, foreign banks and some loans borrowed through the Vietnam Electricity. These loans have terms ranging from 4 to 27 years. Some loans denominated in USD are subject to LIBOR with a 6-month plus service charge. Some loans denominated in VND are subject to a saving rate of 12 months for Vietnam Dong plus service fees. The remaining loans have fixed interest rates ranging from 2% to 15.6% per annum. These loans are used to finance the Corporation's electricity projects. Some loans are pledged with tangible fixed assets and construction in progress, some loans guaranteed by the Ministry of Finance.

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Long-term loans are repayable on the following schedule:

	31/12/2014	31/12/2013
	<u>VND</u>	<u>VND</u>
Within one year	6,963,417,058,508	3,224,580,976,599
From the second to the fifth year	16,742,180,418,681	19,559,915,270,091
After five year	38,445,746,841,727	29,176,913,225,490
	<u>62,151,344,318,916</u>	<u>51,961,409,472,180</u>
<i>Less: Amount due for settlement within 12 months (shown under current liabilities)</i>	<u>(6,963,417,058,508)</u>	<u>(3,224,580,976,599)</u>
Amount due for settlement after 12 months	<u>55,187,927,260,408</u>	<u>48,736,828,495,581</u>

20. UNEARNED REVENUE

Unearned revenue mainly represents prepaid rental payments from Alstom Energy Services Limited pursuant to the lease contract for the factory on 4 October 2032.

21. OWNER'S EQUITY

	Owner's contributed capital <u>VND</u>	Share Premium <u>VND</u>	Other owner's capital <u>VND</u>
As at 01/01/2013	-	-	-
Transferred from EVN	11,810,725,837,899	-	17,721,171,757
Addition in the year	(27,302,630,185)	-	-
Transferred from funds for fixed assets acquisition	603,635,826,577	-	627,915,000
Capital increase from retained earnings	1,629,228,421	-	-
Addition from funds for fixed assets acquisition	11,954,196,043	-	-
Other adjustment	-	7,560,228,689	-
Adjustment for non-controlling interests	-	(1,545,310,744)	(8,301,126,849)
As at 31/12/2013	<u>12,400,642,458,755</u>	<u>6,014,917,945</u>	<u>10,047,959,908</u>
Addition in the year	721,596,120	-	-
Transferred to EVN	(1,913,708,180,829)	-	-
Other increases	-	-	1,883,886,752
As at 31/12/2014	<u>10,487,655,874,046</u>	<u>6,014,917,945</u>	<u>11,931,846,660</u>

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22. RETAINED EARNINGS

	<u>VND</u>
As at 01/01/2013	-
Transferred from EVN	542,992,901,595
Dividend of 2012 transferred to EVN	(61,692,980,404)
Capital increase from retained earnings	(1,629,228,421)
Profit for the year	257,755,486,893
Profit transferred to EVN	(92,612,947,400)
Funds appropriation	(78,978,491,426)
Appropriated for Bonus and welfare funds	(38,682,443,798)
Other increases	3,728,277,487
As at 31/12/2013	<u>530,880,574,526</u>
Profit for the year	471,589,714,475
Funds appropriation	(137,247,499,140)
Profit transferred to EVN	(74,994,536,564)
Other increases	5,564,968,070
Other decreases	(67,671,462)
As at 31/12/2014	<u>795,725,549,905</u>

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23. FOREIGN EXCHANGE RESERVE AND OTHER RESERVES

	Foreign exchange reserve VND	Investment and development fund VND	Financial reserve fund VND	Other owner's reserves VND	Construction investment fund VND
As at 01/01/2013					
Transferred from EVN	(223,885,108,925)	25,321,886,379	31,996,332,195	5,000,869,603	808,212,758,194
Profit for the year	-	-	-	-	-
Transferred from funds for fixed assets acquisition	-	(343,846,254)	-	-	(603,635,826,577)
Foreign exchange difference	(290,939,623,716)	-	-	-	-
Bonus for the Board of Management	-	-	-	(500,000,000)	-
Funds appropriation	-	63,785,550,856	9,863,427,046	6,698,734,947	-
Reclassification	-	18,397,425,991	(18,397,425,991)	-	-
Adjustment for non-controlling interests	-	634,206,300	-	(2,289,199,170)	-
As at 31/12/2013	(514,824,732,641)	107,795,223,272	23,462,333,250	8,910,405,380	204,576,931,617
Foreign exchange difference in the construction in progress stage (ii)	(305,446,494,337)	-	-	-	-
Funds appropriation	-	63,668,107,932	1,971,368,076	2,419,938,094	-
Transferred from funds for fixed assets acquisition	-	(1,883,886,752)	-	-	-
Funds classification	-	(106,217,495,985)	-	-	106,217,495,985
Other decreases	-	(4,515,700,390)	-	(208,075,925)	-
Transfer to EVN (i)	9,328,629,723	-	-	-	(200,201,000,000)
As at 31/12/2014	(810,942,597,255)	58,846,248,077	25,433,701,326	11,122,267,549	110,593,427,602

(i) According to Official Letter No. 1905/EVN-TCKT dated 19 May 2014, the Group has guided the Corporation to account development and investment fund in accordance with the Circular No. 220/TT-BTC, particularly, decrease development and investment fund to increase construction investment fund.

(ii) The foreign exchange rate difference in the period of construction investment, including the exchange rate difference of electricity projects included in the national electricity development planning which are approved by the Prime Minister will be accumulated and allocated to expenses; the allocation period will not exceed 5 years from the date of operation of the works in accordance with Decree No. 82/2014/ND-CP dated 25 August 2014.

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24. MINORITY INTERESTS

Minority interests represents the share holding portion of other shareholders in the net assets and operating results of the subsidiaries NBP and BTP.

The portion of minority interests in subsidiaries is determined as follows:

	31/12/2014 VND	31/12/2013 VND
Charter capital of Subsidiaries	733,511,000,000	733,511,000,000
In which:		
Equity attributable to the Parent Company	551,689,970,000	551,689,970,000
Equity attributable to the minority interests	181,821,030,000	181,821,030,000
Minority interests	25%	25%

Minority interests in net assets as at 31 December 2014 and 31 December 2013 is as follows:

	31/12/2014 VND	31/12/2013 VND
Total assets	2,347,316,260,767	2,265,155,253,441
Total liabilities	(1,059,103,069,352)	(1,082,259,258,734)
Net assets	1,288,213,191,415	1,182,895,994,707
<i>In detail:</i>		
Charter capital	733,511,000,000	733,511,000,000
Share premium	7,560,228,689	7,560,228,689
Other owner's capital	21,789,347,444	18,349,086,757
Other reserves	110,197,142,867	108,297,803,228
Retained earnings	415,155,472,415	315,177,876,033
Minority interests	325,404,379,342	296,464,525,961
<i>In detail:</i>		
Charter capital	181,821,030,000	181,821,030,000
Share premium	1,545,310,744	1,545,310,744
Other owner's capital	9,857,500,784	8,301,126,849
Other reserves	33,735,363,358	36,226,863,307
Retained earnings	98,445,174,456	68,570,195,061

Minority interests from operating results for the year ended 31 December 2014 and 31 December 2013:

	2014 VND	2013 VND
Profit for the year	178,581,606,307	86,668,255,569
Profit attributable to minority interests from performance results	47,679,030,490	25,563,465,671

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The main business activities of the Corporation are to produce and trade electricity and other activities as well as to provide other services related to the electricity sector. During the year, other business activities accounted for a negligible share in the total revenue and operating results of the Corporation; accordingly, the financial information presented in the consolidated balance sheet as at 31 December 2014 and all revenues and expenses reported in the consolidated income statement for the year then ended mainly related to primary business of the Corporation.

26. REVENUE

	2014	2013
	<u>VND</u>	<u>VND</u>
Electricity sales	26,590,650,368,426	19,407,285,439,002
Sales of other products	13,813,447,707	16,092,261,859
Other services	42,935,433,732	15,598,703,086
	<u>26,647,399,249,865</u>	<u>19,438,976,403,947</u>

27. COST OF SALES

	2014	2013
	<u>VND</u>	<u>VND</u>
Electricity sales	24,491,389,489,749	16,508,124,770,928
Sales of other products	12,429,859,989	14,467,079,240
Other services	36,928,143,027	13,118,356,016
	<u>24,540,747,492,765</u>	<u>16,535,710,206,184</u>

28. FINANCIAL INCOME

	2014	2013
	<u>VND</u>	<u>VND</u>
Bank interest income	100,148,044,714	122,359,158,629
Dividends and profits received	27,200,500,000	5,474,163,500
Realized foreign exchange gain	14,571,106,537	42,757,875,854
Unrealized foreign exchange gain	796,055,088,219	1,418,994,218,056
	<u>937,974,739,470</u>	<u>1,589,585,416,039</u>

29. FINANCIAL EXPENSES

	2014	2013
	<u>VND</u>	<u>VND</u>
Interest expense	1,167,029,199,623	1,192,918,104,051
Realized foreign exchange loss	31,977,564,763	14,946,897,197
Unrealized foreign exchange loss	1,221,510,849,080	2,636,616,766,097
(Reversal)/Provision of financial investment devaluation	(729,746,635)	12,609,819,429
	<u>2,419,787,866,831</u>	<u>3,857,091,586,774</u>

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30. PROFIT/(LOSS) FROM OTHER ACTIVITIES

	2014 VND	2013 VND
Proceeds from Thai Binh 2 Power Plant PMU	879,985,650	7,328,955,445
Proceeds from disposal of materials and assets	15,419,415,480	4,272,712,200
Income from materials recovered from overhaul projects	-	26,808,099,841
Income from reevaluation of assets used for capital contribution	-	27,981,099,330
Penalty from contraction violation	1,567,846,961	196,432,050
Education expenses adjusted to State Audit	-	19,953,457,900
Materials granted by contractors	10,700,767,374	9,677,062,192
Discount 30% of Appendix 01-13/LTRSA	18,453,836,827	-
Other income related to Buon Kuop	-	8,571,043,723
Ash selling	2,340,216,300	-
Others	4,031,490,106	4,902,182,228
	53,393,558,698	109,691,044,909
Expense for Thai Binh 2 Power Plant PMU	879,985,650	7,328,955,537
Value of disposal materials and assets	24,235,119,697	9,059,837,939
Taxes arrears and fines	4,231,986,653	228,922,729,719
Depreciation charge for operation and repair of Phu My 1 and Phu My 4 plants	57,929,364	20,919,289,285
Adjusted according to the minutes of the State Audit	-	11,272,336,758
Depreciation charge for operation of power plants on Srepok River 3	3,351,276,425	-
Penalty for contraction violation	135,942,765	148,414,902
Other expense related to Buon Kuop	-	8,292,775,590
Ash selling expense	2,134,542,861	-
Others	3,586,436,393	3,003,156,350
	38,613,219,808	288,947,496,080
Profit/(loss) from other activities	14,780,338,890	(179,256,451,171)

31. CORPORATE INCOME TAX

	2014 VND	2013 VND
Profit before tax	454,436,977,218	382,808,232,185
Less: Non-assessable income	(76,143,033,924)	(186,065,410,639)
Add: The increasing adjustments	5,568,383,382	161,697,448,705
Taxable income	383,862,326,676	358,440,270,251
Tax rate	22%	25%
Current corporate income tax expense	84,449,711,869	89,610,067,563
Additional tax from previous year	100,546,305	879,212,058
Current corporate income tax expense	84,550,258,174	90,489,279,621

The Corporation is obliged to pay corporate income tax at the rate of 22% (2013: 25%) on taxable income.

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32. CONTINGENT LIABILITIES

The Corporation has a contingent liability in respect of some hydropower companies under the Corporation have to carry out replanting activities pursuant to Decree No. 23/2006/ND-CP dated 3 March 2006 of the Government on the implementation of the Law on Forest Protection and Development and Circular No. 24/2013/TT-BNNPTNT dated 6 May 2013 of the Ministry of Agriculture and Rural Development about replanting when changing the purposes of forests using. There have been no adjustments to the consolidated financial statements of the Corporation for the year ended 31 December 2014, as there is no reliable basis for estimating the amount of this liability.

33. CAPITAL EXPENDITURE COMMITMENTS

As at 31 December 2014, the Group plans to invest VND 18,737 billion (as at 31 December 2013: VND 33,355 billion) in the construction and installation of power plants and other facilities.

Vietnam Electricity and Vietnam Oil and Gas Corporation signed the Nam Con Son gas trading agreement No. 01-NCS/PV-EVN dated 15 October 2001 with the term of 20 years. The Corporation continues to exercise rights and obligations under this contract. For each year's in the stabilization period of the contract, annual gas consumption will be 1.85 billion standard cubic meters.

34. OPERATING LEASE COMMITMENTS

a. Operating lease commitments - The Corporation as Lessee

	2014 VND	2013 VND
Minimum lease payments under operating leases recognised in the income statement for the year	5,937,579,700	4,375,648,700

At the balance sheet date, the Company had outstanding commitments under non-cancellable operating leases, which fall due as follows:

	31/12/2014 VND	31/12/2013 VND
Within one year	5,965,683,038	5,250,778,410
In the second to fifth year inclusive	23,862,732,152	21,003,113,640
After five years	211,371,180,817	167,657,354,631
	<u>241,199,596,007</u>	<u>193,911,246,681</u>

The lease represents 955,751 m² of land in Phu My Town, Tan Thanh District, Ba Ria - Vung Tau Province, Vietnam for 38 years from 26 November 2012 with the annual rental of VND 5,250,778,400.

In 2014, the commitment to lease also shows the rent of 3 land plots with the area of 282,066.3 m²; 321,884 m² and 96,936.6 m² in Vinh Tan commune, Tuy Phong district, Binh Thuan province, Vietnam for 70 years from 28 November 2013 with annual rent of VND 1,020/m²/year based on Land Lease Agreement No. 36/HDTD dated 31 July 2014 with Binh Thuan Province People's Committee.

b. Operating lease commitments - The Corporation as Lessor

	2014 VND	2013 VND
Minimum lease payments under operating leases recognised in the income statement for the year	4,270,000,000	390,268,817

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As at the balance sheet date, the Corporation has a operation commitment corresponding with the future minimum lease payments received from Alstom Energy Services Limited, with the following payment schedule:

	31/12/2014	31/12/2013
	<u>VND</u>	<u>VND</u>
Within one year	390,268,817	-
In the second to fifth year inclusive	17,080,000,000	22,316,814,273
After five years	55,865,833,333	65,575,338,889
	<u>73,336,102,150</u>	<u>87,892,153,162</u>

The Corporation leased factory with non-cancellable conditions. The lessee must pay the fixed rent based on the signed lease contract.

35. FINANCIAL INSTRUMENTS**Capital risk management**

The Corporation manages its capital to ensure that the Corporation will be able to continue as a going concern while maximising the return to owner's shareholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of net debt (borrowings as disclosed in Note 16 and Note 19, offset by cash and cash equivalents) and owners' equity (comprising capital, reserves and retained earnings).

Gearing ratio

The gearing ratio of the Corporation as at the balance sheet date was as follows:

	31/12/2014	31/12/2013
	<u>VND</u>	<u>VND</u>
Borrowings	62,551,344,318,916	52,701,409,472,180
Less: Cash and cash equivalents	2,260,941,508,757	2,634,103,029,413
Net debt	60,290,402,810,159	50,067,306,442,767
Equity	10,696,381,235,855	12,777,506,072,012
Net debt to equity ratio	<u>5.64</u>	<u>3.92</u>

Significant accounting policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the bases of measurement, and the bases for recognition of income and expenses) for each class of financial asset and financial liability are disclosed in Note 4.

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Categories of financial instruments

	Carrying amounts	
	31/12/2014	31/12/2013
	<u>VND</u>	<u>VND</u>
Financial assets		
Cash and cash equivalents	2,260,941,508,757	2,634,103,029,413
Trade and other receivables	2,758,732,097,355	1,865,664,398,123
Financial investments	1,564,934,516,594	1,552,204,769,959
Total	<u>6,584,608,122,706</u>	<u>6,051,972,197,495</u>
Financial liabilities		
Borrowings	62,551,344,318,916	52,701,409,472,180
Trade and other payables	9,058,738,311,456	14,531,648,432,165
Accrued expenses	50,418,897,483	20,436,886,753
Total	<u>71,660,501,527,855</u>	<u>67,253,494,791,098</u>

The Corporation has not assessed fair value of its financial assets and liabilities as at the balance sheet date since there are no comprehensive guidance under Circular No. 210/2009/TT-BTC issued by the Ministry of Finance on 06 November 2009 (“Circular 210”) and other relevant prevailing regulations to determine fair value of these financial assets and liabilities. While Circular 210 refers to the application of International Financial Reporting Standards (“IFRS”) on presentation and disclosures of financial instruments, it did not adopt the equivalent guidance for the recognition and measurement of financial instruments, including application of fair value, in accordance with IFRS.

Financial risk management objectives

The Corporation has set up risk management system to identify and assess the risks exposed by the Company and designed control policies and procedures to manage those risks at an acceptable level. Risk management system is reviewed on a regular basis to reflect changes in market conditions and the Corporation’s operations.

Financial risks include market risk (including foreign currency risk, interest rate risk and price risk), credit risk and liquidity risk.

Market risk

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

Foreign currency risk management

The Corporation undertakes certain transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise.

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The carrying amounts of the Corporation's foreign currency denominated monetary assets (cash, receivables and other assets) and monetary liabilities (payables and borrowings) at the end of the year are as follows:

	Assets		Liabilities	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
	<u>VND</u>	<u>VND</u>	<u>VND</u>	<u>VND</u>
United States Dollar (USD)	1,025,910,173	1,059,000,577	48,241,416,320,905	30,924,779,310,781
Swiss Franc (CHF)	-	-	391,674,789	4,127,776,348
Chinese Yuan Renminbi (CNY)	-	-	2,065,788,979,205	2,076,502,197,526
Euro (EUR)	-	-	-	762,722,612
Japanese Yen (JPY)	-	-	5,563,259,108,984	6,740,529,584,849
Won (KRW)	-	-	578,232,839,371	635,672,854,589

Foreign currency sensitivity analysis

The Company is mainly exposed to United States Dollar, Japanese Yen, Swiss Franc, Chinese Yuan Renminbi, Korean Won and Euro.

The following table details the Corporation's sensitivity to a 1% increase and decrease in Vietnam Dong against the relevant foreign currencies. 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 1% change in foreign currency rates. For a 1% increase/decrease in the following foreign currencies against Vietnam Dong, the profit before tax in the year would decrease/increase by the following amounts:

	2014	2013
	<u>VND</u>	<u>VND</u>
United States Dollar (USD)	(482,403,904,107)	(309,237,203,102)
Swiss Franc (CHF)	(3,916,748)	(41,277,763)
Chinese Yuan Renminbi (CNY)	(20,657,889,792)	(20,765,021,975)
Euro (EUR)	-	(7,627,226)
Japanese Yen (JPY)	(55,632,591,090)	(67,405,295,848)
Won (KRW)	(5,782,328,394)	(6,356,728,546)

Interest rate risk management

The Corporation has significant interest rate risks arising from interest bearing loans which are arranged. The risk is managed by the Corporation by maintaining an appropriate level of borrowings and analysing market competition to enjoy favourable interest rates from appropriate lenders.

Interest rate sensitivity

The loan's sensitivity to interest rate changes which may arise at an appropriate level. Assuming the loan balance at the balance sheet date were the outstanding amount for the whole year, if interest rates applicable to floating interest bearing loans had been 1% higher/lower, the Corporation's profit before tax for the year would have decreased/increased by VND 79,430,859,048 (2013: 32,233,374,233).

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Share price risk management

The Corporation is exposed to equity price risks arising from investments in subsidiaries and associates. The Corporation's Board of Directors assesses and approves decisions on investments in subsidiaries and associates such as operating industry, investees, etc. Investments in subsidiaries and associates are held for long-term strategic investments rather than trading purposes. The Corporation does not have intention to trade these investments in the foreseeable future.

Commodity price risk management

The Corporation purchases materials, commodities from local and foreign suppliers for business purpose. Therefore, the Corporation is exposed to the risk of changes in selling prices of materials, commodities. The Company does not hedge these risk exposures due to the lack of any market to purchase financial instruments.

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Corporation. The Corporation has a credit policy in place and the exposure to credit risk is monitored on an on-going basis. The Corporation does not have any significant credit risk exposure to any counterparty because receivables are mainly from companies within Vietnam Electricity.

Liquidity risk management

The purpose of liquidity risk management is to ensure the availability of funds to meet present and future financial obligations. Liquidity is also managed by ensuring that the excess of maturing liabilities over maturing assets in any period is kept to manageable levels relative to the amount of funds that the Corporation believes can generate within that period. The Corporation policy is to regularly monitor current and expected liquidity requirements to ensure that the Corporation maintains sufficient reserves of cash, borrowings and adequate committed funding from Vietnam Electricity to meet its liquidity requirements in the short and longer term.

The following table details the Corporation's remaining contractual maturity for its non-derivative financial assets and financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial assets and undiscounted cash flows of financial liabilities based on the earliest date on which the Corporation can be required to pay. The inclusion of information on non-derivative financial assets is necessary in order to understand the Corporation's liquidity risk management as the liquidity is managed on a net asset and liability basis.

	Less than 1 year	From 1 - 5 years	Over 5 years	Total
	<u>VND</u>	<u>VND</u>	<u>VND</u>	<u>VND</u>
31/12/2014				
Financial assets				
Cash and cash equivalents	2,260,941,508,757	-	-	2,260,941,508,757
Trade and other receivables	2,758,732,097,355	-	-	2,758,732,097,355
Financial investments	1,059,000,000,000	505,934,516,594	-	1,564,934,516,594
Total	6,078,673,606,112	505,934,516,594	-	6,584,608,122,706
31/12/2014				
Financial liabilities				
Borrowings	7,363,417,058,508	16,742,180,418,681	38,445,746,841,727	62,551,344,318,916
Trade and other payables	9,058,738,311,456	-	-	9,058,738,311,456
Accrued expenses	50,418,897,483	-	-	50,418,897,483
Total	16,472,574,267,447	16,742,180,418,681	38,445,746,841,727	71,660,501,527,855
Net liquidity gap	(10,393,900,661,335)	(16,236,245,902,087)	(38,445,746,841,727)	(65,075,893,405,149)

<u>Related parties</u>	<u>Relationship</u>
Vietnam Electricity	Parent Company
Electric Power Trading Company	Company in EVN Group
Power Engineering Consulting Joint Stock Company 1	Company in EVN Group
Power Engineering Consulting Joint Stock Company 2	Company in EVN Group
Power Engineering Consulting Joint Stock Company 3	Company in EVN Group
Power Engineering Consulting Joint Stock Company 4	Company in EVN Group
EVN Finance Joint Stock Company	Company in EVN Group
Electric Testing Center -	Company in EVN Group
Southern Power Corporation	
Power Transmission Corporation	Company in EVN Group
Power Transmission Company 3	Company in EVN Group
Information Technology Center	Company in EVN Group
Thermal Power 3 PMU	Company in EVN Group
Southern Power Plants PMU	Company in EVN Group
Central Electric Testing Company Limited	Company in EVN Group
Northern Electric Testing Company Limited	Company in EVN Group
Thai Binh Thermal Power PMU	Company in EVN Group

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During the year, the Corporation entered into the following significant transactions with its related parties:

	2014	2013
	<u>VND</u>	<u>VND</u>
Electricity and services sales		
Electric Power Trading Company	26,590,179,208,930	19,405,902,929,165
Thai Binh Thermal Power PMU	<u>996,768,229</u>	<u>7,354,526,452</u>
Electricity purchases		
Vietnam Electricity	<u>126,708,801,946</u>	<u>36,957,785,755</u>
Purchases of Services		
Electric Testing Center - Southern Power Corporation	1,608,067,591	765,746,632
Northern Electric Testing Company Limited	1,421,953,542	-
Power Engineering Consulting Joint Stock Company 2	100,870,163,910	1,194,956,818
Power Engineering Consulting Joint Stock Company 3	9,794,839,671	1,026,089,776
Power Engineering Consulting Joint Stock Company 4	3,491,306,897	-
Information Technology Center	<u>2,030,929,461</u>	<u>-</u>
Other - interest income		
EVN Finance Joint Stock Company	<u>31,397,388,889</u>	<u>72,546,666,667</u>
Others		
Vietnam Electricity		
Profit transferred to EVN	70,451,992,374	154,707,932,100
Loan interest	3,084,129,688,727	2,914,102,604,180
Loan received during the year	22,867,232,159,952	19,407,162,869,243
Loan paid during the year	<u>3,204,395,996,594</u>	<u>2,887,860,150,884</u>
Power Transmission Corporation		
Loan interest	<u>3,701,423,055</u>	<u>-</u>

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Significant related party balances as at the balance sheet date were as follows:

	31/12/2014	31/12/2013
	<u>VND</u>	<u>VND</u>
Receivables		
Electric Power Trading Company	2,609,442,240,384	1,299,061,294,701
Buon Don Hydropower JSC	-	4,495,020,000
Prepayments		
Power Engineering Consulting Joint Stock Company 2	124,579,240,292	-
Power Engineering Consulting Joint Stock Company 3	24,179,369,227	-
Power Engineering Consulting Joint Stock Company 4	1,170,507,780	-
Other receivables		
Vietnam Electricity	-	330,593,637,656
Southern Power Plants PMU	147,814,634	-
Thermal Power 3 PMU	833,367,237	-
EVN Finance Joint Stock Company - deposit interest	9,243,500,000	11,729,166,667
Short-term investment		
EVN Finance Joint Stock Company - term deposit	510,000,000,000	580,000,000,000
Payables		
Vietnam Electricity	953,294,760	3,059,381,354
Power Engineering Consulting Joint Stock Company 1	323,800,802	-
Power Engineering Consulting Joint Stock Company 2	-	499,925,627
Power Engineering Consulting Joint Stock Company 3	-	600,719,050
Power Transmission Company 3	63,020,000	-
Information Technology Center	993,639,761	-
Central Electric Testing Company Limited	968,187,533	-
Electric Testing Center -	-	-
Southern Power Corporation	654,025,522	840,069,912
Other payables		
Vietnam Electricity	123,008,936,280	3,887,695,185,576
Power Transmission Corporation	10,582,688,799	58,717,740,882
Loans		
Vietnam Electricity	58,898,635,151,930	39,767,722,449,562
Power Transmission Corporation	50,000,000,000	-

Vu Phuong Thao
Preparer

Nguyen Thi Thanh Huong
Chief Accountant

Truong Quoc Phuc
Deputy General Director
8 April 2015