



**Power Generation Corporation 3
(currently known as Power Generation Joint
Stock Corporation 3)**

Separate Financial Statements for the
period from 1 January 2018 to
30 September 2018

**Power Generation Corporation 3
Corporate Information**

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

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

Enterprise Registration Certificate No. 3502208399 26 November 2012

The enterprise registration certificate was issued by the Department of Planning and Investment of Ba Ria – Vung Tau Province and the fifth amendment was on 27 September 2018.

The Chairman and the Board of Directors of Power Generation Corporation 3 during the nine-month period ended 30 September 2018 including:

Chairman Mr Nguyen Van Le

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

Power Generation Corporation 3 Statement of the Board of Directors

The members of the Board of Management and the Board of Directors of Power Generation Joint Stock Corporation 3 from 1 October 2018 (the date the Corporation officially became a joint stock company) onwards including:

| | | |
|----------------------------|---|---|
| Board of Management | Mr. Nguyen Van Le Mr. Dinh Quoc Lam Mr. Truong Quoc Phuc Mr. Do Mong Hung | Chairman Member Member Member |
| Board of Directors | Mr. Dinh Quoc Lam Mr. Phan Thanh Xuan Mr. Le Van Danh Mr. Cao Minh Trung Mr. Nguyen Thanh Trung Duong Ms. Nguyen Thi Thanh Huong | General Director Deputy General Director Deputy General Director Deputy General Director Deputy General Director Deputy General Director |
| Registered Office | Phu My 1 Industrial Park, Phu My Ward Phu My District, Ba Ria – Vung Tau Province Vietnam | |
| Auditor | KPMG Limited Vietnam | |


Power Generation Corporation 3 Statement of the Board of Directors


The Board of Directors of Power Generation Corporation 3 (currently known as Power Generation Joint Stock Corporation 3) (“the Corporation”) presents this statement and the accompanying separate financial statements of the Corporation for the period from 1 January 2018 to 30 September 2018.


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

- (a) the separate financial statements set out on pages 7 to 46 give a true and fair view of the unconsolidated financial position of the Corporation as at 30 September 2018, and of the unconsolidated results of operations and the unconsolidated cash flows of the Corporation for the period from 1 January 2018 to 30 September 2018 in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting; and
- (b) at the date of this statement, there is no reason to believe that the Corporation will not be able to pay its debts as and when they fall due.

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

On behalf of the Board of Directors 




Nguyễn Thị Thanh Hương
Deputy General Director

Ba Ria – Vung Tau Province, 23 November 2018



KPMG Limited Branch
10th Floor, Sun Wah Tower
115 Nguyen Hue Street, Ben Nghe Ward
District 1, Ho Chi Minh City, Vietnam
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INDEPENDENT AUDITOR'S REPORT

To the Board of Management and the Board of Directors Power Generation Joint Stock Corporation 3

We have audited the accompanying separate financial statements of Power Generation Corporation 3 (currently known as Power Generation Joint Stock Corporation 3) ("the Corporation"), which comprise the separate balance sheet as at 30 September 2018, the separate statements of income and the separate cash flows for the period from 1 January 2018 to 30 September 2018 and the explanatory notes thereto which were authorised for issue by the Corporation's Board of Directors on 23 November 2018, as set out on pages 7 to 46.

Management's Responsibility

The Corporation's Board of Directors is responsible for the preparation and fair presentation of these separate financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting, and for such internal control as the Board of Directors determines 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 of material misstatement.

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

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

Auditor's Opinion

In our opinion, the separate financial statements give a true and fair view, in all material respects, of the unconsolidated financial position of Power Generation Corporation 3 as at 30 September 2018, and of its unconsolidated results of operations and its unseparate cash flows for the period from 1 January 2018 to 30 September 2018 in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting.

Emphasis of Matter

Without qualifying our opinion, we draw the attention to Note 3(a)(ii) and 3(a)(iii) and 3(a)(iv) to the separate financial statements.

- The Corporation applied the treatment of foreign exchange differences incurred in the period of construction of power projects within the National Electricity Development Plan approved by the Prime Minister in the Decree No. 10/2017/ND-CP of the Government dated 9 February 2017 ("Decree 10") and foreign exchange differences from revaluation of the balances of long-term liabilities denominated in foreign currencies in accordance with the guidance of Official Letter No. 5344/BTC-TCDN of the Ministry of Finance dated 25 April 2017 on the treatment of foreign exchange differences from revaluation of the balances of monetary items denominated in foreign currencies in 2016 of Vietnam Electricity ("Official Letter 5344"), approved by the Prime Minister under Official Letter No. 122/TB-VPCP of the Government Office dated 6 March 2017 ("Official Letter 122").

Under the guidance of Decree 10, foreign exchange differences incurred in the period of construction are recorded in the "Foreign exchange differences" in "Equity" and will be amortised to the statement of income for the period not exceeding 5 years from the date the project starts its commercial operation. Under the guidance of Official Letter 5344 and Official Letter 122, foreign exchange losses due to revaluation of the closing balances of long-term liabilities denominated in foreign currencies as at 31 December 2016 are recorded in the "Foreign exchange differences" in "Equity", rather than as "Financial expenses", and will be allocated to expenses in 2016 at an amount that is at least equal to the exchange differences of liabilities due in 2017 so as to ensure that business result is not negative, the remaining differences will be monitored and allocated within 5 years. The guidance of these Official Letters are different from that of Circular No. 200/2014/TT-BTC providing guidance on Vietnamese Accounting System for enterprises issued by the Ministry of Finance on 22 December 2014. The impact of applying this accounting policy to the separate financial statements for the period from 1 January 2018 to 30 September 2018 was disclosed in Note 3(a)(ii) and 3(a)(iii) to the separate financial statements.

- The Corporation applied the treatment of foreign exchange difference from revaluation of the balances of monetary items denominated in foreign currencies, upon transforming to joint stock company, in accordance with the Government's Decree No. 126/2017/ND-CP dated 16 November 2017 on transformation of State owned enterprises, one-member limited liability companies wholly owned by the State into joint stock company ("Decree 126"). Accordingly, foreign exchange differences from revaluation of the balances of monetary items denominated in foreign currencies upon transforming to joint stock company, the equitized enterprises shall reevaluate in accordance with regulations and not record to statement of income, instead such foreign exchange differences shall be transferred to joint stock companies (after transformation of State owned enterprises) for monitoring and accounting for in accordance with regulations, instead of "Financial income" or "Financial expense".

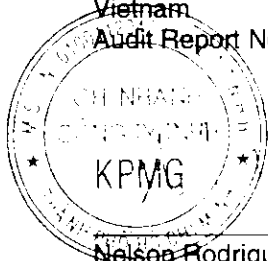
The guidance of Decree 126 is different from that of Circular No. 200/2014/TT-BTC providing guidance on Vietnamese Accounting System for enterprises issued by the Ministry of Finance on 22 December 2014. The impact of applying this accounting policy to the separate financial statements for the period from 1 January 2018 to 30 September 2018 was disclosed in Note 3(a)(iv) to the separate financial statements.

Other Matter

We conducted our audit in order to express an opinion on the separate financial statements as set out on pages 7 to 46. Additional information on page 47 is not an integral part of the separate financial statements and not within the scope of the audit of the separate financial statements, therefore, we do not express our opinion on this information.

KPMG Limited's Branch in Ho Chi Minh City

Vietnam
Audit Report No.: 18-01-897(a)



Nelson Rodriguez Casihan
Practicing Auditor Registration
Certificate No. 2225-2018-007-1
Deputy General Director

Nguyen Anh Tuan
Practicing Auditor Registration
Certificate No. 0436-2018-007-1

Ho Chi Minh City, 23 November 2018

Power Generation Corporation 3
Separate balance sheet as at 30 September 2018

Form B 01 – DN
(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

| | Code | Note | 30/9/2018 VND | 1/1/2018 VND |
|---|------------|----------|---------------------------|---------------------------|
| ASSETS | | | | |
| Current assets (100 = 110 + 120 + 130 + 140 + 150) | 100 | | 18,448,589,379,547 | 15,911,984,977,103 |
| Cash and cash equivalents | 110 | 4 | 4,095,791,382,299 | 4,449,120,834,886 |
| Cash | 111 | | 3,365,791,382,299 | 2,969,120,834,886 |
| Cash equivalents | 112 | | 730,000,000,000 | 1,480,000,000,000 |
| Short-term financial investments | 120 | | 850,000,000,000 | 1,200,000,000,000 |
| Held-to-maturity investments | 123 | 5(a) | 850,000,000,000 | 1,200,000,000,000 |
| Accounts receivable – short-term | 130 | | 10,530,231,737,931 | 7,391,441,771,401 |
| Accounts receivable from customers | 131 | 6 | 9,862,131,495,296 | 7,030,596,801,381 |
| Prepayments to suppliers | 132 | | 270,475,159,161 | 165,621,040,512 |
| Other receivables | 136 | 7 | 397,625,083,474 | 195,714,572,062 |
| Allowances for doubtful debts | 137 | | - | (490,642,554) |
| Inventories | 140 | 8 | 2,898,840,532,277 | 2,781,600,703,141 |
| Inventories | 141 | | 2,898,840,532,277 | 2,782,464,246,308 |
| Allowance for inventories | 149 | | - | (863,543,167) |
| Other current assets | 150 | | 73,725,727,040 | 89,821,667,675 |
| Short-term prepaid expenses | 151 | | 50,016,155,477 | 1,822,794,130 |
| Deductible value added tax | 152 | | 21,650,051,647 | 77,230,412,442 |
| Taxes receivables from State Treasury | 153 | 13(b) | 2,059,519,916 | 10,768,461,103 |

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

Power Generation Corporation 3
Separate balance sheet as at 30 September 2018 (continued)

Form B 01 – DN
*(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

| | Code | Note | 30/9/2018 VND | 1/1/2018 VND |
|--|------------|-------------|---------------------------|---------------------------|
| Long-term assets (200 = 210 + 220 + 240 + 250 + 260) | 200 | | 58,902,532,441,921 | 62,060,690,316,483 |
| Accounts receivable – long-term | 210 | | 3,266,424,000 | 769,382,459 |
| Loans receivable – long-term | 216 | | 3,266,424,000 | 769,382,459 |
| Fixed assets | 220 | | 54,585,064,826,703 | 56,647,744,346,552 |
| Tangible fixed assets | 221 | 9 | 54,514,616,815,297 | 56,582,592,512,543 |
| <i>Cost</i> | 222 | | 106,741,919,675,109 | 105,487,006,747,764 |
| <i>Accumulated depreciation</i> | 223 | | (52,227,302,859,812) | (48,904,414,235,221) |
| Intangible fixed assets | 227 | 10 | 70,448,011,406 | 65,151,834,009 |
| <i>Cost</i> | 228 | | 87,332,841,146 | 79,376,773,058 |
| <i>Accumulated amortisation</i> | 229 | | (16,884,829,740) | (14,224,939,049) |
| Long-term work in progress | 240 | | 2,428,976,329,620 | 3,720,882,343,918 |
| Construction in progress | 242 | 11 | 2,428,976,329,620 | 3,720,882,343,918 |
| Long-term financial investments | 250 | 5(b) | 1,520,334,574,438 | 1,622,852,824,665 |
| Investments in subsidiaries | 251 | | 551,689,970,000 | 673,230,812,227 |
| Investments in associates | 252 | | 791,558,350,850 | 791,558,350,850 |
| Equity investments in other entities | 253 | | 177,086,253,588 | 158,063,661,588 |
| Other long-term assets | 260 | | 364,890,287,160 | 68,441,418,889 |
| Long-term prepaid expenses | 261 | | 115,983,171,012 | 18,466,539,671 |
| Long-term tools, supplies and spare parts | 263 | | 248,907,116,148 | 49,974,879,218 |
| TOTAL ASSETS (270 = 100 + 200) | 270 | | 77,351,121,821,468 | 77,972,675,293,586 |

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

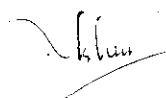
Power Generation Corporation 3
Separate balance sheet as at 30 September 2018 (continued)

Form B 01 – DN
(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

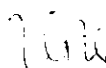
| | Code | Note | 30/9/2018 VND | 1/1/2018 VND |
|---|------------|-----------|---------------------------|---------------------------|
| RESOURCES | | | | |
| LIABILITIES (300 = 310 + 330) | 300 | | 68,912,779,465,295 | 69,574,214,742,933 |
| Current liabilities | 310 | | 14,079,561,126,543 | 11,376,723,106,245 |
| Accounts payable to suppliers | 311 | 12 | 4,748,633,504,322 | 4,885,715,007,508 |
| Advances from customers | 312 | | 915,000,000 | 34,400,000 |
| Taxes payables to State Treasury | 313 | 13(a) | 148,506,925,628 | 188,422,579,756 |
| Payables to employees | 314 | | 129,565,615,844 | 216,468,292,691 |
| Accrued expenses | 315 | | 112,116,800,683 | 99,892,998,160 |
| Unearned revenue | 318 | | 15,952,466,021 | 15,890,415,131 |
| Other payables | 319 | 14 | 3,296,360,917,698 | 955,367,252,544 |
| Short-term borrowings | 320 | 15(a) | 5,372,536,262,741 | 4,749,925,918,560 |
| Short-term provision | 321 | | - | 842,500,000 |
| Bonus and welfare funds | 322 | | 254,973,633,606 | 264,163,741,895 |
| Long-term liabilities | 330 | | 54,833,218,338,752 | 58,197,491,636,688 |
| Long-term unearned revenue | 336 | | 382,744,919,575 | 394,113,580,552 |
| Long-term borrowings | 338 | 15(b) | 54,450,473,419,177 | 57,803,378,056,136 |
| EQUITY (400 = 410) | 400 | | 8,438,342,356,173 | 8,398,460,550,653 |
| Owners' equity | 410 | 16 | 8,438,342,356,173 | 8,398,460,550,653 |
| Contributed capital | 411 | 17 | 10,478,234,644,194 | 10,561,944,694,725 |
| Other capital | 414 | | - | 1,566,487,558 |
| Foreign exchange differences | 417 | 18 | (2,378,304,250,451) | (2,449,196,948,778) |
| Investment and development fund | 418 | | 227,818,534,828 | 170,044,801,501 |
| Retained profits | 421 | | - | - |
| Capital expenditure fund | 422 | | 110,593,427,602 | 114,101,515,647 |
| TOTAL RESOURCES (440 = 300 + 400) | 440 | | 77,351,121,821,468 | 77,972,675,293,586 |

23 November 2018

Prepared by:

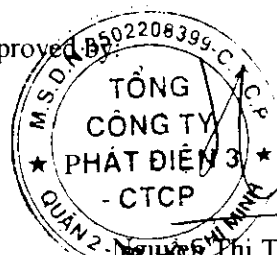


Tran Nguyen Khanh Linh
Preparer



Vu Phuong Thao
Head of Finance – Accounting Department

Approved By



Nguyen Phi Thanh Huong
Deputy General Director

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

Power Generation Corporation 3

Separate statement of income for the period from 1 January 2018 to 30 September 2018

Form B 02 – DN

(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

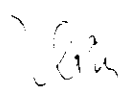
| | Code | Note | Period from 1/1/2018 to 30/9/2018 VND | Year ended 31/12/2017 VND |
|--|-----------|-----------|--|------------------------------------|
| Revenue from sales of goods and provision of services | 01 | 21 | 27,813,335,663,247 | 34,683,735,158,343 |
| Cost of sales | 11 | 22 | 24,231,139,245,639 | 30,620,724,191,140 |
| Gross profit (20 = 01 - 11) | 20 | | 3,582,196,417,608 | 4,063,010,967,203 |
| Financial income | 21 | 23 | 400,888,467,757 | 285,484,917,613 |
| Financial expenses | 22 | 24 | 3,408,772,723,895 | 3,756,031,492,601 |
| <i>In which: Interest expense</i> | | 23 | 2,025,166,808,801 | 2,626,329,546,170 |
| General and administration expenses | 26 | 25 | 306,539,480,734 | 340,840,095,669 |
| Net operating profit {30 = 20 + (21 - 22) - 26} | 30 | | 267,772,680,736 | 251,624,296,546 |
| Other income | 31 | | 117,282,127,099 | 86,578,946,997 |
| Other expenses | 32 | | 120,674,070,791 | 34,343,997,598 |
| Results of other activities (40 = 31 - 32) | 40 | | (3,391,943,692) | 52,234,949,399 |
| Accounting profit before tax (50 = 30 + 40) | 50 | | 264,380,737,044 | 303,859,245,945 |
| Income tax expense – current | 51 | 27 | 1,662,857,650 | 123,781,680,588 |
| Net profit after tax (60 = 50 - 51) | 60 | | 262,717,879,394 | 180,077,565,357 |

23 November 2018

Prepared by:



Tran Nguyen Khanh Linh
Preparer



Vu Phuong Thao
Head of Finance – Accounting Department

Approved by:




Nguyen Thi Thanh Huong
Deputy General Director

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

Power Generation Corporation 3**Separate statement of cash flows for period from 1 January 2018 to 30 September 2018
(Indirect method)****Form B 03 – DN***(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

| | Code | Note | Period from 1/1/2018 to 30/9/2018 VND | Year ended 31/12/2017 VND |
|--|-----------|------|--|------------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Accounting profit before tax | 01 | | 264,380,737,044 | 303,859,245,945 |
| Adjustments for | | | | |
| Depreciation and amortisation | 02 | | 3,330,479,855,224 | 4,998,467,612,289 |
| Allowances and provisions | 03 | | (2,196,685,721) | 1,174,773,949 |
| Exchange losses arising from revaluation of monetary items denominated in foreign currencies | 04 | | 1,348,386,715,448 | 1,111,607,688,164 |
| Profits from investing activities | 05 | | (386,143,029,470) | (271,060,315,446) |
| Interest expenses | 06 | | 2,025,166,808,801 | 2,626,329,546,170 |
| Operating profit before changes in working capital | 08 | | 6,580,074,401,326 | 8,770,378,551,071 |
| Change in receivables | 09 | | (6,132,250,074,887) | 283,674,519,035 |
| Change in inventories | 10 | | (90,756,481,906) | (94,001,816,270) |
| Change in payables | 11 | | 345,338,468,480 | 127,596,216,844 |
| Change in prepaid expenses | 12 | | (44,483,276,598) | 1,494,643,726 |
| | | | 657,923,036,415 | 9,089,142,114,406 |
| Interest paid | 14 | | (341,297,629,558) | (2,576,256,512,757) |
| Income tax paid | 15 | | (84,599,501,404) | (1,065,896,106) |
| Other payments for operating activities | 17 | | (118,647,725,039) | - |
| Net cash flows from operating activities | 20 | | 113,378,180,414 | 6,511,819,705,543 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Payments for additions to fixed assets and other long-term assets | 21 | | (597,604,980,089) | (1,336,316,430,064) |
| Proceeds from disposals of fixed assets | 22 | | 90,000,000 | 57,876,218 |
| Payments for investments in term deposits | 23 | | (850,000,000,000) | (1,000,000,000,000) |
| Collections on investments in term deposits | 24 | | 1,200,000,000,000 | 230,000,000,000 |
| Receipts of interest and dividends | 27 | | 295,834,582,206 | 274,923,565,355 |
| Net cash flows from investing activities | 30 | | 48,319,602,117 | (1,831,334,988,491) |

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

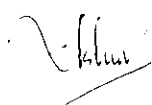
Power Generation Corporation 3
Separate statement of cash flows for period from 1 January 2018 to 30 September 2018
(Indirect method - continued)

Form B 03 – DN
(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

| | Code | Note | Period from 1/1/2018 to 30/9/2018 VND | Year ended 31/12/2017 VND |
|--|-----------|----------|--|------------------------------------|
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Proceeds from borrowings | 33 | | 69,143,160,920 | 1,230,344,526,277 |
| Payments to settle loan principals | 34 | | (584,069,444,301) | (3,119,212,766,075) |
| Net cash flows from financing activities | 40 | | (514,926,283,381) | (1,888,868,239,798) |
| Net cash flows during the period/year (50 = 20 + 30 + 40) | 50 | | (353,228,500,850) | 2,791,616,477,254 |
| Cash and cash equivalents at the beginning of the period/year | 60 | | 4,449,120,834,886 | 1,657,505,332,849 |
| Effect of exchange rate fluctuations on cash and cash equivalents | 61 | | (100,951,737) | (975,217) |
| Cash and cash equivalents at the end of the period/year (70 = 50 + 60 + 61) | 70 | 4 | 4,095,791,382,299 | 4,449,120,834,886 |

23 November 2018

Prepared by:

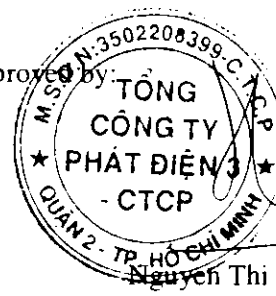


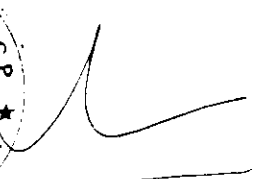
Tran Nguyen Khanh Linh
Preparer



Vu Phuong Thao
Head of Finance – Accounting Department

Approved by:




Nguyen Thi Thanh Huong
Deputy General Director

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

Power Generation Corporation 3
Notes to the separate financial statements for the period from 1 January 2018 to
30 September 2018

Form B 09 – DN

*(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

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

1. Reporting entity

(a) Ownership structure

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

Pursuant to Decision No.2100/QD-TTg dated 27 December 2017, the Prime Minister approved the plan to equitize Power Generation Corporation 3 into a joint stock company. The Corporation has been approved by the Hanoi Stock Exchange to list its shares on UPCoM at Hanoi Stock Exchange with the transaction code is PGV in accordance with the Decision No. 114/QD-SGDHN dated 14 March 2018

The Corporation operates under Business Registration Certificate No. 3502208399 dated 26 November 2012 issued by the Department of Planning and Investment of Ba Ria – Vung Tau Province and the fifth amendment was on 27 September 2018. Accordingly, the Corporation officially converted the form of enterprise into a joint stock company from 1 October 2018

(b) Principal activities

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

(c) Normal operating cycle

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

Power Generation Corporation 3
Notes to the separate financial statements for the period from 1 January 2018 to
30 September 2018 (continued)

Form B 09 – DN
(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

(d) Corporation structure

The organisational structure of the Corporation includes:

- Dependent power generation companies: Buon Kuop Hydropower Company, Vinh Tan Thermal Power Company, Mong Duong Thermal Power Company, Phu My Thermal Power Company;
- Power project management units: Project Management Unit of Thermal Power 1, Project Management Unit of Vinh Tan Thermal Power; Project Management Unit of Thai Binh Thermal Power;
- EVNGENCO3 Power Service Company;
- The Corporation's office.

As at 30 September 2018, the Corporation had 2 subsidiaries and 3 associates (1/1/2018: 3 subsidiaries and 3 associates) are listed in Note 5(b).

As at 30 September 2018, the Corporation had 2,633 employees (1/1/2018: 2,539 employees).

2. Basis of preparation

(a) Statement of compliance

The separate financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting. The Corporation prepares and issues its consolidated financial statements separately. For a comprehensive understanding of the Corporation's consolidated financial position, its consolidated results of operations and its consolidated cash flows, these separate financial statements should be read in conjunction with the consolidated financial statements.

(b) Basis of measurement

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

(c) Annual accounting period

The period from 1 January 2018 to 30 September 2018 is the last annual accounting period of Power Generation Corporation 3. The first annual accounting period of the Power Generation Joint Stock Corporation 3 is from 1 October 2018 to 31 December 2018. Succeeding annual accounting periods of the Corporation will be from 1 January to 31 December.

(d) Accounting and presentation currency

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

Power Generation Corporation 3
Notes to the separate financial statements for the period from 1 January 2018 to
30 September 2018 (continued)

Form B 09 – DN
(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

3. Summary of significant accounting policies

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

(a) Foreign currency

(i) Foreign currency transactions

Transactions in currencies other than VND during the year have been translated into VND at actual rates of exchange ruling at the transaction dates.

Monetary assets and liabilities denominated in currencies other than VND are translated into VND at the account transfer buying rate and account transfer selling rate, respectively, at the end of the annual accounting period quoted by the commercial bank where the Corporation most frequently conducts transactions.

Liabilities with Vietnam Electricity at the end of the annual accounting period are translated at the selling rate (by transfer) of Joint Stock Commercial Bank for Foreign Trade of Vietnam announced upon of reporting under the guidance of Official Letter No. 1779/BTC-CDKT dated 1 February 2013 of the Ministry of Finance on the use of exchange rates to revalue monetary items denominated in foreign currencies at the end of the period (“Official Letter 1779”) and Official Letter No. 3195/GENCO3-TC-KT dated 11 September 2018 of Power Generation Corporation 3 on guiding the preparation of financial statements upon transforming to joint stock company (“Official Letter 3195”).

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

(ii) Foreign exchange differences incurred during the period of construction of power projects included in the National Electricity Development Plan

Under the guidance of Decree No. 10/2017/ND-CP of the Government dated 9 February 2017 (“Decree 10”), for power projects within the National Electricity Development Plan approved by the Prime Minister, foreign exchange differences incurred in the period of construction are recorded in the “Foreign exchange differences” in “Equity” and will be amortised to the statement of income for the period not exceeding 5 years from the date the project starts its commercial operation. The guidance of Decree 10 is different from the guidance of Circular No. 200/2014/TT-BTC providing guidance on Vietnamese Accounting System for enterprises of the Ministry of Finance dated 22 December 2014 (“Circular 200”) which requires the exchange differences to be recognised in the statement of income in the period which they are incurred.

If the Corporation recognised foreign exchange differences incurred during the period of construction consistently with Circular 200 over the years, the Corporation’s financial expenses and profit before tax for the period from 1 January 2018 to 30 September 2018 would decrease and increase by VND492,968,936,511 respectively (for the year ended 31 December 2017: decrease and increase by VND410,339,937,447 respectively). “Foreign exchange differences” in “Equity” and “Retained profits” in the separate balance sheet as at 30 September 2018 (under the assumption that no taxation impact, if any), would increase and decrease by VND605,520,036,993 respectively (1/1/2018: increase and decrease by VND1,098,488,973,504 respectively).

Power Generation Corporation 3
Notes to the separate financial statements for the period from 1 January 2018 to
30 September 2018 (continued)

Form B 09 – DN

*(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

(iii) *Foreign exchange differences due to revaluation of the balances of long-term monetary liabilities denominated in foreign currencies*

The Corporation applies Official Letter No. 5344/BTC-TCDN of the Ministry of Finance dated 25 April 2017 on the treatment of foreign exchange differences from revaluation of the balances of monetary items denominated in foreign currencies of Vietnam Electricity (“Official Letter 5344”), approved by the Prime Minister under Official Letter No. 122/TB-VPCP of the Government dated 6 March 2017 (“Official Letter 122”). Under the guidance of Official Letter 5344 and Official Letter 122, foreign exchange losses due to revaluation of the closing balances of long-term monetary liabilities denominated in foreign currencies as at 31 December 2016 are recorded in the “Foreign exchange differences” in “Equity”, rather than in “Financial expenses”, and will be allocated to expenses in 2016 at an amount that is at least equal to the exchange rate differences of liabilities due in 2017 so as to ensure that business result is not negative, the remaining differences will be monitored and allocated within 5 years.

If the Corporation recognised foreign exchange differences consistently with Circular 200 over the years, the Corporation’s financial expenses and profit before tax for the period from 1 January 2018 to 30 September 2018 would decrease and increase by VND979,679,014,804 respectively (for the year ended 31 December 2017: decrease and increase by VND514,677,440,921 respectively), “Foreign exchange differences” in “Equity” and “Retained profits” in the separate balance sheet as at 30 September 2018 (under the assumption that no taxation impact is applicable, if any), would increase and decrease by VND371,028,960,470 respectively (1/1/2018: increase and decrease by VND1,350,707,975,274 respectively).

(iv) *Foreign exchange differences due to revaluation of the balances of monetary items denominated in foreign currencies upon transforming to Joint Stock Company*

Under the guidance of the Government’s Decree No. 126/2017/ND-CP dated 16 November 2017 on transformation of State owned enterprises, one-member limited liability companies wholly owned by the State into joint stock company (“Decree 126”), foreign exchange differences due to revaluation of the balances of monetary items denominated in foreign currencies upon transforming into joint stock company, the equitized enterprises shall revalue in accordance with regulations and not record to statement of income, instead such foreign exchange differences shall be transferred to joint stock companies (after transformation of State owned enterprises) for monitoring and accounting for in accordance with regulations.

If the Corporation recognised foreign exchange differences upon transforming to joint stock company consistently with Circular 200, the Corporation’s financial expenses and profit before tax for the period from 1 January 2018 to 30 September 2018 would increase and decrease by VND1,401,755,252,988 respectively, “Foreign exchange differences” in “Equity” and “Retained profits” in the separate balance sheet as at 30 September 2018 (under the assumption that no taxation impact is applicable, if any), would increase and decrease by VND1,401,755,252,988 respectively.

Power Generation Corporation 3
Notes to the separate financial statements for the period from 1 January 2018 to
30 September 2018 (continued)

Form B 09 – DN
(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

(b) Cash and cash equivalents

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

(c) Investments

(i) *Held-to-maturity investments*

Held-to-maturity investments are those that the Corporation's management has the intention and ability to hold until maturity. Held-to-maturity investments include term deposits at banks. These investments are stated at costs less allowance for doubtful debts.

(ii) *Investments in subsidiaries and associates*

For the purpose of these separate financial statements, investments in subsidiaries and associates are initially recognised at cost which includes purchase price plus any directly attributable transaction costs. Subsequent to initial recognition, these investments are stated at cost less allowance for diminution in value. An allowance is made for diminution in investment value if the investee has suffered a loss, except where such a loss was anticipated by the Corporation's management before making the investment. The allowance is reversed if the investee subsequently made a profit that offsets the previous loss for which the allowance had been made. An allowance is reversed only to the extent that the investment's carrying amount does not exceed the carrying amount that would have been determined if no allowance had been recognised.

(iii) *Equity investment in other entities*

Equity investment in other entities are initially recognized at cost which include purchase price plus any directly attributable transaction costs. Subsequent to initial recognition, these investment are stated at cost less allowance for diminution in value. An allowance is made for diminution in investment value when the fair value of the investments are lower than its carrying amount. For the investments whose fair value is not available at the reporting date, an allowance is made for diminution in investment value if the investee has suffered a loss, except where such a loss was anticipated by the Corporation's management before making the investment. The allowance is reversed if the fair value of the securities increases or the investee subsequently made a profit that offsets the previous loss for which the allowance had been made. An allowance is reversed only to the extent that the investment's carrying amount does not exceed the carrying amount that would have been determined if no allowance had been recognised.

Power Generation Corporation 3
Notes to the separate financial statements for the period from 1 January 2018 to
30 September 2018 (continued)

Form B 09 – DN
(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

(d) Accounts receivable

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

(e) Inventories

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

The Corporation applies the perpetual method of accounting for inventories.

(f) Tangible fixed assets

(i) Cost

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

(ii) Depreciation

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

| | |
|----------------------------|---------------|
| ▪ buildings and structures | 10 – 40 years |
| ▪ machinery and equipment | 5 – 20 years |
| ▪ motor vehicles | 6 – 20 years |
| ▪ office equipment | 3 – 8 years |
| ▪ others | 5 – 10 years |

Power Generation Corporation 3
Notes to the separate financial statements for the period from 1 January 2018 to
30 September 2018 (continued)

Form B 09 – DN
(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

(g) Intangible assets

(i) Land use rights

Land use rights comprise:

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

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

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

(ii) Software

Cost of acquiring new software, which is not an integral part of the related hardware, is capitalised and treated as an intangible asset. Software cost is amortised on a straight-line basis over 3 years.

(iii) Technology transfer rights

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

(h) Construction in progress

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

(i) Long-term prepaid expenses

Tools and instruments

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

Power Generation Corporation 3
Notes to the separate financial statements for the period from 1 January 2018 to
30 September 2018 (continued)

Form B 09 – DN
(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

(j) Trade and other payables

Trade and other payables are stated at their cost.

(k) Provisions

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

(l) Contributed capital

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

(m) Taxation

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

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

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

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

Power Generation Corporation 3
Notes to the separate financial statements for the period from 1 January 2018 to
30 September 2018 (continued)

Form B 09 – DN
(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

(n) Revenue and other income

(i) Electricity sold

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

(ii) Service rendered

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

(iii) Rental income

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

(iv) Interest income

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

(v) Dividend income

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

(o) Operating lease payments

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

(p) Borrowing costs

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

Power Generation Corporation 3
Notes to the separate financial statements for the period from 1 January 2018 to
30 September 2018 (continued)

Form B 09 – DN
(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

(q) Related parties

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

4. Cash and cash equivalents

| | 30/9/2018 | 1/1/2018 |
|------------------|-------------------|-------------------|
| | VND | VND |
| Cash on hand | 2,916,878,924 | 1,672,985,606 |
| Cash in banks | 3,362,874,503,375 | 2,967,447,849,280 |
| Cash equivalents | 730,000,000,000 | 1,480,000,000,000 |
| | 4,095,791,382,299 | 4,449,120,834,886 |

Cash equivalents represented terms deposits with original maturity ranging from one month to three months at banks and other credit institutions earning interest at rates ranging between 4.7% - 5% per annum (2017: 4.3% - 5.5% per annum).

5. Investments

(a) Held-to-maturity investments

Held-to-maturity investments represented 6-month deposits at commercial banks and EVN Finance Joint Stock Company, a related party, earning interest at rates ranging between 5.3%-5.5% per annum (2017: 5.3%-5.5% per annum).

Power Generation Corporation 3

Notes to the separate financial statements for the period from 1 January 2018 to 30 September 2018 (continued)

Form B 09 – DN

(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

(b) Long-term financial investments

| | 30/9/2018 | | | 1/1/2018 | | | | |
|---|-------------------|---------------------|-----------------|---------------|-------------------|---------------------|-----------------|---------------|
| | % of equity owned | Carrying amount VND | Fair value VND | Allowance VND | % of equity owned | Carrying amount VND | Fair value VND | Allowance VND |
| Investments in subsidiaries | | | | | | | | |
| ▪ Ba Ria Thermal Power Joint Stock Company | (i) 79.56% | 481,235,570,000 | 620,793,885,300 | - | 79.56% | 481,235,570,000 | 577,482,684,000 | - |
| ▪ Ninh Binh Thermal Power Joint Stock Company | (ii) 54.76% | 70,454,400,000 | 96,522,528,000 | - | 54.76% | 70,454,400,000 | 104,272,512,000 | - |
| ▪ Thu Duc Thermal Power Company Limited | (iii) | - | - | - | 100.00% | 121,540,842,227 | (*) | - |
| | | 551,689,970,000 | 717,316,413,300 | - | | 673,230,812,227 | | - |

Power Generation Corporation 3

Notes to the separate financial statements for the period from 1 January 2018 to 30 September 2018 (continued)

Form B 09 – DN
(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

| | 30/9/2018 | | | 1/1/2018 | | | | |
|---|-------------------|---------------------|-------------------|---------------|-------------------|---------------------|-------------------|---------------|
| | % of equity owned | Carrying amount VND | Fair value VND | Allowance VND | % of equity owned | Carrying amount VND | Fair value VND | Allowance VND |
| Investments in associates | | | | | | | | |
| ▪ Thac Ba Hydropower Joint Stock Company (iv) | 30.00% | 190,500,000,000 | 466,725,000,000 | - | 30.00% | 190,500,000,000 | 457,200,000,000 | - |
| ▪ Vinh Son – Song Chinh Hydropower Joint Stock Company (v) | 30.55% | 517,058,350,850 | 1,109,098,284,800 | - | 30.55% | 517,058,350,850 | 1,083,891,505,600 | - |
| ▪ Se San 3A Power investment and Development Joint Stock Company (vi) | 30.00% | 84,000,000,000 | (*) | (*) | 30.00% | 84,000,000,000 | (*) | (*) |
| | | 791,558,350,850 | | - | | 791,558,350,850 | | - |
| Investments in other entities | | | | | | | | |
| ▪ Petrovietnam Power Nhon Trach 2 Joint Stock Company | 2.50% | 83,022,592,000 | 187,662,592,000 | - | 2.50% | 64,000,000,000 | 238,584,320,000 | - |
| ▪ GE – PMTP Power Service Limited | 15.00% | 74,463,661,588 | (*) | (*) | 15.00% | 74,463,661,588 | (*) | (*) |
| ▪ Viet – Lao Power JSC | 0.60% | 19,600,000,000 | (*) | (*) | 0.60% | 19,600,000,000 | (*) | (*) |
| | | 177,086,253,588 | | - | | 158,063,661,588 | | - |

Power Generation Corporation 3
Notes to the separate financial statements for the period from 1 January 2018 to
30 September 2018 (continued)

Form B 09 – DN

*(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

- (i) Ba Ria Thermal Power Joint Stock Company was converted from a state-owned enterprise under Decision No. 2744/QD-BCN dated 26 August 2005 of the Ministry of Industry and Business Registration Certificate No. 4903000451 dated 1 November 2007 issued by the Department of Planning and Investment of Ba Ria - Vung Tau Province. The principal activities of Ba Ria Thermal Power Joint Stock Company are to produce and trade electricity.
- (ii) Ninh Binh Thermal Power Joint Stock Company was established on the basis of the equitisation of Ninh Binh Thermal Power Company in accordance with the Decision No. 3945/QD-BCN dated 29 December 2006 of the Ministry of Industry and Trade. The principal activities of Ninh Binh Thermal Power Joint Stock Company are to produce and trade electricity.
- (iii) Thu Duc Thermal Power Company Limited is a state-owned enterprise established under the Prime Minister's Decision No. 240/2005/QD-TT dated 4 October 2005 on the transfer of Thu Duc Thermal Power Plant into a state electric one member limited liability company. The principal activities of Thu Duc Thermal Power Company Limited are to produce and trade electricity.

Under the Decision No. 05/QD-EVN dated 19 January 2018 by the Members' Council of the Vietnam Electricity, the ownership rights and obligations of Thu Duc Thermal Power Company Limited was transferred from Power Generation Corporation 3 to Vietnam Electricity since 1 January 2018.

- (iv) Thac Ba Hydropower Joint Stock Company was established under Business Registration Certificate No. 1603000069 dated 31 March 2006 issued by the Department of Planning and Investment of Yen Bai Province. The principal activities of Thac Ba Hydropower Joint Stock Company are to produce and trade electricity.
- (v) Vinh Son – Song Hinh Hydropower Joint Stock Company was converted from a state-owned enterprise – Vinh Son – Song Hinh Hydropower Plant, a dependent accounting unit of Vietnam Electricity. On 4 May 2005, the Plant was officially converted to Vinh Son – Song Hinh Hydropower Joint Stock Company under Business Registration Certificate No. 3503000058 dated 4 May 2005 issued by the Department of Planning and Investment of Binh Dinh Province. The principal activities of Vinh Son – Song Hinh Hydropower Joint Stock Company are to produce and trade electricity.
- (vi) Se San 3A Power Investment and Development Joint Stock Company officially went into operation on 1 November 2003 under Official Letter No. 1391/CP-CN dated 10 October 2003 of the Prime Minister. The principal activities of Se San 3A Power Investment and Development Joint Stock Company are to construct civil works, invest and construct hydropower projects and industrial construction.
- (*) The Corporation has not determined fair values of these financial investments for disclosure in the separate financial statements because information about their market prices is not available.

Power Generation Corporation 3
Notes to the separate financial statements for the period from 1 January 2018 to
30 September 2018 (continued)

Form B 09 – DN
(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

6. Accounts receivable from customers

| | 30/9/2018 | 1/1/2018 |
|---|-------------------|-------------------|
| | VND | VND |
| Related parties | | |
| Electricity Power Trading Company | 9,741,663,335,350 | 7,001,600,313,462 |
| Thai Binh Power Plant (an entity of EVN) | 96,224,131,300 | - |
| Vinh Tan 4 Power Plant (an entity of EVN) | 13,705,661,200 | 9,171,757,100 |
| Other related parties | 833,772,937 | 2,746,860,739 |
| Third parties | | |
| Other customers | 9,704,594,509 | 17,077,870,080 |
| | <hr/> | <hr/> |
| | 9,862,131,495,296 | 7,030,596,801,381 |
| | <hr/> | <hr/> |

7. Other short-term receivables

| | 30/9/2018 | 1/1/2018 |
|---|------------------|-----------------|
| | VND | VND |
| Related parties | | |
| Vietnam Electricity | 7,211,873,623 | 98,292,977,878 |
| Vinh Tan 4 Power Plant and Vinh Tan 4 Expansion Project | 218,741,729,220 | - |
| Dividends | 86,641,025,930 | - |
| EVN Finance Joint Stock Company | 5,395,890,411 | 2,722,222,222 |
| Thai Binh 1 Thermal Power Project | 4,310,456,633 | 8,186,095,531 |
| Power Engineering Consulting Joint Stock Company 2 | - | 1,572,568,631 |
| Thu Duc Thermal Power Company Limited | - | 435,505,600 |
| Northern Power Corporation | - | 3,327,218,134 |
| Third parties | | |
| Huyn dai Vietnam Company Limited | 752,190,546 | 185,242,610 |
| Interest deposits | 23,040,452,704 | 17,656,699,559 |
| Others | 51,531,464,407 | 63,336,041,897 |
| | <hr/> | <hr/> |
| | 397,625,083,474 | 195,714,572,062 |
| | <hr/> | <hr/> |

Power Generation Corporation 3
Notes to the separate financial statements for the period from 1 January 2018 to
30 September 2018 (continued)

Form B 09 – DN
(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

8. Inventories

| | 30/9/2018 | | 1/1/2018 | |
|--------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | Cost VND | Allowance VND | Cost VND | Allowance VND |
| Goods in transit | 11,731,955,901 | - | 163,688,001,391 | - |
| Raw materials | 2,799,216,025,315 | - | 2,541,490,544,990 | (863,543,167) |
| Tools and supplies | 73,876,210,549 | - | 52,332,287,393 | - |
| Work in progress | 14,016,340,512 | - | 24,953,412,534 | - |
| | 2,898,840,532,277 | - | 2,782,464,246,308 | (863,543,167) |

Movements in allowance for inventories during the period/year were as follows:

| | Period from 1/1/2018 to 30/9/2018 VND | Year ended 31/12/2017 VND |
|----------------------------------|--|--|
| Opening balance | 863,543,167 | 179,411,772 |
| Additions during the period/year | - | 684,131,395 |
| Reversal during the period/year | (863,543,167) | - |
| | - | 863,543,167 |

Power Generation Corporation 3

Notes to the separate financial statements for the period from 1 January 2018 to 30 September 2018 (continued)

Form B 09 – DN
(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

9. Tangible fixed assets

| Cost | Buildings and structures VND | Machinery and equipment VND | Motor vehicles VND | Office equipment VND | Others VND | Total VND |
|--|-------------------------------------|------------------------------------|---------------------------|-----------------------------|--------------------|----------------------------|
| Opening balance | 18,958,811,044,793 | 79,707,315,881,539 | 6,737,693,000,540 | 82,993,957,256 | 192,863,636 | 105,487,006,747,764 |
| Additions | 7,129,369,552 | 10,928,494,141 | 3,550,043,596 | 5,571,732,404 | - | 27,179,639,693 |
| Transfer from construction in progress (Note 11) | 62,590,143,203 | 57,577,111,856 | 20,420,287,342 | 1,215,807,777 | - | 141,803,350,178 |
| Adjusted according to finalisation (Note 11) | (739,482,502,757) | 2,027,124,927,810 | (235,539,763,697) | - | - | 1,052,102,661,356 |
| Transfer to other entities of EVN | - | - | (4,683,961,554) | (32,654,545) | - | (4,716,616,099) |
| Disposals | - | - | (2,092,305,354) | (87,443,050) | - | (2,179,748,404) |
| Other adjustments | (14,343,325,346) | 55,066,965,967 | - | - | - | 40,723,640,621 |
| Closing balance | 18,274,704,729,445 | 81,858,013,381,313 | 6,519,347,300,873 | 89,661,399,842 | 192,863,636 | 106,741,919,675,109 |
| Accumulated depreciation | | | | | | |
| Opening balance | 5,459,061,011,055 | 40,808,769,611,393 | 2,586,296,408,471 | 50,133,872,998 | 153,331,304 | 48,904,414,235,221 |
| Charge for the year | 377,436,434,645 | 2,679,753,559,368 | 261,474,461,115 | 9,149,155,982 | 6,353,423 | 3,327,819,964,533 |
| Transfer to other entities of EVN | - | - | (10,726,834) | - | - | (10,726,834) |
| Disposals | - | - | (2,092,305,354) | (87,443,050) | - | (2,179,748,404) |
| Other adjustments | (2,740,864,704) | - | - | - | - | (2,740,864,704) |
| Closing balance | 5,833,756,580,996 | 43,488,523,170,761 | 2,845,667,837,398 | 59,195,585,930 | 159,684,727 | 52,227,302,859,812 |
| Net book value | | | | | | |
| Opening balance | 13,499,750,033,738 | 38,898,546,270,146 | 4,151,396,592,069 | 32,860,084,258 | 39,532,332 | 56,582,592,512,543 |
| Closing balance | 12,440,948,148,449 | 38,369,490,210,552 | 3,673,679,463,475 | 30,465,813,912 | 33,178,909 | 54,514,616,815,297 |

Power Generation Corporation 3
Notes to the separate financial statements for the period from 1 January 2018 to
30 September 2018 (continued)

Form B 09 – DN
(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

Included in tangible fixed assets were assets costing VND26,681,920,457,367 which were fully depreciated as of 30 September 2018 (1/1/2018: VND22,713,648,594,174) but which are still in active use.

As at 30 September 2018, tangible fixed assets with carrying amount of VND1,887 billion (1/1/2018: VND1,963 billion) were pledged with banks as security for loans presented in Note 15(b)(*).

10. Intangible fixed assets

| | Land use rights VND | Software VND | Technology transfer rights VND | Others VND | Total VND |
|---|---------------------------|-----------------|---|---------------|----------------|
| Cost | | | | | |
| Opening balance | 64,452,359,739 | 11,153,522,171 | 3,770,891,148 | - | 79,376,773,058 |
| Additions | - | 1,360,000,000 | 254,499,000 | 191,646,088 | 1,806,145,088 |
| Transferred from construction in progress (Note 11) | 6,149,923,000 | - | - | - | 6,149,923,000 |
| Closing balance | 70,602,282,739 | 12,513,522,171 | 4,025,390,148 | 191,646,088 | 87,332,841,146 |
| Accumulated amortisation | | | | | |
| Opening balance | 7,075,481,697 | 3,378,566,204 | 3,770,891,148 | - | 14,224,939,049 |
| Charge for the year | 1,814,307,931 | 823,142,473 | 18,471,702 | 3,968,585 | 2,659,890,691 |
| Closing balance | 8,889,789,628 | 4,201,708,677 | 3,789,362,850 | 3,968,585 | 16,884,829,740 |
| Net book value | | | | | |
| Opening balance | 57,376,878,042 | 7,774,955,967 | - | - | 65,151,834,009 |
| Closing balance | 61,712,493,111 | 8,311,813,494 | 236,027,298 | 187,677,503 | 70,448,011,406 |

Included in intangible fixed assets were assets with cost of VND4,377,520,014 which were fully amortised as of 30 September 2018 (1/1/2018: VND4,377,520,014), but which are still in active use.

Power Generation Corporation 3
Notes to the separate financial statements for the period from 1 January 2018 to
30 September 2018 (continued)

Form B 09 – DN
(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

11. Construction in progress

| | Period from 1/1/2018 to 30/9/2018 VND | Year ended 31/12/2017 VND |
|---|--|--|
| Opening balance | 3,720,882,343,918 | 3,395,464,934,822 |
| Additions | 286,689,142,124 | 1,193,988,571,639 |
| Interest capitalised | 15,396,266,976 | 12,197,470,951 |
| Decrease due to finalisation (Note 9) | (1,052,102,661,356) | - |
| Transfer to tangible fixed assets (Note 9) | (141,803,350,178) | (261,666,522,860) |
| Transfer to intangible fixed assets (Note 10) | (6,149,923,000) | - |
| Transfer to inventories | (224,552,040,993) | (564,959,929,281) |
| Transfer to prepaid expenses | (101,226,716,090) | - |
| Other changes | (68,156,731,781) | (54,142,181,353) |
| | <hr/> | <hr/> |
| Closing balance | 2,428,976,329,620 | 3,720,882,343,918 |
| | <hr/> | <hr/> |

Constructions in progress included the following projects:

| | 30/9/2018 VND | 1/1/2018 VND |
|--------------------------------------|--------------------------|-------------------------|
| Mong Duong Thermal Power Plant | 1,221,947,927,450 | 1,546,836,406,303 |
| Vinh Tan 2 Thermal Power Plant | 162,729,518,607 | 711,263,163,190 |
| Vinh Tan Power Center Infrastructure | 660,160,223,232 | 897,011,032,903 |
| Vinh Tan Coal Terminal | 334,257,403,904 | 483,510,872,821 |
| Other constructions | 49,881,256,427 | 82,260,868,701 |
| | <hr/> | <hr/> |
| | 2,428,976,329,620 | 3,720,882,343,918 |
| | <hr/> | <hr/> |

Power Generation Corporation 3
Notes to the separate financial statements for the period from 1 January 2018 to
30 September 2018 (continued)

Form B 09 – DN
(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

12. Accounts payable to suppliers

| | 30/9/2018 | 1/1/2018 |
|--|-------------------|-------------------|
| | VND | VND |
| Related parties | | |
| Vietnam Electricity | 40,559,377,525 | - |
| Other related parties | 9,538,028,849 | 7,730,730,469 |
| Third parties | | |
| Petrovietnam Gas South East Transmission Company | 2,286,113,758,867 | 2,064,175,062,388 |
| Shanghai Electric Group Company | 1,486,382,804,864 | 1,525,447,889,495 |
| Vietnam national coal - mineral industries holding corporation limited | 489,926,170,619 | 395,747,166,558 |
| General Electric GmbH (Switzerland) | - | 441,888,029,101 |
| Other suppliers | 436,113,363,598 | 450,726,129,497 |
| | <hr/> | <hr/> |
| | 4,748,633,504,322 | 4,885,715,007,508 |
| | <hr/> | <hr/> |
| Amount within payment capacity | 4,748,633,504,322 | 4,885,715,007,508 |
| | <hr/> | <hr/> |

Power Generation Corporation 3

Notes to the separate financial statements for the period from 1 January 2018 to 30 September 2018 (continued)

Form B 09 – DN
(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

13. Taxes payable to and receivable from State Treasury

(a) Taxes payable to State Treasury

| | 1/1/2018 VND | Incurred VND | Paid/Net off VND | Reclassification VND | 30/9/2018 VND |
|--|-----------------|-------------------|---------------------|-------------------------|------------------|
| Value added tax | 34,879,709,620 | 741,788,726,188 | (728,255,213,191) | (10,627,961,478) | 37,785,261,139 |
| Withholding tax | - | 59,331,848,004 | (53,826,682,451) | - | 5,505,165,553 |
| Import-export tax | - | 15,839,556,738 | (15,839,556,738) | - | - |
| Natural resource taxes | 36,892,801,557 | 254,039,123,566 | (251,633,627,243) | 79,438,427 | 39,377,736,307 |
| Corporate income tax | 82,501,931,457 | 1,662,857,650 | (84,599,501,404) | 1,783,118,788 | 1,348,406,491 |
| Personal income tax | 3,677,497,728 | 60,054,514,426 | (60,436,460,031) | - | 3,295,552,123 |
| Duty and fees - fees for forest environmental services | 30,470,639,394 | 116,131,957,307 | (99,656,782,740) | 56,512,701 | 47,002,326,662 |
| Land and housing taxes, land rental | - | 22,139,254,904 | (7,946,727,926) | (49,625) | 14,192,477,353 |
| Other taxes | - | 16,089,634,880 | (16,089,634,880) | - | - |
| | 188,422,579,756 | 1,287,077,473,663 | (1,318,284,186,604) | (8,708,941,187) | 148,506,925,628 |

(b) Taxes receivable from State Treasury

| | 1/1/2018 VND | Incurred VND | Received VND | Reclassification VND | 30/9/2018 VND |
|--|-----------------|-----------------|-----------------|-------------------------|------------------|
| Value added tax | 10,627,961,478 | - | - | (10,627,961,478) | - |
| Corporate income tax | 140,450,000 | - | - | 1,783,118,788 | 1,923,568,788 |
| Natural resource taxes | - | - | - | 79,438,427 | 79,438,427 |
| Duty and fees - fees for forest environmental services | - | - | - | 56,512,701 | 56,512,701 |
| Land and housing taxes, land rental | 49,625 | - | - | (49,625) | - |
| | 10,768,461,103 | - | - | (8,708,941,187) | 2,059,519,916 |

Power Generation Corporation 3
Notes to the separate financial statements for the period from 1 January 2018 to
30 September 2018 (continued)

Form B 09 – DN
(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

14. Other payables

| | 30/9/2018 | 1/1/2018 |
|---------------------------------|-------------------|-----------------|
| | VND | VND |
| Related parties | | |
| Vietnam Electricity (a) | 2,869,858,506,510 | 672,641,114,110 |
| Other related parties | 32,584,350,397 | - |
| Third parties | | |
| Estimated value added tax | 146,215,216,225 | 180,234,266,182 |
| Payable from the sale of shares | 98,349,816,694 | - |
| Professional fees | 66,789,916,722 | 50,122,891,107 |
| Others | 82,563,111,150 | 52,368,981,145 |
| | <hr/> | <hr/> |
| | 3,296,360,917,698 | 955,367,252,544 |
| | <hr/> | <hr/> |

(a) Detail of other payable to Vietnam Electricity:

| | 30/9/2018 | 1/1/2018 |
|--|-------------------|-----------------|
| | VND | VND |
| Loans principal, interest expense, re-loan fees, foreign contractor tax (to be net off with account receivables) | 2,275,532,138,470 | - |
| Accrued interest expense, re-loan fees, foreign contractor tax | 519,881,469,214 | 672,519,931,249 |
| Profits transferred to Vietnam Electricity | 74,444,898,826 | - |
| Others | - | 121,182,861 |
| | <hr/> | <hr/> |
| | 2,869,858,506,510 | 672,641,114,110 |
| | <hr/> | <hr/> |

Power Generation Corporation 3

Notes to the separate financial statements for the period from 1 January 2018 to 30 September 2018 (continued)

Form B 09 – DN
(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

15. Borrowings

(a) Short-term borrowings

| | Movements during the period | | Foreign exchange difference VND | 30/9/2018 VND |
|--|-----------------------------|---------------------|---------------------------------------|-------------------|
| | Increase VND | Decrease VND | | |
| Current portion of long-term borrowings | 4,749,925,918,560 | (4,160,063,699,612) | 7,913,584,744 | 5,372,536,262,741 |
| Amount within payment capacity | 4,749,925,918,560 | | | 5,372,536,262,741 |

(b) Long-term borrowings

| | Movements during the period | | Foreign exchange difference VND | 30/9/2018 VND |
|----------------------|-----------------------------|---------------------|---------------------------------------|--------------------|
| | Increase VND | Decrease VND | | |
| Long-term borrowings | 57,803,378,056,136 | (4,774,760,459,049) | 1,352,712,661,170 | 54,450,473,419,177 |

Power Generation Corporation 3
Notes to the separate financial statements for the period from 1 January 2018 to
30 September 2018 (continued)

Form B 09 – DN
(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

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

| | | Year of | 30/9/2018 | 1/1/2018 |
|--|-----------------|-----------------|--------------------|--------------------|
| | Currency | maturity | VND | VND |
| Loans from organisations | | | | |
| <i>Mong Duong Thermal Power Project</i> | | | | |
| Lien Viet Post Joint Stock Commercial Bank – Thang Long Branch | VND | 2025 | 103,604,510,566 | 119,480,387,242 |
| Vietnam Electricity | VND | 2018 | - | 97,395,223,254 |
| <i>Vinh Tan 2 Thermal Power Project</i> | | | | |
| Vietnam Development Bank – Transaction Center I | VND | 2024 | 2,068,000,000,000 | 2,350,000,000,000 |
| Joint Stock Commercial Bank for Foreign Trade of Vietnam | VND | 2025 | 1,572,868,821,888 | 1,741,390,481,376 |
| <i>Buon Kuop Hydropower Project</i> | | | | |
| Saigon - Hanoi Commercial Joint Stock Bank – Ha Noi Branch | VND | 2025 | 260,000,000,000 | 290,000,000,000 |
| Vietnam Electricity | VND | 2018 | - | 178,000,000,000 |
| Military Commercial Joint Stock Bank - Tran Duy Hung Branch | VND | 2021 | 78,777,118,612 | 102,393,118,612 |
| Vietnam Bank for Agriculture and Rural Development (*) | VND | 2019 | 92,068,364,311 | 184,132,364,311 |
| <i>Buon Tua Srah Hydropower Project</i> | | | | |
| Vietnam Electricity | VND | 2018 | - | 338,000,000,000 |
| <i>Srepok 3 Hydropower Project</i> | | | | |
| Vietnam Electricity | VND | 2018 | - | 202,000,000,000 |
| Joint Stock Commercial Bank for Foreign Trade of Vietnam | VND | 2019 | 221,369,062,761 | - |
| <i>Vinh Tan Power Center Infrastructure Project</i> | | | | |
| Saigon - Hanoi Commercial Joint Stock Bank – South West Hanoi Branch | VND | 2026 | 233,945,112,081 | 164,801,951,161 |
| | | | 4,630,632,990,219 | 5,767,593,525,956 |
| Re-borrowings from Vietnam Electricity | | | | |
| <i>Mong Duong Thermal Power Project</i> | | | | |
| Asian Development Bank | USD | 2032 | 454,606,455,267 | 449,463,107,334 |
| Asian Development Bank | USD | 2034 | 19,554,327,054,073 | 19,249,288,966,287 |
| Export-Import Bank of Korea | USD | 2028 | 9,048,109,711,516 | 9,728,811,701,938 |

Power Generation Corporation 3
Notes to the separate financial statements for the period from 1 January 2018 to
30 September 2018 (continued)

Form B 09 – DN
(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

| | | Year of | 30/9/2018 | 1/1/2018 |
|--|----------|----------|--------------------|--------------------|
| | Currency | maturity | VND | VND |
| <i>Vinh Tan 2 Thermal Power Project</i> | | | | |
| Export-Import Bank of China | USD | 2027 | 6,309,685,393,524 | 6,820,268,027,292 |
| Export-Import Bank of China | CNY | 2027 | 1,685,494,354,842 | 1,948,880,435,441 |
| Export-Import Bank of China | USD | 2028 | 13,248,226,816,493 | 12,888,251,462,258 |
| <i>Buon Kuop Hydropower Project</i> | | | | |
| Japan Bank for International Cooperation | JPY | 2026 | 87,125,866,733 | 96,072,108,793 |
| Japan Bank for International Cooperation | JPY | 2028 | 65,593,261,265 | 71,059,575,068 |
| <i>Buon Tua Srah Hydropower Project</i> | | | | |
| Export-Import Bank of China | USD | 2020 | 73,852,025,199 | 107,768,022,992 |
| Asia Commercial Joint Stock Bank | VND | 2019 | 55,790,241,320 | 83,590,802,249 |
| <i>Srepok 3 Hydropower Project</i> | | | | |
| Vietnam Credit Agricole Corporate and Investment Bank | USD | 2020 | 196,199,073,599 | 229,041,639,962 |
| Joint Stock Commercial Bank for Foreign Trade of Vietnam | VND | 2019 | - | 332,053,575,761 |
| <i>Phu My Thermal Power Project</i> | | | | |
| Japan Bank for International Cooperation | JPY | 2028 | 4,413,366,437,868 | 4,781,161,023,365 |
| | | | 55,192,376,691,699 | 56,785,710,448,740 |
| | | | 59,823,009,681,918 | 62,553,303,974,696 |
| In which, payment within 12 months | | | 5,372,536,262,741 | 4,749,925,918,560 |

Effective interest rate of borrowings dominated in USD is ranging from 2.01% to 6.17% during the period (2017: from 1.65% to 5.15%).

Effective interest rate of borrowings dominated in VND is ranging from 8.98% to 10.03% during the period (2017: from 8.80% to 9.80%).

Effective interest rate of borrowings dominated in JPY is ranging from 0.95% to 2.75% during the period (2017: from 1.15% to 2.75%).

Effective interest rate of borrowings dominated in CNY is 3.40% during the period (2017: 3.60%).

- (*) Borrowing from Vietnam Bank for Agriculture and Rural Development was secured by Buon Kuop Hydropower Project with carrying amount of VND1,887 billion as at 30 September 2018 (1/1/2018: VND1,963 billion).

Other direct borrowings from domestic commercial banks were guaranteed by its parent company, Vietnam Electricity, without any pledged asset.

Power Generation Corporation 3

Notes to the separate financial statements for the period from 1 January 2018 to 30 September 2018 (continued)

Form B 09 – DN
(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

16. Changes in owner's equity

| | Contributed capital VND | Other capital VND | Foreign exchange differences VND | Investment and development fund VND | Retained profits VND | Capital expenditure fund VND | Total VND |
|---|----------------------------|----------------------|-------------------------------------|--|-------------------------|---------------------------------|-------------------|
| Balance at 1 January 2017 | 10,561,944,694,725 | 1,566,487,558 | (3,374,214,327,146) | 113,790,055,796 | - | 114,101,515,647 | 7,417,188,426,580 |
| Increase/(decrease) in capital during the year | - | - | - | 2,231,476,098 | - | - | 2,231,476,098 |
| Exchange differences during the year | - | - | 925,017,378,368 | - | - | - | 925,017,378,368 |
| Profit for the year | - | - | - | - | 180,077,565,357 | - | 180,077,565,357 |
| Appropriation to investment and development fund | - | - | - | 54,023,269,607 | (54,023,269,607) | - | - |
| Appropriation to bonus and welfare funds | - | - | - | - | (126,054,295,750) | - | (126,054,295,750) |
| Balance at 1 January 2018 | 10,561,944,694,725 | 1,566,487,558 | (2,449,196,948,778) | 170,044,801,501 | - | 114,101,515,647 | 8,398,460,550,653 |
| Transfer to Vietnam Electricity | (3,327,218,134) | - | - | - | (74,444,898,826) | - | (77,772,116,960) |
| Transfer of Thu Duc Thermal Power Company Limited (*) | (94,925,424,397) | (1,566,487,558) | - | (21,540,842,227) | - | (3,508,088,045) | (121,540,842,227) |
| Exchange differences during the period | - | - | 70,892,698,327 | - | - | - | 70,892,698,327 |
| Profit for the period | - | - | - | - | 262,717,879,394 | - | 262,717,879,394 |
| Appropriation to investment and development fund | - | - | - | 78,815,363,818 | (78,815,363,818) | - | - |
| Appropriation to bonus and welfare funds | - | - | - | - | (109,457,616,750) | - | (109,457,616,750) |
| Other adjustments | 14,542,592,000 | - | - | 499,211,736 | - | - | 15,041,803,736 |
| Balance at 30 September 2018 | 10,478,234,644,194 | - | (2,378,304,250,451) | 227,818,534,828 | - | 110,593,427,602 | 8,438,342,356,173 |

(*) In accordance with Decision No. 05/QĐ-EVN dated 19 January 2018 of the Members' Council of Vietnam Electricity, the ownership rights and obligations of Thu Duc Thermal Power Limited Company were transferred to Vietnam Electricity from 1 January 2018.

Power Generation Corporation 3
Notes to the separate financial statements for the period from 1 January 2018 to
30 September 2018 (continued)

Form B 09 – DN

*(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

17. Contributed capital

Movements in contributed capital during the year/period were as follows:

| | Period from 1/1/2018 to 30/9/2018 VND | Year ended 31/12/2017 VND |
|---|--|--|
| Balance at beginning of the year | 10,561,944,694,725 | 10,561,944,694,725 |
| Transfer to Vietnam Electricity | (3,327,218,134) | - |
| Transfer of Thu Duc Thermal Power Company Limited | (94,925,424,397) | - |
| Increase due to financial treatment in accordance with Decree 126/2017/ND-CP | 14,542,592,000 | - |
| | <hr/> | <hr/> |
| Balance at end of the period | 10,478,234,644,194 | 10,561,944,694,725 |
| | <hr/> | <hr/> |

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

On 27 December 2017, the Prime Minister approved the equitization plan of the Corporation in accordance with Decision No. 2100/QĐ-TTg. Pursuant to Decision No. 114/QĐ-SGDHN dated 14 March 2018, the Corporation was approved by the Hanoi Stock Exchange to register its shares on UPCoM of the Hanoi Stock Exchange with transaction code PGV.

Power Generation Corporation 3

Notes to the separate financial statements for the period from 1 January 2018 to 30 September 2018 (continued)

Form B 09 – DN
(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

18. Foreign exchange differences

| | 1/1/2018 VND | Incurred VND | Allocated to expenses VND | 30/9/2018 VND |
|--|-------------------|-------------------|---------------------------------|-------------------|
| Foreign exchange differences incurred in the period of construction (i) | 1,098,488,973,504 | - | (492,968,936,511) | 605,520,036,993 |
| Foreign exchange differences due to revaluation of the balances of long-term monetary liabilities in foreign currencies (ii) | 1,350,707,975,274 | (124,261,235,867) | (855,417,778,937) | 371,028,960,470 |
| Foreign exchange differences due to financial treatment in accordance with Decree 126/2017/ND-CP (iii) | - | 1,401,755,252,988 | - | 1,401,755,252,988 |
| | 2,449,196,948,778 | 1,277,494,017,121 | (1,348,386,715,448) | 2,378,304,250,451 |

| | 1/1/2017 VND | Incurred VND | Allocated to expenses VND | 31/12/2017 VND |
|--|-------------------|-----------------|---------------------------------|-------------------|
| Foreign exchange differences incurred in the period of construction (i) | 1,508,828,910,951 | 6,869,803,197 | (417,209,740,644) | 1,098,488,973,504 |
| Foreign exchange differences due to revaluation of the balances of long-term monetary liabilities in foreign currencies (ii) | 1,865,385,416,195 | - | (514,677,440,921) | 1,350,707,975,274 |
| | 3,374,214,327,146 | 6,869,803,197 | (931,887,181,565) | 2,449,196,948,778 |

(i) Foreign exchange differences incurred in the period of construction of power projects included in the National Electricity Development Plan (Note 3(a)(ii)).

(ii) Foreign exchange differences due to revaluation of the balances of long-term monetary liabilities in foreign currencies (Note 3(a)(iii)).

(iii) Foreign exchange differences due to revaluation of the balances of monetary items dominated in foreign currencies upon transforming to joint stock company in accordance with Decree 126/2017/ND-CP (Note 3(a)(iv)).

Power Generation Corporation 3
Notes to the separate financial statements for the period from 1 January 2018 to
30 September 2018 (continued)

Form B 09 – DN
(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

19. Profit distribution

In accordance with Article 31 Decree No. 91/2015/ND-CP dated 13 October 2015 of the Government, the remaining profits after appropriation to funds will be remitted to the Vietnam Electricity.

20. Off balance sheet items

(a) Lease

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

| | 30/9/2018 | 1/1/2018 |
|--------------------------|------------------|-----------------|
| | VND | VND |
| Within one year | 6,859,086,978 | 6,090,521,991 |
| Within two to five years | 24,063,207,549 | 24,098,087,963 |
| More than five years | 177,615,126,146 | 179,878,210,240 |
| | 208,537,420,673 | 210,066,820,194 |

Operating lease commitments represented land rental at Phu My Town, Tan Thanh District, Ba Ria – Vung Tau Province, Vietnam including 1 parcel of leased land for 38 years from 26 November 2012; 1 parcel of leased land for 49 years from 11 November 1999 and 3 parcels of leased land in Vinh Tan Commune, Tuy Phong District, Binh Thuan Province, Vietnam leased for 70 years from 28 November 2013.

(b) Foreign currency

| | 30/9/2018 | | 1/1/2018 | |
|-----------------------|------------------------------|---------------------------|------------------------------|---------------------------|
| | Original currency | VND equivalent | Original currency | VND equivalent |
| United States Dollars | 28,343.47 | 660,123,168 | 66,049.67 | 1,496,632,698 |

(c) Investment commitments

As at 30 September 2018, in accordance with the approved construction plan, the Corporation will invest VND886,571 million to build power plants and other projects in the next three months (1/1/2018: VND1,110,868 million).

Power Generation Corporation 3
Notes to the separate financial statements for the period from 1 January 2018 to
30 September 2018 (continued)

Form B 09 – DN
(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

21. Revenue from sales of goods and provision of services

| | Period from 1/1/2018 to 30/9/2018 VND | Year ended 31/12/2017 VND |
|-------------------------|--|--|
| Sales of electricity | 27,501,515,645,601 | 34,431,989,442,960 |
| Sales of other services | 311,820,017,646 | 251,745,715,383 |
| | <hr/> 27,813,335,663,247 | <hr/> 34,683,735,158,343 |

22. Cost of sales

| | Period from 1/1/2018 to 30/9/2018 VND | Year ended 31/12/2017 VND |
|------------------------|--|--|
| Cost of electricity | 23,947,232,380,599 | 30,376,017,034,659 |
| Cost of other services | 283,906,865,040 | 244,707,156,481 |
| | <hr/> 24,231,139,245,639 | <hr/> 30,620,724,191,140 |

23. Financial income

| | Period from 1/1/2018 to 30/9/2018 VND | Year ended 31/12/2017 VND |
|--|--|--|
| Interest income from deposits | 92,847,217,900 | 68,507,442,171 |
| Dividends and shared profits | 293,205,811,570 | 202,496,617,000 |
| Foreign exchange gains due to payments | 14,835,438,287 | 14,480,858,442 |
| | <hr/> 400,888,467,757 | <hr/> 285,484,917,613 |

Power Generation Corporation 3
Notes to the separate financial statements for the period from 1 January 2018 to
30 September 2018 (continued)

Form B 09 – DN
(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

24. Financial expenses

| | Period from 1/1/2018 to 30/9/2018 VND | Year ended 31/12/2017 VND |
|--|--|--|
| Interest expense | 2,025,166,808,801 | 2,626,329,546,170 |
| Foreign exchange losses due to payments | 35,213,748,256 | 18,088,860,427 |
| Allocation of foreign exchange losses due to revaluation | 1,348,386,715,448 | 1,111,607,688,164 |
| Others | 5,451,390 | 5,397,840 |
| | 3,408,772,723,895 | 3,756,031,492,601 |

25. General and administration expenses

| | Period from 1/1/2018 to 30/9/2018 VND | Year ended 31/12/2017 VND |
|------------------------------|--|--|
| Labour costs and staff costs | 152,471,328,280 | 170,580,729,813 |
| Outside services | 40,343,723,184 | 51,553,623,260 |
| Other expenses | 113,724,429,270 | 118,705,742,596 |
| | 306,539,480,734 | 340,840,095,669 |

26. Production and business costs by element

| | Period from 1/1/2018 to 30/9/2018 VND | Year ended 31/12/2017 VND |
|-------------------------------|--|--|
| Raw material costs | 19,114,562,778,021 | 22,238,246,665,976 |
| Labour costs and staff costs | 548,065,444,767 | 559,068,098,971 |
| Depreciation and amortisation | 3,242,786,753,074 | 4,971,145,525,428 |
| Outside services | 301,883,184,708 | 503,524,895,011 |
| Overhaul expenses | 658,341,365,096 | 2,017,643,478,237 |
| Other expenses | 672,039,200,707 | 671,935,623,186 |

Power Generation Corporation 3
Notes to the separate financial statements for the period from 1 January 2018 to
30 September 2018 (continued)

Form B 09 – DN
(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

27. Income tax

(a) Recognised in the statement of income

| | Period from 1/1/2018 to 30/9/2018 VND | Year ended 31/12/2017 VND |
|----------------------------|--|--|
| Current tax expense | | |
| Current year | 1,662,857,650 | 123,779,583,959 |
| Previous year | - | 2,096,629 |
| | 1,662,857,650 | 123,781,680,588 |

(b) Reconciliation of effective tax rate

| | Period from 1/1/2018 to 30/9/2018 VND | Year ended 31/12/2017 VND |
|-------------------------------------|--|--|
| Accounting profit before tax | 264,380,737,044 | 303,859,245,945 |
| Tax at the Corporation's tax rate | 52,876,147,409 | 60,771,849,189 |
| Non-deductible expenses | 7,472,333,915 | 211,341,128,605 |
| Tax incentives | (44,461,362) | (107,834,070,435) |
| Non-taxable income | (58,641,162,312) | (40,499,323,400) |
| Income tax expense in previous year | - | 2,096,629 |
| | 1,662,857,650 | 123,781,680,588 |

(c) Applicable tax rates

Under the current Law on Corporate Income Tax, the Corporation has an obligation to pay the government income tax at the rate of 20% on taxable profits.

Vinh Tan 2 Thermal Project and Mong Duong 1 Thermal Project are exempt from corporate income tax for 4 years since the year that taxable income were generated (i.e. from 2015 to 2018), and eligible for 50% reduction on tax rate for the next 9 years.

Power Generation Corporation 3

Notes to the separate financial statements for the period from 1 January 2018 to
30 September 2018 (continued)

Form B 09 – DN

(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

28. Significant transactions with related parties

In addition to related parties balances disclosed in other notes to the separate financial statements, the Corporation had the following significant transactions with related parties during the period/year:

| | Transaction value | |
|---|--|------------------------------------|
| | Period from 1/1/2018 to 30/9/2018 VND | Year ended 31/12/2017 VND |
| Vietnam Electricity | | |
| Purchases of electricity | 82,358,020,559 | 116,078,200,082 |
| Sales of services | 192,651,641,000 | - |
| Borrowings during the year | - | 1,156,114,385,224 |
| Repayments of borrowings during the year | 3,575,994,255,311 | 2,346,513,218,606 |
| Loan interest | 1,849,294,584,283 | 2,121,881,108,248 |
| Profits transferred to Vietnam Electricity | 74,444,898,826 | - |
| Ba Ria Thermal Power JSC | | |
| Dividend | 100,578,234,130 | 48,123,557,000 |
| Purchases of services | 53,000,000 | 404,790,000 |
| Sales of services | - | 230,454,545 |
| Ninh Binh Thermal Power JSC | | |
| Dividend | 17,754,508,800 | 10,568,160,000 |
| Purchases of services | 584,065,874 | 2,109,026,292 |
| Sales of services | 106,144,000 | - |
| Thu Duc Thermal Power Limited Liability Company | | |
| Purchases of services | - | 2,810,919,834 |
| Sales of services | 454,634,481 | 95,454,545 |
| Vinh Son – Song Hinh Hydropower JSC | | |
| Dividend | 63,016,948,000 | 63,016,948,000 |
| Thac Ba Hydropower JSC | | |
| Dividend | 24,765,000,000 | 41,910,000,000 |
| Se San 3A Power Investment & Development JSC | | |
| Dividend | 37,800,000,000 | 16,800,000,000 |
| Petro Vietnam Power Nhon Trach 2 JSC | | |
| Dividend | 49,291,120,640 | 22,077,952,000 |
| Electricity Power Trading Company | | |
| Sales of electricity | 27,501,515,645,601 | 34,431,989,442,960 |

Power Generation Corporation 3
Notes to the separate financial statements for the period from 1 January 2018 to
30 September 2018 (continued)

Form B 09 – DN
(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

| | Transaction value | |
|---|--|------------------------------------|
| | Period from 1/1/2018 to 30/9/2018 VND | Year ended 31/12/2017 VND |
| Duyen Hai Thermal Power Company | | |
| Sales of services | 216,048,000 | 2,913,513,946 |
| Northern Power Corporation (Quang Ninh Power Company) | | |
| Purchases of electricity | 9,388,082,831 | 8,074,281,106 |
| Power Engineering Consulting Joint Stock Company 1 | | |
| Purchases of services | - | 3,079,872,790 |
| Power Engineering Consulting Joint Stock Company 2 | | |
| Purchases of services | 12,316,846,292 | 7,818,244,357 |
| Sales of services | - | 2,527,500,000 |
| Power Engineering Consulting Joint Stock Company 3 | | |
| Purchases of services | 1,671,848,605 | 540,403,916 |
| Power Engineering Consulting Joint Stock Company 4 | | |
| Purchases of services | 73,611,566,892 | 11,652,664,648 |
| EVN Finance Joint Stock Company | | |
| Interest on deposits | 16,907,914,765 | 23,864,750,000 |
| Telecommunication and Information Technology Center | | |
| Purchases of services | 191,646,088 | 3,667,688,815 |
| Electrical Power Testing Center – Southern Power Corporation | | |
| Purchases of services | 1,807,411,029 | 1,363,951,146 |
| Management Officer | | |
| Salary and bonus | 3,747,600,000 | 5,062,674,000 |

Power Generation Corporation 3
Notes to the separate financial statements for the period from 1 January 2018 to
30 September 2018 (continued)

Form B 09 – DN
(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

29. Non-cash investing and financing activities

| | Period from 1/1/2018 to 30/9/2018 VND | Year ended 31/12/2017 VND |
|---|--|--|
| Fixed assets and construction in progress acquired but not yet paid | 1,564,540,602,810 | 1,790,350,748,397 |
| Net off liabilities to Vietnam Electricity and receivables from Electricity Power Trading Company | 3,149,756,701,124 | 875,604,776,746 |
| Transfer tangible fixed assets to inventories | 224,552,040,993 | 564,949,929,281 |
| Transfer of Thu Duc Thermal Power Company Limited (*) | 121,540,842,227 | - |
| Transfer construction in progress to prepaid expenses | 101,226,716,090 | - |
| Profits transferred to Vietnam Electricity not yet paid | 74,444,898,826 | - |
| Divident from PetroVietnam Power NhonTrach 2 Joint Stock Company (in accordance with Decree 126/2017/ND-CP) | 14,542,592,000 | - |
| Transfer borrowings to parent company | - | 3,506,018,228,841 |
| Increase of investments in subsidiary by development and investment fund | - | 2,730,687,834 |


(*) At 1 January 2018, the Corporation transferred the ownership rights and obligations of Thu Duc Thermal Power Limited Company to Vietnam Electricity in accordance with Decision No. 05/QĐ-EVN dated 19 January 2018 of the Members' Council of Vietnam Electricity.


30. Corresponding figures

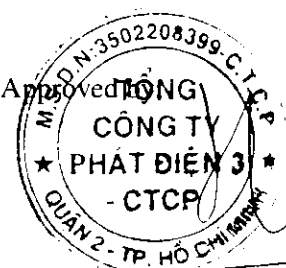

Corresponding figures as at 1 January 2018 were derived from the balances and amounts reported in the Corporation's separate financial statements as at and for the year ended 31 December 2017.

23 November 2018

Prepared by:


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Nguyen Thi Thanh Huong
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