

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

(Incorporated in the Socialist Republic of Vietnam)

AUDITED SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2014

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

A handwritten signature in black ink, appearing to be 'NQ' with a long horizontal stroke extending to the right.

**Nguyen Quang Trung
Audit Partner**

Ho Chi Minh City, 30 January 2018

POWER GENERATION CORPORATION 3 - ONE MEMBER LIMITED LIABILITY COMPANY

Phu My Town, Tan Thanh District

Ba Ria – Vung Tau Province, S.R.Vietnam

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POWER GENERATION CORPORATION 3 - ONE MEMBER LIMITED LIABILITY COMPANY

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

STATEMENT OF THE BOARD OF DIRECTORS

The Board of Directors of Power Generation Corporation 3 – One Member Limited Liability Company (the “Corporation”) presents this report together with the Corporation’s separate 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 separate 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 separate financial statements, the Board of Directors is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting principles have been followed, subject to any material departures disclosed and explained in the separate financial statements;
- prepare the separate 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 separate 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 separate 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 separate financial statements.

For and on behalf of the Board of Directors,

Truong Quoc Phuc
Deputy General Director
6 April 2015

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying separate financial statements of Power Generation Corporation 3 – One Member Limited Liability Company (the “Corporation”), prepared on 6 April 2015, as set out from page 4 to page 33, which comprise the balance sheet as at 31 December 2014, and the statement of income, and 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 “separate financial statements”).

Board of Directors' Responsibility for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of these separate 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 separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Auditors' Opinion

In our opinion, the accompanying separate financial statements give a true and fair view of, in all material respects, the financial position of the Corporation as at 31 December 2014, and its financial performance and its 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 separate financial statements as set out from page 4 to page 33. The supplemental information presented in page 34 is an optional part of these separate 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 matters:

- 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") except that under Circular 179, the Corporation is permitted to continue recording foreign exchange losses of the previous years arising from year-end revaluation of long-term liabilities 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 - "Effects of changes in foreign exchange rates". The effect of the Corporation's adoption of Circular 179 on its separate financial statements for the year ended 31 December 2014 is presented in Note 4 of the Notes to the separate financial statements.
- As stated in Note 13 of the Notes to the separate financial statements, pursuant to Circular 220/2013/TT-BTC dated 31 December 2013 guiding application of certain articles of Decree No.71/2013/ND-CP dated 11 July 2013 on investment of state capital in enterprises and financial management over enterprises that state holds 100% of charter capital, in 2013, the Corporation recognized an increase in financial income and an increase in investment in associate - Vinh Son Song Hinh Hydropower Joint Stock Company from stock dividends declared prior to 1 January 2013 with the amount of VND 113 billion. In 2014, according to Official Letter No. 15716/BTC-TCDN dated 29 October 2014 guiding the accounting for stock dividends received by 100% state-owned enterprises, for stock dividends received prior to 1 January 2013 shall comply with the provisions in Circular No. 117/2010/TT-BTC dated 5 August 2010, and Circular No. 244/2009/TT-BTC dated 31 July December 2009. Accordingly, the Corporation has reduced financial income and the decrease in the investment in associate - Vinh Son - Song Hinh Hydropower Joint Stock Company with the same amount of VND 113 billion.

Our opinion is not modified in respect of these matters.

Nguyen Quang Trung
Audit Partner
Audit Practising Registration Certificate
No. 0733-2013-001-1
For and on behalf of
DELOITTE VIETNAM COMPANY LIMITED
6 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 COMPANYPhu My Town, Tan Thanh District
Ba Ria – Vung Tau Province, S.R. Vietnam**Separate financial statements**
For the year ended 31 December 2014**BALANCE SHEET**
*As at 31 December 2014***Deloitte Vietnam**
FOR IDENTIFICATION
PURPOSE ONLY**FORM B 01-DN**
Unit: VND

ASSETS	Codes	Notes	31/12/2014	31/12/2013
A. CURRENT ASSETS (100=110+120+130+140+150)	100		9,238,613,211,291	9,438,271,826,912
I. Cash and cash equivalents	110	5	1,864,418,585,340	2,088,263,240,763
1. Cash	111		1,858,418,585,340	1,986,559,640,763
2. Cash equivalents	112		6,000,000,000	101,703,600,000
II. Short-term financial investments	120		430,000,000,000	450,000,000,000
1. Short-term investments	121	6	430,000,000,000	450,000,000,000
III. Short-term receivables	130		4,943,983,965,754	4,791,566,863,034
1. Trade accounts receivable	131		2,066,296,715,756	1,120,144,001,049
2. Advances to suppliers	132		2,776,575,624,810	3,150,169,255,704
3. Other receivables	135	7	101,111,625,188	521,253,606,281
IV. Inventories	140	8	1,496,350,282,585	1,665,444,348,392
1. Inventories	141		1,504,037,639,503	1,672,535,793,755
2. Provision for devaluation of inventories	149		(7,687,356,918)	(7,091,445,363)
V. Other short-term assets	150		503,860,377,612	442,997,374,723
1. Short-term prepayments	151		843,140,776	1,179,555,333
2. Value added tax deductibles	152		502,122,174,451	437,279,431,258
3. Taxes and other receivables from the State Budget	154		47,465,549	4,512,916
4. Other short-term assets	158		847,596,836	4,533,875,216
B. NON-CURRENT ASSETS (200=220+250+260)	200		71,657,353,804,642	69,312,993,742,074
I. Fixed assets	220		70,102,547,443,970	66,675,276,158,357
1. Tangible fixed assets	221	9	13,140,792,922,317	25,531,673,730,717
- Cost	222		47,051,076,326,242	57,065,329,609,601
- Accumulated depreciation	223		(33,910,283,403,925)	(31,533,655,878,884)
2. Intangible fixed assets	227	10	62,496,876,457	42,156,610,423
- Cost	228		70,086,738,689	62,039,401,998
- Accumulated amortisation	229		(7,589,862,232)	(19,882,791,575)
3. Construction in progress	230	11	56,899,257,645,196	41,101,445,817,217
II. Long-term financial investments	250		1,501,311,982,438	1,614,422,685,763
1. Investments in subsidiaries	251	12	551,689,970,000	551,689,970,000
2. Investments in associates	252	13	791,558,350,850	904,669,054,175
3. Other long-term investments	258	14	158,063,661,588	158,063,661,588
III. Other long-term assets	260		53,494,378,234	1,023,294,897,954
1. Long-term prepayments	261	15	53,482,378,234	1,023,282,897,954
2. Other long-term assets	268		12,000,000	12,000,000
TOTAL ASSETS (270 = 100 + 200)	270		80,895,967,015,933	78,751,265,568,986

The accompanying notes set out on pages 9 to 33 are an integral part of these separate financial statements

POWER GENERATION CORPORATION 3 - ONE MEMBER LIMITED LIABILITY COMPANYPhu My Town, Tan Thanh District
Ba Ria – Vung Tau Province, S.R. Vietnam**Separate financial statements**
For the year ended 31 December 2014**Deloitte Vietnam**
FOR IDENTIFICATION
PURPOSE ONLY**BALANCE SHEET (Continued)**

As at 31 December 2014

FORM B 01-DN
Unit: VND

RESOURCES	Codes	Notes	31/12/2014	31/12/2013
A. LIABILITIES (300 = 310+330)	300		71,087,023,898,840	66,587,780,328,888
I. Current liabilities	310		16,427,452,117,792	18,469,681,867,873
1. Short-term loans and liabilities	311	16	7,284,253,550,749	3,816,152,918,537
2. Trade accounts payable	312		7,678,809,374,117	6,558,579,038,759
3. Advances from customers	313		228,979,723	617,909,091
4. Taxes and amounts payable to the State budget	314	17	171,251,752,692	182,162,826,348
5. Payables to employees	315		143,310,351,598	118,073,956,129
6. Accrued expenses	316		46,226,524,492	14,079,401,330
7. Other current payables	319	18	1,019,998,204,369	7,742,549,672,743
8. Bonus and welfare funds	323		83,373,380,052	37,466,144,936
II. Long-term liabilities	330		54,659,571,781,048	48,118,098,461,015
1. Long-term loans and liabilities	334	20	54,655,659,322,594	48,112,233,275,288
2. Unearned revenue	338	19	3,912,458,454	5,865,185,727
B. EQUITY (400=410)	400		9,808,943,117,093	12,163,485,240,098
I. Owners' equity	410	21	9,808,943,117,093	12,163,485,240,098
1. Owners' contributed capital	411		10,487,655,874,046	12,400,642,458,755
2. Foreign exchange reserve	416		(810,942,597,255)	(514,824,732,641)
3. Investment and development fund	417		18,940,437,443	68,097,021,981
4. Retained earnings	420		2,695,975,257	4,993,560,386
5. Construction investment capital	421		110,593,427,602	204,576,931,617
TOTAL RESOURCES (440 = 300+ 400)	440		80,895,967,015,933	78,751,265,568,986
OFF BALANCE SHEET ITEMS			31/12/2014	31/12/2013
1. Foreign currency				
United States Dollar ("USD")			37,141.86	39,736.79

Vu Phuong Thao
PreparerNguyen Thi Thanh Huong
Chief AccountantTruong Quoc Phuc
Deputy General Director
6 April 2015

The accompanying notes set out on pages 9 to 33 are an integral part of these separate financial statements

POWER GENERATION CORPORATION 3 - ONE MEMBER LIMITED LIABILITY COMPANYPhu My Town, Tan Thanh District
Ba Ria – Vung Tau Province, S.R. Vietnam**Separate financial statements**
For the year ended 31 December 2014**Deloitte Vietnam**
*FOR IDENTIFICATION
PURPOSE ONLY***INCOME STATEMENT**
*For the year ended 31 December 2014***FORM B 02-DN**
Unit: VND

ITEMS	Codes	Notes	2014	2013
1. Gross revenue from goods sold and services rendered	01	23	23,569,780,612,466	17,440,036,936,658
2. Cost goods sold and services rendered	11	24	21,696,141,707,432	14,702,812,002,513
3. Net profit from goods sold and services rendered (20=10-11)	20		1,873,638,905,034	2,737,224,934,145
4. Financial income	21	25	847,789,781,142	1,583,476,874,127
5. Financial expenses	22	26	2,356,536,841,835	3,765,451,965,396
- In which: Interest expense	23		1,146,659,420,142	1,167,383,135,270
6. General and administration expenses	25		147,881,380,270	139,965,616,641
7. Operating profit (30=20+(21-22)-25)	30		217,010,464,071	415,284,226,235
8. Other income	31		45,995,124,782	96,836,903,328
9. Other expenses	32		32,703,796,638	276,157,611,989
10. Profit/(Loss) from other activities (40=31-32)	40	27	13,291,328,144	(179,320,708,661)
11. Accounting profit before tax (50=30+40)	50		230,301,792,215	235,963,517,574
12. Current corporate income tax expense	51	28	38,996,679,478	71,138,877,446
13. Net profit after corporate income tax (60=50-51)	60		191,305,112,737	164,824,640,128

Vu Phuong Thao
Preparer**Nguyen Thi Thanh Huong**
Chief Accountant**Truong Quoc Phuc**
Deputy General Director
6 April 2015

Deloitte Vietnam FOR IDENTIFICATION PURPOSE ONLY

CASH FLOW STATEMENT
For the year ended 31 December 2014

FORM B 03-DN
Unit: VND

ITEMS	Codes	2014	2013
I. CASH FLOWS FROM OPERATING ACTIVITIES			
<i>1. Profit before tax</i>	<i>01</i>	<i>230,301,792,215</i>	<i>235,963,517,574</i>
<i>2. Adjustments for:</i>			
Depreciation and amortization of assets	02	3,237,926,026,231	3,091,548,898,648
Provisions	03	595,911,555	(2,544,576,037)
Unrealised foreign exchange difference	04	438,528,152,971	1,201,480,517,954
Gain from investing activities	05	(80,338,073,770)	(182,615,316,693)
Interest expense	06	1,146,659,420,142	1,167,383,135,270
<i>3. Operating profit before movements in working capital</i>	<i>08</i>	<i>4,973,673,229,344</i>	<i>5,511,216,176,716</i>
Changes in receivables	09	(3,959,432,031,869)	1,433,993,057,686
Changes in inventories	10	(207,848,680,850)	203,286,870,054
Changes in accounts payable	11	10,951,415,774,168	914,952,127,034
Changes in prepaid expenses	12	(59,241,269,314)	2,854,552,615
Interest paid	13	(1,800,449,939,831)	(1,182,440,913,118)
Corporate income tax paid	14	(71,321,357,474)	(8,142,127,130)
Other cash outflows	16	(45,907,235,116)	(3,646,309,137)
<i>Net cash from operating activities</i>	<i>20</i>	<i>9,780,888,489,058</i>	<i>6,872,073,434,720</i>
II. CASH FLOWS FROM INVESTING ACTIVITIES			
1. Acquisition and construction of fixed assets	21	(28,067,598,627,273)	(21,899,273,736,987)
2. Proceeds from sales, disposal of fixed assets	22	133,746,427	113,092,035
3. Cash outflows for short-term deposits at banks	23	(50,000,000,000)	(150,000,000,000)
4. Cash recovered from short-term deposits at banks	24	70,000,000,000	-
5. Interest earned	27	133,936,074,236	48,440,657,786
<i>Net cash (used in) investing activities</i>	<i>30</i>	<i>(27,913,528,806,610)</i>	<i>(22,000,719,987,166)</i>
III. CASH FLOWS FROM FINANCING ACTIVITIES			
1. Proceeds from receiving capital from the owner	31	-	634,206,300
2. Proceeds from borrowings	33	21,249,992,224,140	19,412,841,510,311
3. Repayments of borrowings	34	(3,341,205,579,004)	(2,828,581,393,863)
<i>Net cash from financing activities</i>	<i>40</i>	<i>17,908,786,465,136</i>	<i>16,584,894,322,748</i>
Net (decrease)/ increase in cash (50=20+30+40)	50	(223,853,852,416)	1,456,247,770,302
Cash and cash equivalents increase from other EVN's subsidiaries due to re-structure process	60	-	634,618,660,790
Cash and cash equivalents at the beginning of the year	60	2,088,263,240,763	
Effect of changes in foreign exchange rates	61	9,196,993	(2,603,190,329)
Cash and cash equivalents at the end of the year (70=50+60+61)	70	<u>1,864,418,585,340</u>	<u>2,088,263,240,763</u>

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 Vietnam Electricity 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
6 April 2015

NOTES TO THE SEPARATE FINANCIAL STATEMENTS**FORM B 09-DN***These notes are an integral part of and should be read in conjunction with the separate financial statements***1. GENERAL INFORMATION****Deloitte Vietnam**
*FOR IDENTIFICATION
PURPOSE ONLY***Structure of ownership**

The Power Generation Corporation 3 – One Member Limited Liability Company (“the Corporation”) was established as per Decision No. 3025/QĐ-BCT dated 1 June 2012 of the Ministry of Industry and Trade following the parent - subsidiary model and on the basis of reorganization and restructuring of Phu My Thermal Power One Member Limited Liability Company, a number of generation companies 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.

The organizational structure of the Corporation includes:

- Dependent power generation companies: Buon Kuop Hydropower Company, Huoi Quang - Ban Chat Hydropower Company;
- Power Generation Project Management Boards: Hydropower Project Management Board 1^(*), Thermal Power Project Management Board 1, Vinh Tan Thermal Power Project Management Board;
- Phu My Thermal Power Plant;
- Office of the Corporation.

(*) According to Decision No. 9669/QĐ-BCT dated 28 October 2014 by the Ministry of Industry and Trade, Huoi Quang - Ban Chat Hydropower Company and Hydropower Project Management Board 1 have been transferred from the Vietnam Electricity from 1 November 2014.

The total number of employees of the Corporation as at 31 December 2014 was 1,667 (as at 31 December 2013: 1,728).

Operating industry and principal activities

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

2. ACCOUNTING CONVENTION AND FINANCIAL YEAR**Accounting convention**

The accompanying separate 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 Corporation’s separate financial statements are prepared based on summary of the financial statements of the dependent accounting units including power plants, project management boards, and ancillary units, and office report and industry report.

The accompanying separate 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.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)*These notes are an integral part of and should be read in conjunction with the separate financial statements.***FORM B 09-DN****Deloitte Vietnam**
FOR IDENTIFICATION
PURPOSE ONLY**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. This Circular is 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. The Board of Directors is considering the extent of impact of the adoption of this Circular on the Corporation’s 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 separate financial statements, are as follows:

Estimates

The preparation of separate 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 separate 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.

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, deposits, 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.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

*These notes are an integral part of and should be read in conjunction with the separate financial statements***Deloitte Vietnam**
FOR IDENTIFICATION
CONFIDENTIAL**Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and where applicable, direct labour costs and those overheads 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 estimated 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:

Tangible fixed assets	2014 (Years)
Buildings and structures	10 - 25
Machinery and equipment (*)	10 - 15
Motor vehicles, transmission equipment	10
Office Equipment	03 - 05
Others	05 - 10

(*) According to the Official Letter No. 2492/BTC-TCN 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 for welfare activities 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 amortization. Land use rights are amortized 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 amortized on the straight-line basis over their estimated useful lives but not exceed 10 years.

Operating lease

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

(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.

Investment in subsidiaries

A subsidiary is an entity over which the Corporation has control. Control is achieved where the Corporation 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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Investments in subsidiaries in the separate financial statements of the Corporation comprise investments in joint-stock companies governed by the Corporation. Investments in subsidiaries are recognised at cost.

Provisions for impairment of investments in subsidiaries are made in accordance with prevailing accounting regulations.

Investments in associates

An associate is an entity over which the Corporation 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. Investments in associates are recognised at cost.

Provisions for impairment of investments in associates are made in accordance with prevailing accounting regulations.

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.

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

The Corporation's funds are appropriated and used in accordance with the prevailing regulations applicable to State Owned Enterprises in accordance with Decree No. 71/2013/ND-CP ("Decree 71") dated 11 July 2013 guiding on investment of state capital in enterprises and financial management of enterprises of which 100% charter capital is held by the state and Circular No. 220/2013/TT-BTC dated 31 December 2013 guiding Decree 71.

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.

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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;
- (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.

Foreign currencies

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 by the Ministry of Finance ("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 separate financial statements.

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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.

Taxation

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 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	823,664,349	1,437,552,412
Cash in bank	1,857,594,920,991	1,985,122,088,351
Cash equivalents	6,000,000,000	101,703,600,000
	<u>1,864,418,585,340</u>	<u>2,088,263,240,763</u>

As at 31 December 2014, cash equivalents represent term deposits in commercial banks in Vietnam Dong with the terms from 1 to 3 months and earn the interest rate at 5% per annum (2013: from 6% to 6.5% per annum).

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Short-term investments represent the value of term deposits at the EVN Finance Joint Stock Company with the term of 4 months and earn the interest rate at 5% per annum (2013: 6.5% per annum).

7. OTHER RECEIVABLES

	31/12/2014 VND	31/12/2013 VND
Costs related to Hydropower Project Management Board 5 and 1	-	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	3,707,500,000	7,211,745,141
Dividend declared	71,779,948,000	-
Exchange rate difference and 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	14,547,692,933	21,257,478,202
	101,111,625,188	521,253,606,281

8. INVENTORIES

	31/12/2014 VND	31/12/2013 VND
Raw materials	1,344,864,295,674	1,594,557,200,559
Tools and supplies	4,339,305,230	8,934,992,724
Work in progress	154,834,038,599	69,043,600,472
	1,504,037,639,503	1,672,535,793,755
Provision for devaluation of inventories	(7,687,356,918)	(7,091,445,363)
	1,496,350,282,585	1,665,444,348,392

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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Deloitte Vietnam
FOR IDENTIFICATION PURPOSE ONLY

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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	16,130,364,184,772	37,532,007,677,922	3,360,137,108,245	41,032,951,713	1,787,686,949	57,065,329,609,601
Additions	424,430,217	5,636,078,709	7,619,052,272	9,964,140,289	2,925,747,226	26,569,448,713
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)	-	-	(514,410,896)	-	(1,103,628,623)
Reclassified to intangible assets	(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	7,848,534,289,511	35,658,884,320,453	3,491,237,735,764	47,706,546,339	4,713,434,175	47,051,076,326,242

ACCUMULATED DEPRECIATION

As at 01/01/2014	3,983,556,669,471	26,168,508,840,427	1,366,154,598,543	15,130,247,436	305,523,007	31,533,655,878,884
Charge for the year	590,806,005,335	2,413,218,156,608	225,935,590,192	5,852,666,367	399,057,627	3,236,211,476,129
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)	-	(871,255,375,291)
Disposals	(455,471,300)	-	-	(514,410,896)	-	(969,882,196)
Other decreases	-	-	(139,611,362)	(519,332,673)	(13,636,364)	(672,580,399)
As at 31/12/2014	3,973,810,619,397	28,336,532,068,684	1,581,059,523,462	18,190,248,112	690,944,270	33,910,283,403,925

NET BOOK VALUE

As at 31/12/2014	3,874,723,670,114	7,322,352,251,769	1,910,178,212,302	29,516,298,227	4,022,489,905	13,140,792,922,317
As at 31/12/2013	12,146,807,515,301	11,363,498,837,495	1,993,982,509,702	25,902,704,277	1,482,163,942	25,531,673,730,717

A number of tangible fixed assets used to secure bank loans are presented in Note 16 and Note 20.

At as 31 December 2014, the cost of the Corporation's fixed assets includes VND 262,604,661,974 (31 December 2013: VND 18,764,214,287) 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
	VND	VND	VND
COST			
As at 01/01/2014	57,174,312,782	4,865,089,216	62,039,401,998
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	64,452,359,739	5,634,378,950	70,086,738,689
ACCUMULATED AMORTISATION			
As at 01/01/2014	16,898,856,207	2,983,935,368	19,882,791,575
Charge for the year	1,247,515,510	467,034,592	1,714,550,102
Other decreases	(14,007,479,445)	-	(14,007,479,445)
As at 31/12/2014	4,138,892,272	3,450,969,960	7,589,862,232
NET BOOK VALUE			
As at 31/12/2014	60,313,467,467	2,183,408,990	62,496,876,457
As at 31/12/2013	40,275,456,575	1,881,153,848	42,156,610,423

11. CONSTRUCTION IN PROGRESS

	31/12/2014	31/12/2013
	VND	VND
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 Maintenance Office Building	-	1,147,839,732
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

(*) Assets formed in the future from construction in progress are used to secure bank loans as presented in Note 16 and Note 20.

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During the year, the interest expense was capitalized as part of the construction in progress amounting to VND 2,004,203,192,817 (as at 31 December 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

Subsidiaries	Place of incorporation and operation	Proportion of ownership interest %	Proportion of voting power held %	Principal activity	Investment as at 31/12/2014 and 31/12/2013 (VND)
Ba Ria Thermal Power JSC	Ba Ria - Vung Tau	79.56%	79.56%	Electricity producing and trading	481,235,570,000
Ninh Binh Thermal Power JSC	Ninh Binh	54.76%	54.76%	Electricity producing and trading	70,454,400,000
					551,689,970,000

13. INVESTMENTS IN ASSOCIATES

	31/12/2014 VND	31/12/2013 VND
Thac Ba Hydropower JSC	190,500,000,000	190,500,000,000
Vinh Son Song Hinh Hydropower JSC (*)	517,058,350,850	630,169,054,175
Se San 3A Power Investment and Development JSC	84,000,000,000	84,000,000,000
	791,558,350,850	904,669,054,175

(*) Pursuant to Circular 220/2013/TT-BTC dated 31 December 2013 guiding application of certain articles of Decree No. 71/2013/ND-CP dated 11 July 2013 on investment of state capital in enterprises and financial management over enterprises that the state holds 100% of charter capital, in 2013, the Corporation recognized an increase in financial income and an increase in investment in associate - Vinh Son Song Hinh Hydropower Joint Stock Company from stock dividends declared prior to 1 January 2013 with the amount of VND 113 billion. In 2014, according to Official Letter No. 15716/BTC-TCND dated 29 October 2014 guiding the accounting for stock dividends received by 100% state-owned enterprises, the Corporation has reduced financial income and the decrease in the investment in associate - Vinh Son - Song Hinh Hydropower Joint Stock Company with the corresponding amount.

Details of associates as at 31 December 2014 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

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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
Alstom Energy Service Company Limited	74,463,661,588	74,463,661,588
Viet Lao Power JSC	19,600,000,000	19,600,000,000
	158,063,661,588	158,063,661,588

15. LONG-TERM PREPAYMENTS

	31/12/2014	31/12/2013
	<u>VND</u>	<u>VND</u>
Tools, equipment	14,183,893,220	18,760,166,518
Cost of production preparation for Buon Kuop, Buon Tua Srah and Srepok 3 Hydropower Plant	38,390,705,559	39,344,780,738
Exchange rate difference pending for allocation	-	965,177,950,698
Others	907,779,455	-
	53,482,378,234	1,023,282,897,954

16. SHORT-TERM BORROWINGS AND LIABILITIES

	31/12/2014	31/12/2013
	<u>VND</u>	<u>VND</u>
Short-term loans	400,000,000,000	700,000,000,000
Vietnam Joint Stock Commercial Bank for Industry and Trade	-	100,000,000,000
Vietnam International Commercial Joint Stock Bank	-	100,000,000,000
Re-borrowing loans from the Electricity of Vietnam	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)	6,884,253,550,749	3,116,152,918,537
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
Re-borrowing loans from the Vietnam Electricity	6,884,253,550,749	1,463,393,154,557
+ <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>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>Joint Stock Commercial Bank for Foreign Trade of Vietnam (**)</i>	2,420,998,500,880	-
+ <i>World Bank</i>	67,567,221,483	137,217,806,400
+ <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
	7,284,253,550,749	3,816,152,918,537

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(*) 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.

(**) According to Official Letter No. 3036/EVN-TCKT dated 5 August 2014 of the Electricity of Vietnam 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	103,506,022,649	66,660,706,814
Withholding tax	225,014,607	17,074,956,380
Natural resources Tax	14,565,592,130	8,019,821,725
Corporate Income Tax	38,755,924,228	71,080,002,678
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>171,251,752,692</u>	<u>182,162,826,348</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	66,656,193,898	1,188,165,761,916	1,151,362,790,169	103,459,165,645
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	8,019,821,725	255,264,519,892	248,718,749,487	14,565,592,130
Corporate Income Tax	71,080,002,678	38,993,664,841	71,318,351,836	38,755,315,683
Personal Income Tax	1,709,204,751	12,398,027,259	11,638,010,372	2,469,221,638
Fees and tolls - forest environment service fee	17,618,134,000	62,504,097,020	68,392,253,580	11,729,977,440
Penalty payable	-	3,234,792	3,234,792	-
Land rental	-	5,771,929,980	5,771,929,980	-
Other fees and charges	-	241,644,567	241,644,567	-
	<u>182,158,313,432</u>	<u>1,660,122,632,395</u>	<u>1,671,076,658,684</u>	<u>171,204,287,143</u>

In which:

- Taxes and amounts receivable from the State Budget
4,512,916

47,465,549

- Taxes and amounts payable to the State Budget

182,162,826,348

171,251,752,692

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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	869,272,422	469,705,404
Social insurance, health insurance and unemployment insurance	136,069,297	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 - Ban Chat	-	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 Plai	29,413,591,330	-
Payable to EVN	122,809,726,838	3,887,695,185,576
Others	11,132,836,880	8,455,374,068
	<u>1,019,998,204,369</u>	<u>7,742,549,672,743</u>

19. UNEARNED REVENUE

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

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20. LONG-TERM LOANS AND LIABILITIES

	31/12/2014 VND	31/12/2013 VND
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
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	39,006,486,928,065
+ Japan International Cooperation Agency (JICA)	5,117,897,689,408	6,274,577,170,802
+ World Bank	-	66,634,932,880
+ Bonds borrowing	100,000,000,000	928,940,954,246
+ Vietnam Joint Stock Commercial Bank for Industry and Trade	-	182,416,630,806
+ Asia Commercial Joint Stock Bank	312,190,994,907	195,663,248,236
+ Asia Development Bank	16,630,351,357,263	13,822,517,419,769
+ China Eximbank	17,681,297,152,368	11,925,124,614,216
+ Pha Lai Thermal Power JSC	-	350,000,000,000
+ Joint Stock Commercial Bank for Foreign Trade of Vietnam - Daklak Branch	774,791,627,761	-
+ Joint Stock Commercial Bank for Foreign Trade of Vietnam	-	2,169,279,114,960
+ Vietnam Development Bank	601,605,750,967	2,828,828,149,401
+ Credit Agricole Vietnam Corporate and Investment Bank	465,754,630,410	-
+ Vietnam Bank for Agriculture and Rural Development (**)	540,518,838,667	-
+ Korea Eximbank	7,664,165,713,170	-
+ French Development Agency	-	262,504,692,749
	54,655,659,322,594	48,112,233,275,288

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

Long-term loans are repayable on the following schedule:

	31/12/2014 VND	31/12/2013 VND
Within one year	6,884,253,550,749	3,116,152,918,537
From the second to the fifth year	16,564,757,772,684	19,525,587,700,475
After five year	38,090,901,549,910	28,586,645,574,813
	61,539,912,873,343	51,228,386,193,825
<i>Less: Amount due for settlement within 12 months (shown under current liabilities)</i>	<i>(6,884,253,550,749)</i>	<i>(3,116,152,918,537)</i>
Amount due for settlement after 12 months	54,655,659,322,594	48,112,233,275,288

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21. OWNER'S EQUITY

	Owner's contributed capital VND	Foreign exchange reserve VND	Investment and development fund VND	Financial reserve fund VND	Retained earnings VND	Construction investment fund VND	Total VND
Transferred from EVN	11,810,725,837,899	(223,885,108,925)	(382,002,349)	18,397,425,991	7,919,444,783	808,212,758,194	12,420,988,355,593
Exchange difference in the course of construction in progress	-	(290,939,623,716)	-	-	-	-	(290,939,623,716)
Other increase/(decrease) due to finalization	(27,302,630,185)	-	634,206,300	-	-	-	(26,668,423,885)
Increase from retained earnings	1,629,228,421	-	-	-	(1,629,228,421)	-	-
Profit for the year	-	-	-	-	164,824,640,128	-	164,824,640,128
Profit transferred to EVN	-	-	-	-	(92,612,947,400)	-	(92,612,947,400)
Appropriated for Investment and development fund	-	-	49,447,392,039	-	(49,447,392,039)	-	-
Appropriated for Bonus and welfare funds	-	-	-	-	(27,861,774,223)	-	(27,861,774,223)
Transferred from Construction in progress	603,635,826,577	-	-	-	-	(603,635,826,577)	-
Transferred from funds for fixed assets acquisition	11,954,196,043	-	-	-	-	-	11,954,196,043
Reclassification	-	-	18,397,425,991	(18,397,425,991)	-	-	-
Other adjustments	-	-	-	-	3,800,817,558	-	3,800,817,558
As at 31/12/2013	12,400,642,458,755	(514,824,732,641)	68,097,021,981	-	4,993,560,386	204,576,931,617	12,163,485,240,098
Increase in the year	721,596,120	-	(40,968,620)	-	-	-	680,627,500
Transfer to EVN (i)	(1,913,708,180,829)	9,328,629,723	-	-	(4,542,544,190)	(200,201,000,000)	(2,109,123,095,296)
Foreign exchange difference from construction in progress (iii)	-	(305,446,494,337)	-	-	-	-	(305,446,494,337)
Profit for the year	-	-	-	-	191,305,112,737	-	191,305,112,737
Reclassification (ii)	-	-	(106,217,495,985)	-	-	106,217,495,985	-
Fund appropriated	-	-	56,770,103,946	-	(118,781,687,446)	-	(62,011,583,500)
Profit transferred to EVN	-	-	-	-	(70,451,992,374)	-	(70,451,992,374)
Other adjustments	-	-	331,776,121	-	173,526,144	-	505,302,265
As at 31/12/2014	10,487,655,874,046	(810,942,597,255)	18,940,437,443	-	2,695,975,257	110,593,427,602	9,808,943,117,093

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- (i) According to Decision No. 9669/QĐ-BCT dated 28 October 2014 of the Ministry of Industry and Trade on the transfer of Huoi Quang - Ban Chat Hydropower Company and Hydropower Project Management Board No.1 from Power Generation Corporation 3 to Vietnam Electricity since 1 November 2014.
- (ii) According to Official Letter No. 1905/EVN-TCKT dated 19 May, 2014, the Group has guided the Corporation to account the development investment funds in accordance with Circular No. 220/TT-BTC, particularly, decreasing the investment and development fund to increase construction investment fund.
- (iii) The exchange rate difference in the period of capital construction investment, including the exchange rate of electricity included in the national electricity development plan already approved by the Prime Minister, shall be the exchange rate difference in the early process. Equity is accrued and allocated to expenses; the period should not exceed 5 years from the date of operation according to Decree No. 82/2014/ND-CP dated 25 August 2014.

22. BUSINESS AND GEOGRAPHICAL SEGMENTS

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 balance sheet as at 31 December 2014 and all revenues and expenses reported in the income statement for the year then ended mainly related to primary business of the Corporation.

23. REVENUE

	2014	2013
	<u>VND</u>	<u>VND</u>
Electricity sales	23,537,082,155,509	17,433,784,734,787
Other services	32,698,456,957	6,252,201,871
	<u>23,569,780,612,466</u>	<u>17,440,036,936,658</u>

24. COST OF SALES

	2014	2013
	<u>VND</u>	<u>VND</u>
Cost of electricity sold	21,667,286,576,627	14,697,458,610,271
Cost of other services rendered	28,855,130,805	5,353,392,242
	<u>21,696,141,707,432</u>	<u>14,702,812,002,513</u>

25. FINANCIAL INCOME

	2014	2013
	<u>VND</u>	<u>VND</u>
Bank interest income	31,743,911,495	41,523,514,038
Dividends and profits received	57,357,162,275	113,110,703,325
Realized foreign exchange gain	14,505,348,757	42,553,119,675
Unrealized foreign exchange gain	744,183,358,615	1,386,289,537,089
	<u>847,789,781,142</u>	<u>1,583,476,874,127</u>

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26. FINANCIAL EXPENSES

	2014	2013
	VND	VND
Interest expense	1,146,659,420,142	1,167,383,135,270
Realized foreign exchange loss	27,165,910,107	10,298,775,083
Unrealized foreign exchange loss	1,182,711,511,586	2,587,770,055,043
	<u>2,356,536,841,835</u>	<u>3,765,451,965,396</u>

27. PROFIT/(LOSS) FROM OTHER ACTIVITIES

	2014	2013
	VND	VND
Proceeds from disposal of materials and assets	14,419,915,480	2,575,592,200
Income from materials recovered from overhaul projects	-	26,808,099,841
Income from reevaluation of assets used for capital contribution	-	27,981,099,330
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
Penalty from contraction violation	1,323,552,405	
Other income	1,097,052,696	1,270,548,142
	<u>45,995,124,782</u>	<u>96,836,903,328</u>
Net book value of materials and assets disposed of	23,382,686,749	6,746,459,778
Tax amounts collected in arrears and fined	4,231,986,653	228,922,729,719
Depreciation, amortisation and overhaul expenses for Phu My 1 and Phu My 4 operation and repair buildings	-	20,919,289,285
Adjustments to minutes of State Audit	-	11,272,336,758
Depreciation charge for operation of power plants on Srepok 3 river	3,351,276,425	-
Other expense related to Buon Kuop	-	8,292,775,590
Other expense	1,737,846,811	4,020,859
	<u>32,703,796,638</u>	<u>276,157,611,989</u>
Profit/(loss) from other activities	<u>13,291,328,144</u>	<u>(179,320,708,661)</u>

28. CURRENT CORPORATE INCOME TAX

	2014	2013
	VND	VND
Profit before tax	230,301,792,215	235,963,517,574
Less: Non-taxable income	(57,366,430,020)	(113,117,982,138)
Add: The increasing adjustments	4,322,271,794	161,474,475,278
Taxable income	177,257,633,989	284,320,010,714
Tax rate	22%	25%
Current corporate income tax expense	38,996,679,478	71,080,002,679
Additional tax from previous year	-	58,874,767
Current corporate income tax expense	<u>38,996,679,478</u>	<u>71,138,877,446</u>

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

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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 separate 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.

30. 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.

31. OPERATING LEASE COMMITMENTS**a. Operating lease commitments - The Corporation as Lessee**

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

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

	31/12/2014	31/12/2013
	<u>VND</u>	<u>VND</u>
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	<u>211,371,180,817</u>	<u>167,657,354,631</u>
	<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	2013
	<u>VND</u>	<u>VND</u>
Minimum lease payments under operating leases recognised in the income statement for the year	<u>4,270,000,000</u>	<u>390,268,817</u>

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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 Company 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	<u>55,865,833,333</u>	<u>65,575,338,889</u>
	<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.

32. 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 owners 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 20, offset by cash and cash equivalents) and owners' equity of the State (comprising contributed 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	61,939,912,873,343	51,928,386,193,825
Less: Cash and cash equivalents	1,864,418,585,340	2,088,263,240,763
Net debt	60,075,494,288,003	49,840,122,953,062
Equity	<u>9,808,943,117,093</u>	<u>12,163,485,240,098</u>
Net debt to equity ratio	<u>6.12</u>	<u>4.10</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	1,864,418,585,340	2,088,263,240,763
Trade and other receivables	2,167,408,340,944	1,641,397,607,330
Financial investments	588,063,661,588	608,063,661,588
Total	4,619,890,587,872	4,337,724,509,681
Financial liabilities		
Borrowings	61,939,912,873,343	51,928,386,193,825
Trade and other payables	8,698,807,578,486	14,300,292,269,848
Accrued expenses	46,226,524,492	14,079,401,330
Total	70,684,946,976,321	66,242,757,865,003

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 Corporation 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.

The carrying amounts of the Company’s foreign currency denominated monetary assets (including cash, receivables and other assets) and monetary liabilities (including 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>
United States Dollar (USD)	804,408,458	840,573,078	48,206,196,581,676	30,827,428,887,015
Chinese Yuan Renminbi (CNY)	-	-	2,065,788,979,205	2,076,502,197,526
Swiss Franc (CHF)	-	-	391,674,789	4,127,776,348
Euro (EUR)	-	-	-	762,722,612
Japanese Yen (JPY)	-	-	5,563,259,108,984	6,740,529,584,849

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Foreign currency sensitivity analysis

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

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
	VND	VND
United States Dollar (USD)	(482,053,921,732)	(308,265,883,139)
Chinese Yuen Renminbi (CNY)	(20,657,889,792)	(20,765,021,975)
Swiss Franc (CHF)	(3,916,748)	(41,277,763)
Euro (EUR)	-	(7,627,226)
Japanese Yen	(55,632,591,090)	(67,405,295,848)

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: VND 32,233,374,233).

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.

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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 VND	From 1 -5 years VND	Over 5 years VND	Total VND
31/12/2014				
Cash and cash equivalents	1,864,418,585,340	-	-	1,864,418,585,340
Trade and other receivables	2,167,408,340,944	-	-	2,167,408,340,944
Financial investments	430,000,000,000	158,063,661,588	-	588,063,661,588
Total	4,461,826,926,284	158,063,661,588	-	4,619,890,587,872
31/12/2014				
Borrowings	7,284,253,550,749	16,564,757,772,684	38,090,901,549,910	61,939,912,873,343
Trade and other payables	8,698,807,578,486	-	-	8,698,807,578,486
Accrued expenses	46,226,524,492	-	-	46,226,524,492
Total	16,029,287,653,727	16,564,757,772,684	38,090,901,549,910	70,684,946,976,321
Net liquidity gap	(11,567,460,727,443)	(16,406,694,111,096)	(38,090,901,549,910)	(66,065,056,388,449)
	Less than 1 year VND	From 1 -5 years VND	Over 5 years VND	Total VND
31/12/2013				
Cash and cash equivalents	2,088,263,240,763	-	-	2,088,263,240,763
Trade and other receivables	1,641,397,607,330	-	-	1,641,397,607,330
Financial investments	450,000,000,000	158,063,661,588	-	608,063,661,588
Total	4,179,660,848,093	158,063,661,588	-	4,337,724,509,681
31/12/2013				
Borrowings	3,816,152,918,537	19,525,587,700,475	28,586,645,574,813	51,928,386,193,825
Trade and other payables	14,300,292,269,848	-	-	14,300,292,269,848
Accrued expenses	14,079,401,330	-	-	14,079,401,330
Total	18,130,524,589,715	19,525,587,700,475	28,586,645,574,813	66,242,757,865,003
Net liquidity gap	(13,950,863,741,622)	(19,367,524,038,887)	(28,586,645,574,813)	(61,905,033,355,322)

The Board of Directors assessed that the Corporation is exposed to liquidity risk. However, payables and borrowings are mainly from Vietnam Electricity and the Board of Directors believes that Vietnam Electricity will remain such payables and borrowings. Therefore, the Corporation is not under pressure to meet its financial obligations as and when they fall due.

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33. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties

Relationship

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 - Southern Power Corporation	Company in EVN Group
Power Transmission Corporation	Company in EVN Group
Power Transmission Company No. 3	Company in EVN Group
Information Technology Center	Company in EVN Group
Southern Power Plants PMU	Company in EVN Group
Center Electricity Testing Company Limited	Company in EVN Group
Thermal Power 3 PMU	Company in EVN Group
Ba Ria Thermal Power Joint Stock Company	Subsidiary

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

	2014	2013
	<u>VND</u>	<u>VND</u>
Electricity sales		
Electric Power Trading Company	<u>23,537,082,155,509</u>	<u>17,433,456,231,862</u>
Electricity purchases		
Vietnam Electricity	<u>126,708,801,946</u>	<u>36,957,785,755</u>
Purchases of Services		
Ba Ria Thermal Power Joint Stock Company	267,350,000	238,500,000
Electric Testing Center -		
Southern Power Corporation	1,608,067,591	765,746,632
Information Technology Center	2,030,929,461	-
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	<u>3,491,306,897</u>	<u>-</u>
Other - Deposit interest received		
EVN Finance Joint Stock Company	<u>25,338,888,889</u>	<u>35,143,055,556</u>
Other		
Vietnam Electricity		
Profit transfer to EVN	70,451,992,374	92,612,947,400
Loan interest	3,078,850,612,102	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	3,141,205,759,004	2,887,860,150,884
Power Transmission Company		
Loan interest	<u>3,701,423,055</u>	<u>-</u>

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Related party balances as at the balance sheet date were as follows:

	31/12/2014 VND	31/12/2013 VND
Receivables		
Electric Power Trading Company	2,061,882,204,632	1,114,893,704,709
Prepayment		
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
The Southern Vietnam Power Project Management Board	147,814,634	-
Thermal Power Project Management Board 3	833,367,237	-
EVN Finance Joint Stock Company - deposit interest	3,707,500,000	7,150,000,000
Short-term investment		
EVN Finance Joint Stock Company - deposit	430,000,000,000	450,000,000,000
Payables		
Vietnam Electricity	953,294,760	-
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	967,951,876	-
Center Electrical Testing Company Limited	968,187,533	-
Electric Testing Center -	-	-
Southern Power Corporation	654,025,522	840,069,912
Other payables		
Vietnam Electricity	122,809,726,838	3,887,695,185,576
Power Transmission Corporation	10,582,688,799	58,717,740,882
Borrowings		
Vietnam Electricity	58,863,827,305,670	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
6 April 2015