



TRANSITION and CHALLENGES

POWER GENERATION JOINT STOCK CORPORATION 3
2018 ANNUAL REPORT

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"2018 MARKED A TRANSITION FROM A 100% STATE-OWNED ENTERPRISE TO A JOINT STOCK COMPANY WITH DIFFICULTIES IN THE PAST AND CHALLENGES IN THE FUTURE. THESE CHALLENGES WILL BECOME THE DRIVING FORCE FOR US TO MAKE A STRONG BREAKTHROUGH, COMPREHENSIVE RESTRUCTURING OF EVNGENCO 3, EXPAND COOPERATION, REACH OUT TO THE WORLD, BUILD CORPORATION FOR SUSTAINABLE DEVELOPMENT."



PHU MY 1 THERMAL POWER PLANT

01

EVNGENCO 3'S HIGHLIGHTS IN 2018

In 2018, EVNGENCO 3 ensured safe, continuous and economical operation and production of electricity; at the same time, guaranteed quality, met the construction progress of electric power source investment projects according to development orientation until the end of 2025.

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GENERAL INFORMATION

Full name	Tổng Công ty Phát điện 3 - Công ty Cổ Phần
English name	Power Generation Joint Stock Corporation 3
Abbreviated name	EVNGENCO 3
Stock code	PGV
First trading day on UPCoM	21/03/2018
Business Registration Certificate No.	3502208399, registered for the first time on November 26th, 2012, revised for the 6th time on January 2nd, 2019, in Ho Chi Minh City Department of Planning and Investment
Charter capital	VND 10,699,695,770,000
In words	Ten thousand six hundred and ninety nine billion six hundred and ninety five million seven hundred and seventy thousand Vietnamese dong
Head office address	No. 60-66 Nguyen Co Thach Street, Sala Urban Area, An Loi Dong Ward, District 2, Ho Chi Minh City, Vietnam
Phone	028 3636 7449
Fax	028 3636 7450
Email	genco3@genco3.evn.vn
Website	http://www.genco3.com

SHAREHOLDER STRUCTURE AS AT DECEMBER 31ST, 2018

Shareholder	Number of shares (shares)	Value at par value (VND)	Charter capital ratio (%)
Vietnam Electricity (EVN)	1,061,355,233	10,613,552,330,000	99.19%
Officers and employees	1,464,700	14,647,000,000	01.4%
Outside investors	7,149,644	71,496,440,000	0.67%
Total	1,069,969,577	10,699,695,770,000	100.00%

LIST OF ACRONYMS

Corp.: Corporation, EVNGENCO 3, GENC03

JSC: Joint Stock Company

Ltd: One member limited liability

BRC: Business registration certificate

TPJS: Thermal Power Joint Stock

HPC: Hydropower Company

B - EM: Business - Electricity market

EDJS: Electricity Development Investment Joint Stock

IJSC: Investment Joint Stock Company

I&DJSC: Investment and Development Joint Stock Company

PC: Power Complex

BA: Business Administration

BoD: Board of Directors

GD: General Director

PM: Project Management

TS: Repair service

TPP: Thermal power plant

HPP: Hydropower plant

PP: Power plant

MC: Members' Council

Laborers: Laborers

LP: Labor productivity

I - C: Investment - Construction

EI - D: Electricity Investment - Development

P&B: Production and Business

OSH: Occupational Safety and Health

FEP: Fire and explosion prevention

FP: Fire protection

DP&S&R: Disaster prevention and search and rescue

OM: Operation management

IR 4.0: Industrial revolution 4.0

IT: Information technology

PP: Production Preparation

LA: Labor accidents

ERD: Exchange rate difference

PBT: Profit before tax

PAT: Profit after tax

BA: Business activities

NR: Net revenue

IMRs: Internal management regulations

DA: Dependent accounting

Overhaul: Overhaul

EO: Electricity output

EP: Environmental protection

HRD: Human Resource Development

HI: Health insurance

SI: Social Insurance

UI: Unemployment Insurance



TYPICAL ACTIVITIES AND EVENTS IN 2018

21/03/2018

First trading on Upcom

22/03/2018

EPS Repair Service Company signed a Memorandum of Cooperation with KEPCO KPS Korea

17/09/2018

General Meeting of Shareholders was successfully held for the first time

01/01/2019

Relocated from Phu My Town, Ba Ria Vung Tau Province to Sala Urban Area, District 2, Ho Chi Minh City, considered the economic and financial heart of the country.

30/11/2018

Signing the EPC Contract under the Vinh Tan 2 Thermal Power Plant Project with capacity of 42.65 MWp.

30/10/2018

Successfully signed a Memorandum of Understanding for investment in Long Son Power Complex Project in Ba Ria Vung Tau using LNG liquefied natural gas with a total capacity of 3,600 MW.

01/10/2018

EVNGENCO3 officially operated under the type of Joint Stock Company



MESSAGE FROM EVNGENCO 3



Dear our Valued Shareholders, Partners and All Staff

In 2018, Power Generation Joint Stock Corporation 3 implemented objectives, tasks and plans approved by the General Meeting of Shareholders for the first time in the context of difficulties in fuel for production because gas and coal supplies did not meet the capacity of power plants, especially in the last 3 months of 2018. At the same time, lower water flow to the hydropower reservoirs in the Central region than forecasted, increased exchange rate are the challenges that power generation companies in general and EVNGENCO 3 in particular have been affected significantly.

Overcoming difficulties and challenges, EVNGENCO 3 ensures safe and reliable operation of plant units, optimizes power production costs to bring the highest efficiency to our valued shareholders and investors. For investment in electric power source development, the Corporation has started Vinh Tan 2 Solar Power Project with a capacity of 42.65 MWp in Binh Thuan Province, when it comes into operation, it will contribute annual power production of about 68.4 million kWh of clean energy to the National Electricity System.

In addition, in 2018, the Corporation made efforts to implement equitization and improve management capacity with many remarkable milestones as follows: Completed Initial Public Offering (IPO) on February 09th, 2018; traded shares on UPCoM from March 21st, 2018; officially operated under the model of Joint Stock Company from October 1st, 2018.

Following the stable development process in the past years, in 2018, revenue from sales and service provision of the Corporation reached VND 39,338 billion, an increase of 3.78% compared to 2017 and power production profit (excluding forex losses) of the Corporation reached VND 1,860 billion, an increase of 38.17% compared to 2017.

In 2019, EVNGENCO 3 will focus on maximizing resources for restructuring and improving financial capacity in addition to core business and production activities to maximize production and business profit. At the same time, complete Vinh Tan 2 Solar Power Project in June 2019 with the highest quality and economic efficiency.

Finally, EVNGENCO 3 would like to express our sincere thanks to the trust and support of customers, the companion and support of partners and shareholders in the past year; at the same time, we also would like to express our sincere thanks to the members of the Board of Directors, the Executive Board and all staff of the Corporation for their continuous efforts to perform their tasks in 2018.

Thank you and Best regards./.

EVNGENCO 3

VINH TAN 2 THERMAL POWER PLANT



VINH TAN POWER COMPLEX

02

ABOUT EVNGENCO 3

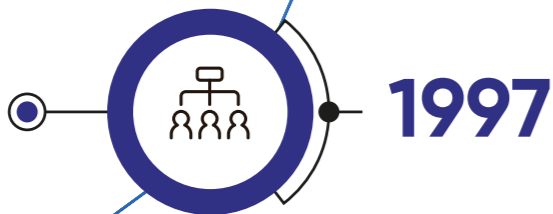
Sustainable development, successful construction

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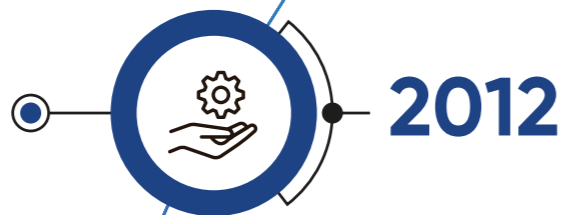
HISTORY & DEVELOPMENT MILESTONES

On 15/02/1997, Phu My Power Plant (later renamed to Phu My Thermal Power Company) was established pursuant to Decision No. 48/DVN/HDQT issued by EVN's Board of Directors.



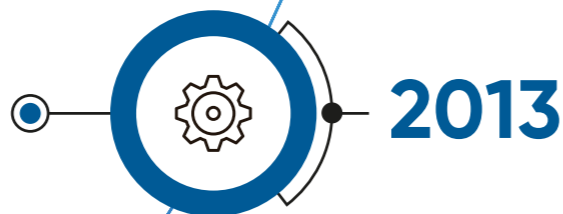
1997

Power Generation Corporation 3 (EVNGENCO 3) was officially established pursuant to Decision No. 3025/QD-BCT dated 01/06/2012 of the Ministry of Industry and Trade based on re-organization of Phu My Thermal Power One Member Limited Liability Company, dependent accounting power generation companies, electric power source project management boards, and receipt of the right to represent State capital owner at some EVN's power generation companies operating under the Enterprise Law.



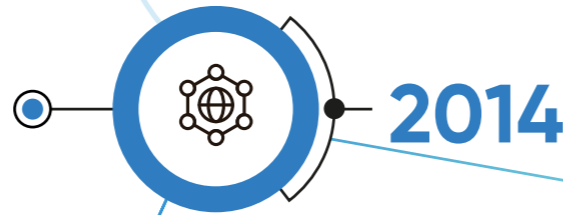
2012

Established Vinh Tan Thermal Power Company, Thai Binh Thermal Power Project Management Board. The Company was officially put into operation from January 01st, 2013.

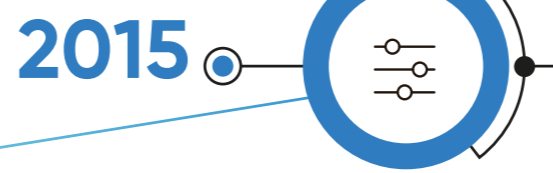


2013

Established GE - PMTP Power Service LLC. Transferred Hydropower Project Management Board No.1 and Huoi Quang - Ban Chat Hydropower Company back to EVN.



2014



2015

Established Mong Duong Thermal Power Company cum Thermal Power Project Management Board No.1; EVNGENCO 3 Power Service Company (EPS); Transferred Vinh Tan 4 Thermal Power Project back to EVN from 01/05/2015; Received Thu Duc Thermal Power One Member Limited Liability Company from EVNGENCO 2.



2016

Established Phu My Thermal Power Company.



2017

Established Thai Binh Thermal Power Company (cum Thai Binh Thermal Power Project Management Board).



2018

Successfully transformed from One Member Company Limited Liability model to Joint Stock Company model; Made IPO and registered the trading of PGV shares of Power Generation Joint Stock Corporation 3 on UPCoM from 21/03/2018. Transferred Thu Duc Thermal Power One Member Limited Liability Company back to EVN.



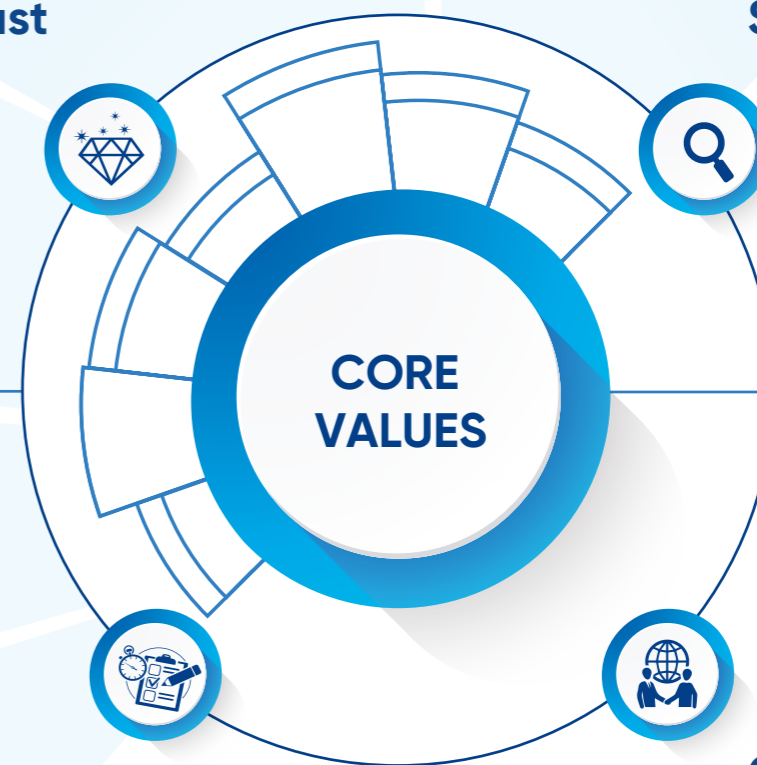
VISION - MISSION - CORE VALUES



Power Generation Corporation 3 (EVNGENCO 3) aims to become a company with state-of-the art technology, advanced and highly specialized governance, efficient and sustainable operation, playing a crucial role in the national economy and energy security; strives to become a leading company in Vietnam and ASEAN region in clean energy production, environmental friendly technology application for sustainable development.



To ensure safe, continuous and efficient power production; To invest effectively in power generation, contribute to ensure the national power security.



Quality Trust

Dedication Skillfulness

Creativeness Effectiveness

Collaboration Sharing

For the sustainable development goals, EVNGENCO 3 always takes the core values as guidelines and standards for the Company's activities.

Quality Trust

As the foundation of EVNGENCO 3, we build up the trust in society by product and service's quality, integrity and responsibility in every activity.

Dedication Skillfulness

Is the value of serving, working style of EVNGENCO 3. Always strikes to present serious attitude, high responsibility at work, be fully dedicated to serving customers.

Collaboration Sharing

Is the spirit that EVNGENCO 3 wants to achieve for sustainable development and success of the Company, EVN and partners.

Creativeness Effectiveness

Professional work environment that facilitates creativeness and brings in high efficiency to help EVNGENCO 3 accomplish assigned missions and objectives.



CORPORATE CULTURE

WORK CULTURE

With the business philosophy of "Kindness, Decorum, Uprightness, Wisdom, Faithfulness", the Company always put efforts into fulfilling all assigned responsibilities, collaborating and sharing knowledge and information to solve problems effectively for common benefits and the development of EVNGENCO 3 and EVN.

COMMUNICATION

Every EVNGENCO 3's member treats each other on the basis of equality, respect, friendship, solidarity, collaboration in all aspects. The Company's communication culture always put human at the centre, treatment in a polite and proper manner.

BUSINESS PHILOSOPHY

With the objective to become one of leading companies in the field of energy generation, power sources development in Vietnam and the region, the Company always comply with the business philosophy of "Kindness – Decorum – Uprightness – Wisdom – Faithfulness", that brings in sustainable development values for EVNGENCO 3.

CUSTOMER RELATIONSHIP

Customer's trust and satisfaction are considered as EVNGENCO 3's success. The Company always responds to customer's queries promptly and accurately in accordance with the regulations of the State, EVN and EVNGENCO 3.

RELATIONSHIP WITH STATE AGENCIES, MEDIA

EVNGENCO 3 always respects the representatives of authorized agencies, media, communicates in a gentle and polite manner, provides timely and accurate information in line with responsibilities and duties.

PARTNER RELATIONSHIP

EVNGENCO 3 builds a friendly, sustainable relationship with partners on the basis of equality, mutual benefit and trust. Law compliance and healthy competition on the basis of advanced technology, high quality products and services are always respected.

COMMITMENT TO EMPLOYEES

EVNGENCO 3 always ensures stable employment and living conditions for employees in respect of both material and spiritual benefits in accordance with the regulations, and creates favorable conditions for employee's on-going learning and career development.

COMMITMENT TO SUPERIOR AGENCIES

"Safe, continuous and affordable" – EVNGENCO 3 commits to complete all tasks assigned by the superior agencies, ensures to provide electricity safely, continuously, affordably and contributes to national prosperity, commits to be dedicated and responsible, creative and effective in all tasks implementation.

COMMITMENT TO ENVIRONMENTAL PROTECTION

EVNGENCO 3 commits to always comply with environmental protection regulations for protecting the mankind's common home. Keeps raising the awareness and actively participates in environmental protection activities at the Company as well as in the community.



SCOPES OF BUSINESS



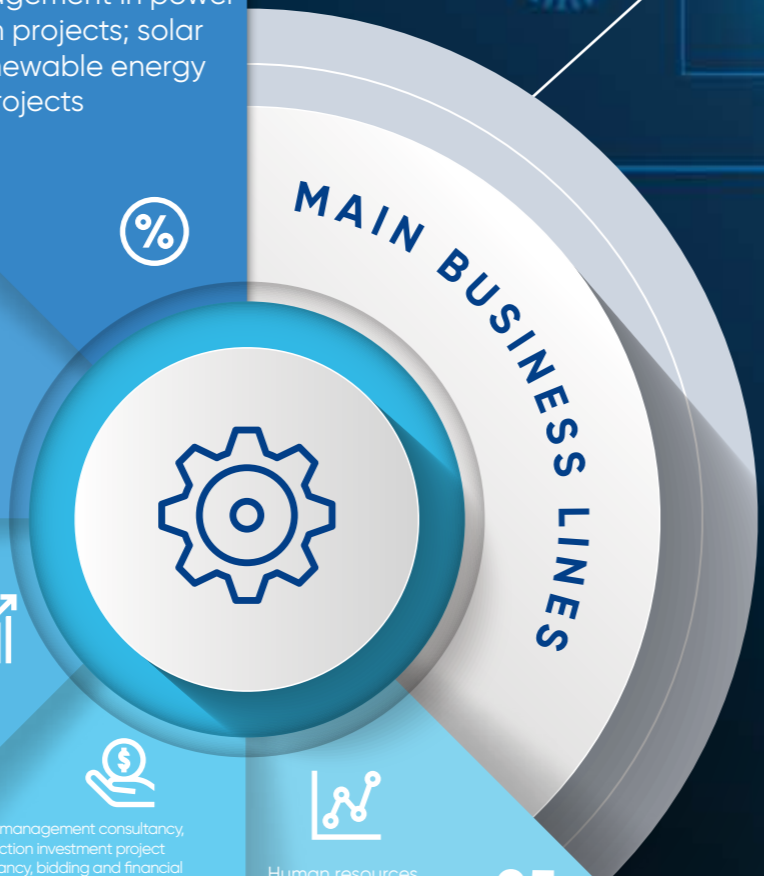
01

Electricity production and trading; investment and capital management in power generation projects; solar energy, renewable energy projects

- Construction of electricity and construction works
- Import and export of fuels, raw materials and materials and equipment for electricity industry; trading of ash slag
- Exploitation, processing and trading of fuels and raw materials for power production
- Production of building materials, insulating materials; labor protection equipment
- Water exploitation, processing and supply.
- Leasing land and leasing houses
- Inspection, safety inspection of electrical equipment, electrical instruments, electrical, heat, pressure measurement systems
- Other activities approved by the General Meeting of Shareholders in accordance with the laws of Vietnam

02

Management, operation, repair and maintenance, overhaul, experiment, modification, renovation, upgrading of electrical, mechanical, operational and automated equipment of power production lines, power construction works; electrical experiments; power mechanics;



Management, operation, repair and exploitation of seaports belonging to Power Complexes

03

Project management consultancy, construction investment project consultancy, bidding and financial projection consultancy; consultancy on verifying and supervising power generation projects, and power grid synchronization companies and power grid synchronization construction works for power generation projects; consultancy on preparation for power plants' production

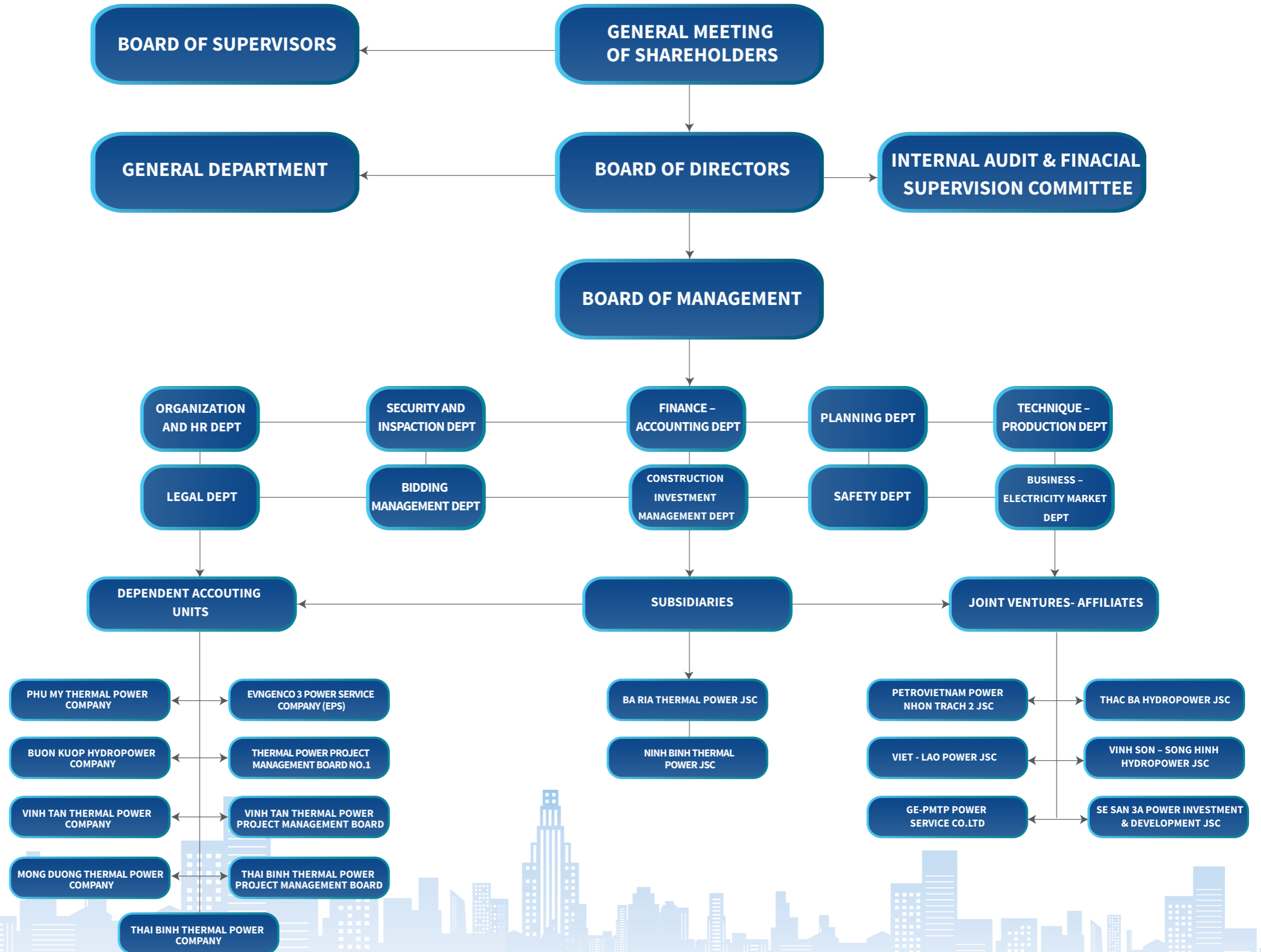
04

Human resources training and development for power plant equipment operation management, repair and maintenance

05



ORGANIZATIONAL STRUCTURE





POWER PLANTS AND MEMBER COMPANIES

Subordinate units as at December 31st, 2018



PHU MY THERMAL POWER COMPANY

Capacity: 2,540 MW

Address: Phu My Ward, Phu My Town, Ba Ria - Vung Tau Province

Activity: Operation management of 04 thermal power plants: Phu My 1, Phu My 4, Phu My 2.1 and Expanded Phu My 2.1

BUON KUOP HYDROPOWER COMPANY

Capacity: 586 MW

Address: 22 Mai Xuan Thuong, Thanh Nhat, Buon Ma Thuot City, Dak Lak

Activity: Operation management of 03 hydropower plants: Buon Kuop, Buon Tua Srah, Srepok 3



VINH TAN THERMAL POWER COMPANY

Capacity: 1,244 MW

Address: Campus of Vinh Tan 2 Thermal Power Plant, Vinh Phuc Village, Vinh Tan Commune, Tuy Phong District, Binh Thuan Province

Activity: Operation management of Vinh Tan 2 Thermal Power Plant

EVNGENCO 3 POWER SERVICE COMPANY (EPS)

Address: 332 Doc Lap (Highway 51), Phu My Town, Ba Ria - Vung Tau Province

Activity: Provision of repair services for power plants



MONG DUONG THERMAL POWER COMPANY

Capacity: 1,080 MW

Address: Area 8, Mong Duong Ward, Cam Pha City, Quang Ninh Province

Activity: Operation management of Mong Duong 1 Thermal Power Plant

THAI BINH THERMAL POWER COMPANY

Capacity: 600 MW

Address: My Loc Commune, Thai Thuy District, Thai Binh Province

Activity: Operation management of Thai Binh 1 Thermal Power Plant



THERMAL POWER PROJECT MANAGEMENT BOARD NO. 1

Address: Area 8, Mong Duong Ward, Cam Pha City, Quang Ninh Province

Activity: Project management of Mong Duong 1 Thermal Power Plant



THAI BINH THERMAL POWER PROJECT MANAGEMENT BOARD

Address: Office Building of Thai Binh Thermal Power Project Management Consultant, My Loc Commune, Thai Thuy District, Thai Binh Province

Activity: Project management of Thai Binh 1 Thermal Power Plant



VINH TAN THERMAL POWER PROJECT MANAGEMENT BOARD

Address: Quarter 5, Phu Thuy Ward, Phan Thiet City, Binh Thuan Province

Activity: Project management of Vinh Tan 2 Thermal Power Plant, infrastructure of Vinh Tan Power Center, Vinh Tan 4 Thermal Power Plant, Vinh Tan 4 Extension Thermal Power Plant for the investor (EVN) and Vinh Tan 2 solar power project



Subsidiaries

No.	Name of subsidiary	Address	Capacity (MW)	Charter capital (MLVND)	EVNGENCO 3's holding (MLVND)	EVNGENCO 3's holding (%)	Main business activities
1	Ba Ria Thermal Power JSC (BTP)	Huong Giang Quarter, Long Huong Ward, Ba Ria City, Ba Ria - Vung Tau Province	390	604,856	481,236	79.56	Power production
2	Ninh Binh Thermal Power JSC (NBP)	No. 1 Hoang Dieu Street, Thanh Binh Ward, Ninh Binh City	100	128,655	70,454	54.76	Power production
Total					551,690		

Joint Ventures and Affiliates

No.	Name of subsidiary	Address	Capacity (MW)	Charter capital (MLVND)	EVNGENCO 3's holding (MLVND)	EVNGENCO 3's holding (%)	Main business activities
1	Thac Ba Hydropower JSC (TBC)	Highway 37, Thac Ba Township, Yen Binh, Yen Bai	120	635,000	190,500	30	Power production
2	Vinh Son - Song Hinh Hydropower JSC (VSH)	21 Nguyen Hue, Quy Nhon City, Binh Dinh Province	136	2,062,412	517,058	30.55	Power production
3	Se San 3A Power Investment & Development JSC	96 Pham Van Dong, Pleiku City, Gia Lai	108	280,000	84,000	30	Power production
4	PetroVietnam Power Nhon Trach 2 JSC (NT2)	Phuoc Khanh, Nhon Trach, Dong Nai	750	2,878,760	83,022	2.5	Power production
5	Viet - Lao Power JSC	9th Floor, Zone B, HH4 Building, Pham Hung Street, Me Tri Ward, Nam Tu Liem District, Hanoi City	651	3,250,000	19,600	0.60	Power production
6	GE - PMTP Power Service Co., Ltd	Phu My 1 IP, Phu My Township, Tan Thanh District, Ba Ria - Vung Tau	—	496,424	74,464	15	Energy services
Total			1,765		968,644		



BOARD OF DIRECTORS



MR. NGUYEN VAN LE CHAIRMAN

- **Year of birth:** 1959
- **Qualifications:**
Electrical System Engineer, Bachelor of Business Administration, Doctor of Network and Electrical System.
- **Work experience:**
From 1993 to 2004: Deputy Director of Technique - Production of Electrical Experiment Center No. 3
From 2004 to 2007: Deputy Head of Hydropower Project Management Board No. and Head of Preparation for Production of Hydropower Plants on Vu Gia - Thu Bon River
From 2008 to 2012: Chairman of Board of Directors of A Vuong Hydropower Joint Stock Company, Head of A Vuong Hydropower Project Management Board
From 2012 to September/2018: Chairman of Power Generation Corporation 3 - One Member Limited Liability Company
From October 1st, 2018 up to now: Chairman of Board of Directors of Power Generation Joint Stock Corporation 3
- **Number of shares held: 424,546,093 shares (accounting for 39.67% of charter capital),** of which:
Number of shares authorized to represent:
424,542,093 shares
Number of shares owned by individual: 4,000 shares



MR. DINH QUOC LAM MEMBER PRESIDENT & CEO

- **Year of birth:** 1973
- **Qualifications:**
Master of Business Administration, Electrical System Engineer
- **Work experience:**
From 1996 to 1997: Engineer of Phu My - Ba Ria Power Plant Project Management Board
From 1997 to 1998: Leader of Phu My Power Plant Operation Shift.
From 1998 to 2002: Deputy Manager of Phu My Power Plant Operation Workshop
From 2002 to 2005: Manager of Phu My Power Plant Operation Workshop No. 1
From 2005 to 2006: Assistant to Director of Phu My Power Plant;
From 2006 to 2011: Deputy Director of Phu My Thermal Power Company Limited
From 2012 to September/2018: General Director of Power Generation Corporation 3 - One Member Limited Liability Company
From October 1st, 2018 up to now: Board Member, General Director of Power Generation Joint Stock Corporation 3;
- **Number of shares held: 318,433,670 shares (accounting for 29.76% of charter capital),** of which:
Number of shares owned by Representative of Vietnam Electricity: 318,406,570 shares
Number of shares owned by individual: 27,100 shares



MR. TRUONG QUOC PHUC MEMBER

- **Year of birth:** 1961
- **Qualifications:**
Bachelor of Finance - Accounting, Completed Master of Business Administration Program.
- **Work experience:**
From 1991 to 1993: Deputy Head of Accounting - Ba Ria - Vung Tau Power Department
From 1993 to 2003: Head of Accounting - Ba Ria Power Plant
From 2003 to 2009: Chief Accountant of Phu My Thermal Power Company Limited
From 2009 to 2011: Deputy Director of Phu My Thermal Power Company Limited
From 2012 to 2012: Company President, Phu My Thermal Power Company Limited
From 2013 to September/2018: Vice President of Power Generation Corporation 3 - One Member Limited Liability Company
From October 1st, 2018 up to now: Board Member of Power Generation Joint Stock Corporation 3
- **Number of shares held: 318,412,970 shares (accounting for 29.76% of charter capital),** of which:
Number of shares authorized to represent:
318,406,570 shares
Number of shares owned by individual: 6,400 shares



MR. DO MONG HUNG MEMBER

- **Year of birth:** 1958
- **Qualifications:**
Thermal Power Engineer
- **Work experience:**
From 2001 to 2004: Deputy Head of Power Engineering Department, Vietnam Electricity Corporation
From 2004 to 2006: Head of Power Engineering Department, Vietnam Electricity Corporation
From 2006 to 2008: Head of Power Engineering Department, Vietnam Electricity
From 2003 to 2013: Concurrently Board Member of Quang Ninh Thermal Power Joint Stock Company and Hai Phong Thermal Power Joint Stock Company
From 2012 to 2013: Concurrently Board Chairman of Hai Phong Thermal Power Joint Stock Company
From 2008 to 2016: Head of Technique - Production Department, Vietnam Electricity
From 2016 to 2018: Assistant to General Director cum Head of Safety Department of Vietnam Electricity
From February 1st, 2018: Retired
From October 1st, 2018 up to now: Independent Board Member of Power Generation Corporation 3
- **Number of shares authorized to represent:** 0 share
Number of shares owned by individual: 0 share



BOARD OF MANAGEMENT



MR. DINH QUOC LAM
BOARD MEMBER
PRESIDENT & CEO

Year of birth: 1973

Qualifications:

Master of Business Administration, Electrical System Engineer

Work experience:

From 1996 to 1997: Engineer of Phu My - Ba Ria Power Plant Project Management Board

From 1997 to 1998: Leader of Phu My Power Plant Operation Shift.

From 1998 to 2002: Deputy Manager of Phu My Power Plant Operation Workshop

From 2002 to 2005: Manager of Phu My Power Plant Operation Workshop No. 1

From 2005 to 2006: Assistant to Director of Phu My Power Plant;

From 2006 to 2011: Deputy Director of Phu My Thermal Power Company Limited

From 2012 to September/2018: General Director of Power Generation Corporation 3 - One Member Limited Liability Company

From October 1st, 2018 up to now: Board Member, General Director of Power Generation Joint Stock Corporation 3;

Number of shares held: 318,433,670 shares (accounting for 29.76% of charter capital), of which:

Number of shares owned by Representative of Vietnam Electricity: 318,406,570 shares

Number of shares owned by individual: 27,100 shares



Mr. PHAN THANH XUAN
VICE PRESIDENT
OF TECHNIQUE - PRODUCTION

Year of birth: 1961

Qualifications: Master of Business Administration, Electrical Equipment Engineer

Number of shares held: 13,500 shares (accounting for 0.0013% of charter capital), of which:

Number of shares owned by Representative (Name of Organization as State/Strategic Shareholder/Other Organization): Zero

Number of shares owned by individual: 13,500 shares



Mr. CAO MINH TRUNG
VICE PRESIDENT
OF REPAIR AND TECHNOLOGY

Year of birth: 1963

Qualifications: Master of Business Administration, Mechanical engineer

Number of shares held: 22,300 shares (accounting for 0.0021% of charter capital), of which:

Number of shares owned by Representative (Name of Organization as State/Strategic Shareholder/Other Organization): Zero

Number of shares owned by individual: 22,300 shares



Mr. LE VAN DANH
VICE PRESIDENT
OF INVESTMENT - CONSTRUCTION

Year of birth: 1974

Qualifications: Master of Business Administration, Electrical - Electronics Engineer

Number of shares held: 12,000 shares (accounting for 0.0011% of charter capital), of which:

Number of shares owned by Representative (Name of Organization as State/Strategic Shareholder/Other Organization): Zero

Number of shares owned by individual: 12,000 shares



Mr. NGUYEN THANH TRUNG DUONG
VICE PRESIDENT
OF BUSINESS - ELECTRICITY MARKET

Year of birth: 1970

Qualifications: Master of Network and Electrical System, Electrical Engineer

Number of shares held: 15,400 shares (accounting for 0.0014% of charter capital), of which:

Number of shares owned by Representative (Name of Organization as State/Strategic Shareholder/Other Organization): Zero

Number of shares owned by individual: 15,400 shares



Mrs NGUYEN THI THANH HUONG
VICE PRESIDENT
OF FINANCE - ACCOUNTING

Year of birth: 1977

Qualifications: Master of Business Administration, Bachelor of Business Administration

Number of shares held: 9,600 shares (accounting for 0.0009% of charter capital), of which:

Number of shares owned by Representative (Name of Organization as State/Strategic Shareholder/Other Organization): Zero

Number of shares owned by individual: 9,600 shares



ACHIEVEMENTS, AWARDS AND KEY PARTNERS



ACHIEVEMENTS AND AWARDS

Emulation flag of **GOVERNMENT**

for excellent and comprehensive completion of all tasks, leading the patriotic emulation movement of Vietnam Electric power Industry in 2013 and 2014.

Emulation flag of **THE MINISTRY OF INDUSTRY AND TRADE**

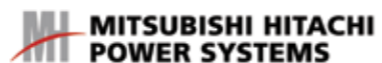
for excellent and comprehensive completion of all tasks in 2016.

And many Certificates of Merit from **THE MINISTRY OF INDUSTRY AND TRADE VIETNAM ELECTRICITY**

granted to outstanding individuals and teams for contribution to the Corporation's development.



KEY PARTNERS





SRE POK 3 HYDROPOWER PLANT

03

PERFORMANCE REPORT

Relentless efforts to overcome challenges

Status of work implementation in 2018 and evaluation report of the Executive Board	36
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STATUS OF WORK IMPLEMENTATION IN 2018



KEY TASKS

In 2018, the Corporation carried out the following key tasks:

- Ensure safe, continuous and economical operation of power production.
- Participate in bid in the electricity market effectively.
- Continue to implement power investment projects to ensure the quality and construction progress.
- Search and deploy investment in new power projects.
- Strive to complete annual targets, plans, scheme to improve production and business efficiency and increase labor productivity in the period of 2016-2020, program of thrift practice against wastefulness, annual topic "Improve the quality of human resources".
- Transform the operation of the Corporation into JSC model and stabilize operation.
- Take care of the material and spiritual life for staff.



SITUATION OF LOAD DEMAND AND MOBILIZATION OF ELECTRICITY SYSTEM

- Power output produced and purchased in 2018 reached 212.9 billion kWh, exceeding 2.4 billion kWh over the plan and increasing by 10.36% compared to 2017, higher than forecast at the beginning of the year of 1.02%.
- Transmission power output reached 184.2 billion kWh, equaling 101.6% over the plan and increasing by 10.88% compared to 2017, of which power transmission from the North and the Middle region to the South region was 20.8 billion kWh (equivalent to 20% of the electricity demand of the South).



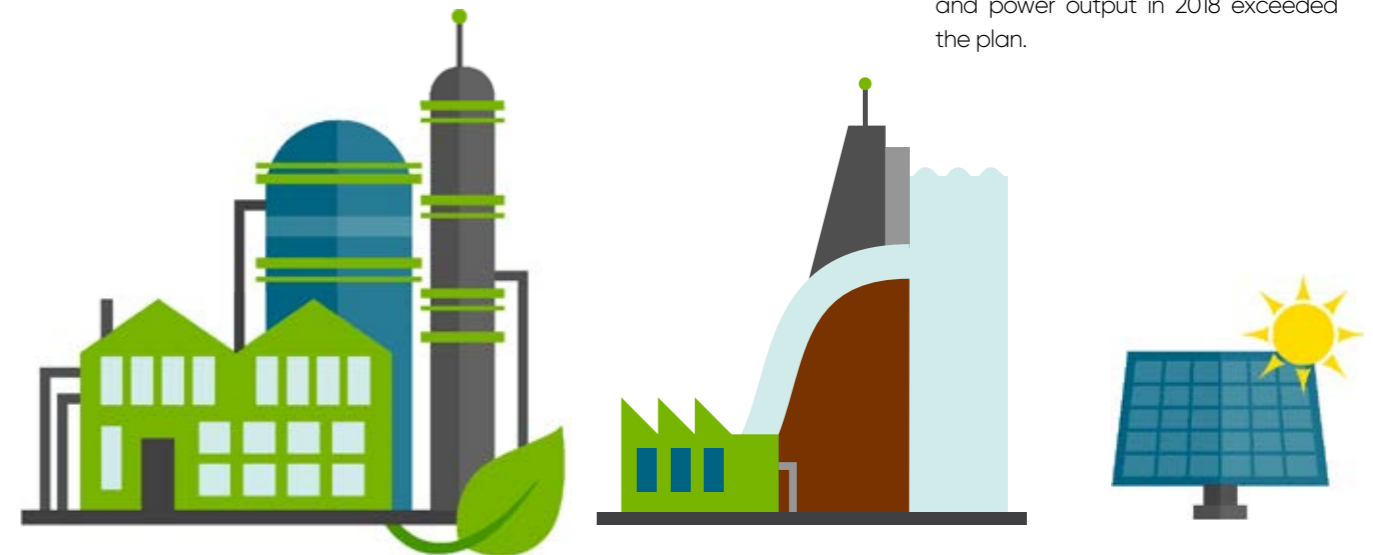
SITUATION OF FUEL SUPPLY

- **Gas fuel for production:** The maximum gas supply reached about 20.5 million m³/day (normally supply about 21 million m³/day) while the use demand of load operation power plants (Ba Ria, Phu My and Nhon Trach) should be continuous at about 23.5 million m³/day. In 2018, in addition to 5 stoppages for periodic maintenance and repair, the air supply system was malfunctioned 4 times with prolonged time, greatly affecting the air supply capacity. Due to the decline in gas supply, from the middle of the end of October/2018, the total gas supply was only about 16-17 million m³/day.
- **Coal fuel:** In the first 10 months of 2018, the amount of coal supplied to Vinh Tan 2, Mong Duong 1 and Ninh Binh thermal power plants was stable and adequate to ensure maximum power generation. However, since November 2018, the coal supply did not meet the production demand, affecting the ability to generate power and reduce the coal inventory of thermal power plants.



HYDROLOGICAL SITUATION

- In the first 9 months of 2018, the hydrological situation was quite favorable; the water flow was quite good. However, in October 2018, the hydrological situation had unfavorable changes; the water flow to the hydropower reservoirs of Buon Kuop Hydropower Company was unusually low right during the peak of the rainy season (October/2018 only reached 56.3% and November/2018 only reached 67.8% compared to the average of many years of October & November).
- El Nino phenomenon returned and made the hydrological situation of power plants under Buon Kuop Hydropower Company unusually low compared to the average of many years in the last months of 2018, leading to the water level of Buon Tua Srah reservoir as at December 31st, 2018 to only reach 483.9m (about 3.6m lower than the normal level) so difficulties will continue in 2019.
- For hydropower joint stock companies that the Corporation has shares such as Thac Ba, Se San 3A, the hydrological situation was favorable, the water flow was better with a frequency of 65% and power output in 2018 exceeded the plan.





STATUS OF WORK IMPLEMENTATION IN 2018

(CONT')

IMPLEMENTATION RESULTS



PRODUCTION AND BUSINESS

Power production

In the first 9 months of 2018, thermal power plants operated stably but the actual output mobilized was lower than planned. The reasons are because the PVGas gas fuel flow reduced, the coal quality was unstable, the hydrological situation of hydropower plants in the North was favorable, so some plant units of Phu My, Vinh Tan 2 and Mong Duong 1 Thermal Power Plants must stop provisioning. In the fourth quarter of 2018, the situation of gas fuel supply was still very low, the hydrological situation was unfavorable, the hydropower reservoirs of Buon Kuop Hydropower Company were abnormally low during the peak of the rainy season, the power production of the Corporation was affected.



POWER PRODUCTION 2018

33.146

Billion kWh

INDEPENDENT COMPANIES

30.502

Billion kWh

SUBSIDIARIES AND AFFILIATED COMPANIES

2.644

Billion kWh

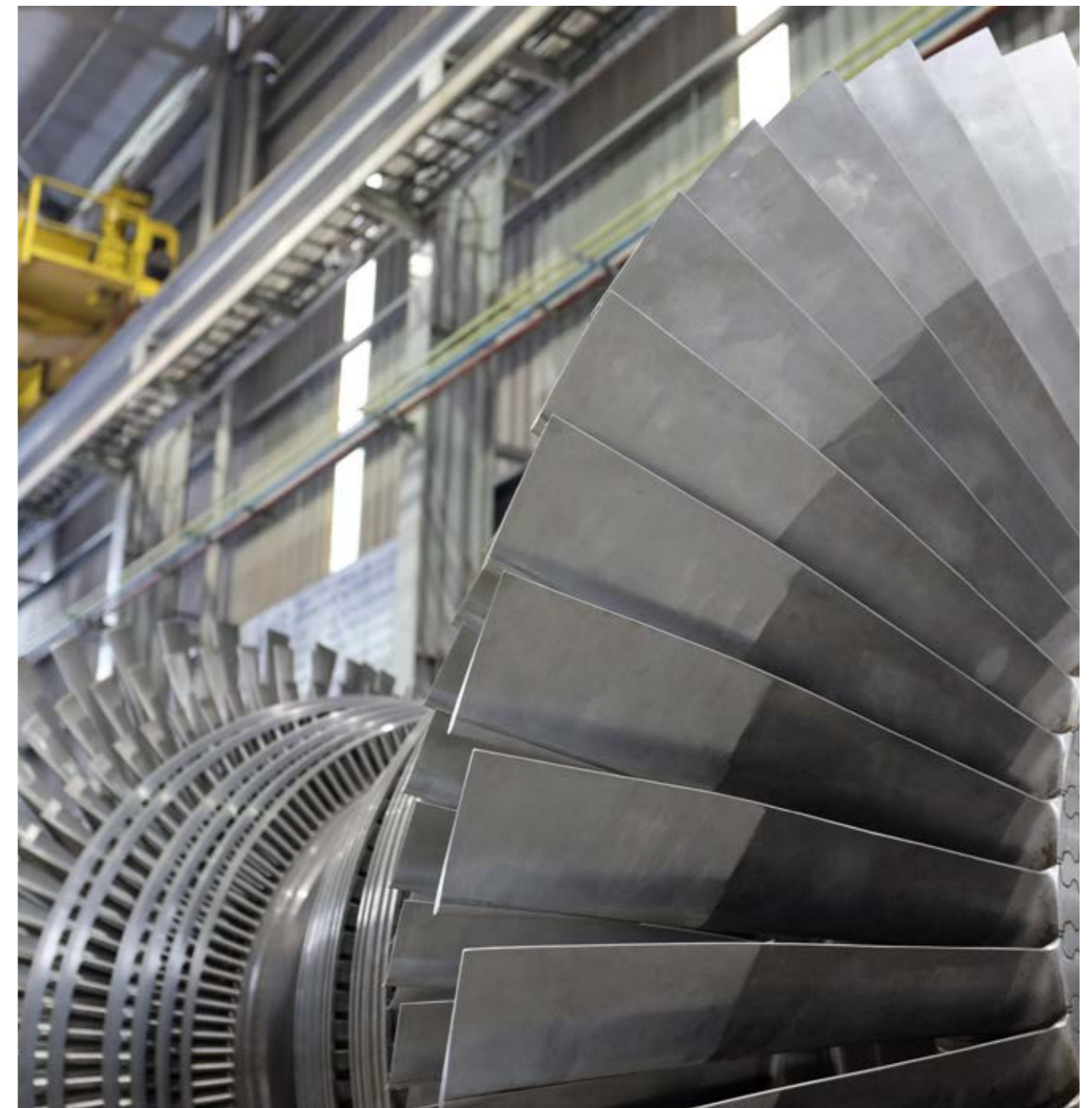


OVERHAUL

Total overhaul cost in 2018 (including plant unit works and other works) was VND 1256 billion. The Corporation overhauled the plant units to ensure the quality and progress according to the approved plan: Restored GT13 - Phu My 1, Overhauled GT12 - Phu My 1, Overhauled GT22 - PM 2.1, ... especially completed the first overhaul of plant unit S2 of Vinh Tan 2 thermal power plant - First coal thermal power plant unit with a capacity of 600 MW in Vietnam.

TOTAL OVERHAUL COST IN 2018

1,256
Billion VND





STATUS OF WORK IMPLEMENTATION IN 2018

(CONT')



ENVIRONMENTAL MANAGEMENT

Environmental protection is one of the important and difficult tasks. In recent years, the environmental protection work in the power plants continues to be ensured, strictly complying with the Law on Environmental Protection and guiding documents.



Emissions, wastewater and solid waste management

- The results of periodic monitoring of emissions, wastewater and surrounding environment were within the permitted limits.

The treatment of ash and slag was well controlled, ensuring the environment. However, until now, there has not been any guiding circular and technical instruction on using thermal power ash and slag as filling materials for works, making roads, so the consumption and treatment still continue to face many difficulties.

- Following the regulations of the Government and the Ministry of Industry and Trade, the Corporation directed units to set up and approve projects on consumption and treatment of ash and slag of Vinh Tan 2 and Mong Duong 1 thermal power plants.

- Completed the conversion of starter and burning oil fuel from HFO oil to DO oil for plant units S1 and S2

of Vinh Tan 2 thermal power plant (in December/2018), plant units S1 and S2 of Mong Duong 1 thermal power plant (in October/2018).

- Surveillance, monitoring and information online: Vinh Tan 2, Mong Duong 1 and Ninh Binh thermal power plants implemented and completed the installation of automatic, continuous monitoring systems and supplemented automatic waste water and cooling water sampling equipment as stipulated in Decree No. 38/2015/ND-CP dated April 24th, 2015, Circular No. 31/2016/TT-BTNMT dated October 14th, 2016 and Circular No. 24/2017/TT-BTNMT on September 1st, 2017.

- Organized the development of and signed the Regulation on coordination in environmental protection, ensuring order and security and effective exploitation and use of shared infrastructure works in Vinh Tan Power Complex between the Investors of power plants in the Center on December 18th, 2018.



ELECTRICITY MARKET

- Calculated and administered price offers on the electricity market to achieve the assigned production and business objectives, price offers were conducted according to regulations.

- Coordinated with Power Corporations to pilot the wholesale market operation under the direction of the Ministry of Industry and Trade at Decision No. 4804/QD-BCT dated December 26th, 2017.

- Proposed to update additional costs into electricity prices to ensure recovery of costs incurred in practice. Results in 2018 updated additional cost of

environmental treatment chemicals (NH₃) into Vinh Tan 2 electricity prices, updated additional cost of granting water resource exploitation rights to Buon Kuop Power Plant. Currently, continue to propose to update total adjusted investment and ash and slag treatment cost of Vinh Tan 2 Power Plant.

Negotiated and adjusted electricity sales contracts in accordance with the regulations on operating competitive power generation market at Circular 28/2018/TT-BCT dated September 27th, 2018, serving as a basis for payment of costs incurred in practice.



STATUS OF WORK IMPLEMENTATION IN 2018 (CONT')



CONSTRUCTION INVESTMENT

Construction management

Coal Port Project at Vinh Tan Power Complex:

Completed dredging and announced the depth for 50,000 DWT vessels to enter the port in October/2018. Although facing many difficulties in finding locations for storing dredged materials and always affected construction conditions (due to complex geology, avoiding coal vessels, big waves and high winds, overflowing water,...), the construction work was done by the parties in an effortless way and now basically reached the depth to receive 70,000 DWT vessels.



Vinh Tan 2 Solar Power Plant Project:

On July 10th, 2018, the provincial People's Committee issued a decision on investment policy for the project. On August 7th, 2018, GENCO3 approved Vinh Tan 2 solar power plant construction investment project. In addition to the power production and business objectives, this project is also aimed at securing people, stabilizing the lives of people in the western area of Vinh Tan 2 thermal power plant's slag yard, contributing to ensuring order and security for Vinh Tan Power Complex. EPC contract was signed in November/2018 and construction work is being carried out according to the planned progress.



Investment research

The Corporation submitted documents to add **the power development plan of Ninh Phuoc 7 Solar Power Project (200 MWp)** in Ninh Thuan Province, Solar Power Project on Buon Kuop (50 MW) and Srepok 3 (50 MW) hydropower reservoirs in Dak Lak province, the Ministry of Industry and Trade is currently reviewing and appraising.

• **Long Son Power Complex Project:** In November/2018, the Corporation cooperated with partners (Power Generation Corporation 3 - EVNGENCO3, Thanh Thanh Cong Group - TTC, Power Engineering Consulting Joint Stock Company 2 - PECC2, Pacific Corporation - PACIFIC, Mitsubishi Corporation - MC, General Electric International, Inc - GE, called as GTPP-MC-GE Consortium) to submit to the Ministry of Industry and Trade adjusted documents to add Long Son Power Complex Project using LNG with a capacity of 3,600 - 4,500 MW into amended Power Plan VII. On February 21st, 2019, the Government Office issued a Notice of Approval in principle to consider adding Long Son Power Complex to the National Power Plan.

In order to prepare for the above projects, the Corporation has gradually organized research on liquefied natural gas (LNG) technology, solar power technology, small and medium hydropower projects with little impact on the environment.



PROJECT MANAGEMENT CONSULTANCY

- **Vinh Tan 4 Thermal Power Plant Project:** The project progress reached and exceeded the progress specified in EPC contract, selected by the Ministry of Construction as one of two power projects to attach the sign of the 60th Anniversary of the Tradition Day of Vietnam Construction Industry due to ensuring the following criteria: Quality, progress and efficiency.
- **Vinh Tan 4 Expansion Thermal Power Plant Project:** Total project progress: reached about 92.39%, meeting the plan set out, striving to put into commercial operation in October/2019 (about 02 months earlier than the plan). Some important milestones in 2018:
 - + Received reverse power on July 17th, 2018, 4 days earlier than EPC Contract
 - + Tested Boiler Pressure on August 24th, 2018, 7 days earlier than EPC Contract
- **Thai Binh Thermal Power Plant Project:** Handed over and put into commercial operation in the first quarter/2018, about 1 month earlier.





STATUS OF WORK IMPLEMENTATION IN 2018

(CONT')



OTHER WORK



Corporate governance work

Continued to implement the plan, the roadmap to implement the tasks of reorganizing and restructuring the Corporation issued together with Decision No. 3391/QĐ-GENC03 dated October 6th, 2017 of the Corporation. Applied IT in governance, administration and implementation of the Technology Application Project of the Industrial Revolution 4.0 in production and business activities.

Organization work

Strictly and methodically deployed the organization and personnel work; perfected the organizational structure and unify the functions and tasks of units under Decision No. 146/QĐ-EVN and completed the organizational structure of the parent company - joint stock company. Implemented the preparation for production and operation management of Thai Binh and Vinh Tan 6, Vinh Tan 6 expansion thermal power plants; In particular, the Corporation developed a plan to prepare the establishment of Vinh Tan 6 Thermal Power Company, took initiative in deploying and preparing resources to hand over Thai Binh Thermal Power Company, Vinh Tan 6 force back to EVN, ensuring the production of thermal power plants without interruption.

Technical management, Occupational safety and health, Fire prevention and rescue & Disaster prevention and search and rescue

• **Occupational safety and health:** The Corporation disseminated and promptly implemented legal normative documents of the State, guiding documents of the Group on the work of Occupational safety and health, Fire prevention and rescue & Disaster prevention and search and rescue to member units to study and strictly implement. At the same time, direct units to strengthen quality, safety management in the process of constructing works, management and risk assessment to minimize incidents and insecurity in the production process.

• **Fire prevention and rescue:** Directed units to continue to comply with the provisions of law and the industry on fire prevention and rescue, coordinated with PPF Police in the locality to organize training and rehearsal of fire fighting plans according to regulations.

• **Disaster prevention and search and rescue:** Directed and inspected the elaboration of specific and detailed plans on flood and storm control, natural disaster mitigation, close to the situation and consistent with characteristics of each unit; strictly complied with regulations on safety management of dams, works and opening and closing equipment in spillways, backup diesel power source, ensuring full hydrological data to operate the reservoir; reviewed, evaluated, updated, amended and supplemented plans on flood control in downstream areas, coordination regulations with localities and relevant agencies.

Inspection work

During the year, the Corporation reviewed the elaboration and implementation of plans on safety - labor protection; inspected and evaluated the implementation of regimes and policies on occupational safety and health, fire prevention and rescue, disaster prevention and search and rescue; measures to ensure safety and health of laborers; summarized and drew experience on occupational safety and hygiene activities of units.



Communication, community relations and social security work

• Posted series of articles and published news on equitization information, strengths of the Corporation upon Equitization, Roadshow events, IPO and the first General Meeting of Shareholders, posted financial news of joint stock company on the website and electronic newspapers on economics and finance such as CafeF, Vietstock, ...

• Issued 18 periodic press releases on production, business, construction investment, environmental protection, management of consumption of ash and slag of the Corporation and its member units, press feedback documents after adverse information. Developed video clips, propaganda leaflets, environmental news of thermal power plants; edited and wrote articles, published news on the internal website, website of the Corporation and units. In particular, the Corporation cooperated with SGTV, HTV to carry out a series of memoirs "Energy Journey to Renew Homeland" and "Energy - Miraculous Transformation" broadcast on HTV9, VTV2 and many local channels. Currently, the program has 26/26 broadcast episodes.

• Maintained the operation of the Community Relations Department in coal-fired thermal power plants (Vinh Tan 2, Mong Duong 1, Ninh Binh, Thai Binh 1), periodically open every month to welcome people and local government officials to visit, supervise the power production and environmental management of plants with a total of more than 60 delegations in 2018.

• Deployed social security activities in combination with propaganda activities including: building and supporting facilities for schools; contributing to study promotion funds, schools; supporting funding for clearing Suoi Chua canal in Vinh Tan commune (VND 123 million); sponsoring to build 18 houses of love and of gratitude; visiting, giving gifts to policy families, organizing play activities, giving gifts to children in the localities on public holidays and Tet.

Work to care for laborers

• Trade union collaborated with specialized departments to pay attention to and maintain the material and spiritual life of staff, some typical activities:

• Deployed visit, encouragement activities for Lunar New Year and "2018 Workers' Month" such as: visiting staff at units; visiting and supporting laborers with labor accidents; organizing visit, encouragement activities to staff families and female staff with difficult circumstances. Coordinated to organize emulation movements, cultural and sports activities for staff within the Corporation.

• In addition to the Regulation on mutual assistance under EVN's guidelines, the Corporation cooperated with the Trade Union to issue the Joint Directive No. 3998/CTLT-GENC03-CD dated November 17th, 2017 on the guidelines to mobilize donations and support to staff families in the Corporation when laborers have special accidents and risks. In 2018, the Corporation mobilized donations and support for 9 cases with a total amount of VND 1,235 billion, contributing to overcome difficulties with laborers and their families.



EVALUATION REPORT OF THE EXECUTIVE BOARD



PRODUCTION AND BUSINESS

- Ensured stable, reliable operation, meeting the mobilization method of the National Load Dispatch Center.
- Ensured the assigned plan of production and business profit.
- Ensured strict implementation of environmental protection in power plants, especially coal-fired thermal power plants.
- Thoroughly and effectively implemented the coal burning project between imported Sub-Bitum coal and domestic powder coal 6a.1 for Vinh Tan 2 Thermal Power Plant.



CONSTRUCTION INVESTMENT

- Ensured completion of progress milestones and quality of ongoing projects at the request of EVN, in which completion of handover to operate plant units of Vinh Tan 4 Thermal Power Plant nearly 3 months earlier than the plan; Thai Binh Thermal Power Plant Project about 1 month earlier than the plan; ensured the construction progress of Vinh Tan 4 Extension Thermal Power Plant Project.
- Completed the settlement of Vinh Tan 2 and Mong Duong 1 Thermal Power Plant Projects.
- Completed investment procedures and signed an EPC contract for Vinh Tan 2 Solar Power Plant Project, submitted documents to add planning for other projects such as Ninh Phuoc 7 Long Son Power Complex,...



CORPORATE GOVERNANCE

- Completed the equitization work and moved to operate under joint stock company model, quickly stabilized the organization and consolidated cadre work.
- Labor productivity increased, human resource quality was increasingly enhanced, professional, meeting the development requirements of the Corporation; jobs and income were guaranteed.
- Ensured the financial management activities of a Corporation, gradually built an advanced corporate governance system.



PHU MY 4 THERMAL POWER PLANT



2018 FINANCIAL PERFORMANCE ANALYSIS



OVERVIEW OF PRODUCTION AND BUSINESS RESULTS

TOTAL REVENUE IN 2018

39,990 Bil. VND

Increased by 4.20% compared to 2017

TOTAL POWER PRODUCTION PROFIT

1,860 Bil. VND

Increased by 38.17% compared to 2017

PROFIT BEFORE TAX (EXCLUDING FOREX LOSSES)

2,169 Bil. VND

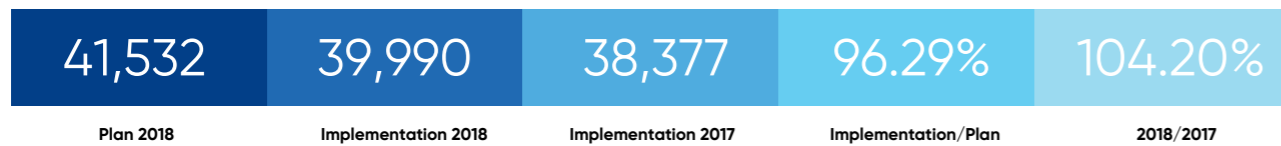
Reached 134.06% over the plan

INCREASE

37.24%

Compared to 2017

TOTAL REVENUE (Bil. VND)



PROFIT BEFORE TAX (Excluding forex losses)



POWER PRODUCTION PROFIT



ANALYSIS OF PRODUCTION AND BUSINESS RESULTS

REVENUE

In 2018, the Corporation recorded VND 39,338 billion of consolidated revenue from sales and service provision, reaching 103.78% compared to 2017. It is worth noting that since the fourth quarter of 2018, the first quarter in which the Corporation operated under the model of a joint stock company, the Corporation achieved figures exceeding the plan approved by the first General Meeting of Shareholders. Revenue in the last 3 months was VND 10,048 billion, reaching 101.72% compared to 2017.

REVENUE FROM SALES AND SERVICE PROVISION

39,338 Bil. VND

INCREASE

3.78%

Compared to 2017

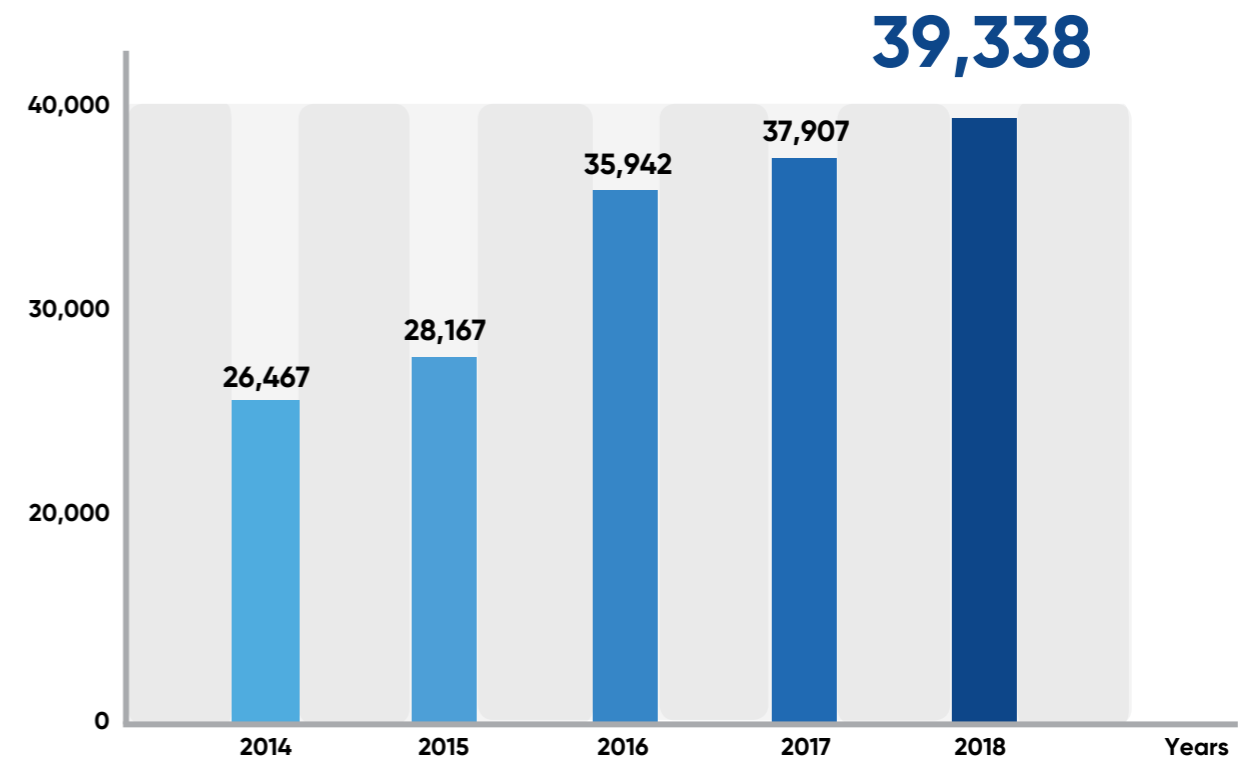
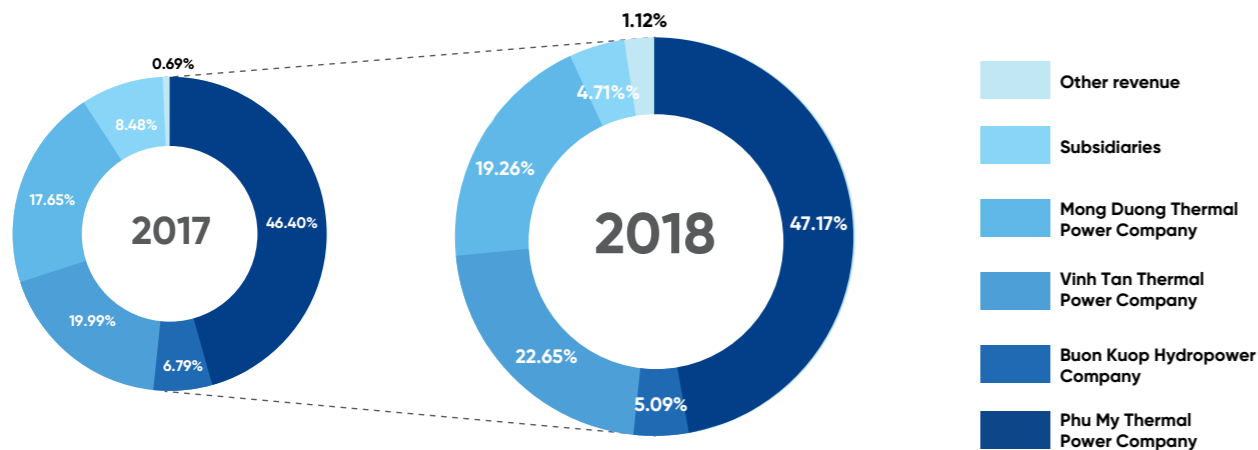


DIAGRAM OF GROWTH REVENUE OF EVNGENCO 3 FOR THE PERIOD OF 2014 - 2018 (Bil. VND)



2018 FINANCIAL PERFORMANCE ANALYSIS

Structure of net revenue from sales and service provision	2017 (Bil. VND)	2018 (Bil. VND)	Growth (%)
Consolidated revenue	37,907	39,338	+3.78
Parent company	34,432	37,044	+7.59
Phu My Thermal Power Company	17,589	18,556	+5.50
Buon Kuop Hydropower Company	2,575	2,001	-22.29
Vinh Tan Thermal Power Company	7,578	8,912	+17.60
Mong Duong Thermal Power Company	6,691	7,575	+13.21
Subsidiaries	3,215	1,853	-42.36
Other revenue	261	441	+68.97



REVENUE STRUCTURE OF EVNGENCO 3 IN THE PERIOD OF 2017 - 2018

In 2018, gas thermal power continued to become a main business activity contributing primarily to the Corporation's revenue. In particular, Phu My Thermal Power accounted for 47.17% of revenue contribution, equivalent to VND 18,556 billion, followed by Vinh Tan Thermal Power with VND 8,912 billion, accounting for 22.65%, Mong Duong Thermal Power reached revenue of VND 7,575 billion, accounting for 19.26% of the Corporation's revenue.

Buon Kuop Hydropower recorded lower revenue than 2017 due to lower water flow to hydropower reservoirs

than the same period last year. In the first 9 months of 2018, the hydrological situation was quite favorable; the water flow was quite good. However, in October/2018, the hydrological situation had unfavorable changes; the water flow to the hydropower reservoirs of Buon Kuop Hydropower Company was unusually low right during the peak of the rainy season (October/2018 only reached 56.3% and November/2018 only reached 67.8% compared to the average of many years of October & November).

PROFIT

Power production profit of the Corporation in 2018 was VND 1,860 billion, reaching 134.21% of the 2018 plan and up 38.17% compared to the same period in 2017. In 2018, the Corporation also recorded the profit growth in financial activities of VND 247 billion, up 9.34% compared to 2017.

EVNGENCO 3's business results were heavily influenced by exchange rate factors because the Corporation's loans were financed with a high proportion by foreign loans in foreign currencies such as USD, JPY, CNY and KRW, specifically as follows:

Profit before tax (Including Exchange rate differences)	Consolidated			Parent Company		
	Co., Ltd (Jan-Sep/2018)	JSC (Oct-Dec/2018)	Whole year	Co., Ltd (Jan-Sep/2018)	JSC (Oct-Dec/2018)	Whole year
Profit before tax	319	(736)	(417)	264	(783)	(519)
Profit after tax	288	(854)	(565)	263	(891)	(628)

Notes: The Corporation's profit before tax for the last 3 months of 2018 was heavily influenced by forex losses due to revaluation of monetary items denominated in foreign currencies at the time of conversion to the model of a joint stock company.

Under the regulations on financial handling at the time of official CONVERSION into a joint stock company in Article 21, Decree No. 126/2017/ND-CP dated November 16th, 2017 of the Government on conversion from state-owned enterprises and one member limited liability companies with 100% of charter capital invested by state-owned enterprises into joint-stock companies, the Corporation re-evaluated monetary items denominated in foreign currencies at September 30th, 2018 with forex loss of more than VND 1,504 billion. This forex loss was not carried forward to results of production and business activities during the period from 01/01/2018 to 30/09/2018 and transferred to the joint stock company for follow up and handling according to regulations.

Above forex loss was accounted into results of production and business activities during the period from 01/10/2018 to 31/12/2018, after financial handling and offset with forex gain due to revaluation of monetary items denominated in foreign currencies as at December 31st, 2018, the forex loss recorded into financial expenses during the period from 01/10/2018 to 31/12/2018 was more than VND 1,238 billion, resulting in losses in production and business activities.





2018 FINANCIAL PERFORMANCE ANALYSIS

Excluding the impact of forex gains/losses, EVNGENCO 3's business results recorded strong growth in the past year. Specifically, consolidated profit before tax when excluding forex losses reached VND 2,169 billion, reaching 134.07% over the plan and up 37.25% compared to the same period last year.

In the fourth quarter of 2018, the first quarter in which the Corporation operated as a joint stock company, the Corporation achieved a profit of VND 489 billion, reaching 248.43% over the 2018 plan. Particularly, power production profit reached VND 454 billion, reaching 239.69% over the plan.

Profit before tax (Excluding forex losses)	Implementation 2017 (Bil. VND)	Plan 2018 (Bil. VND)	Implementation 2018 (Bil. VND)	2018/2017 (%)	Implementation /Plan (%)
Consolidated PBT	1,580	1,618	2,169	137.25%	134.07%
<i>In particular, profit from power production</i>	1,346	1,386	1,860	138.18%	134.21%
PBT in the fourth quarter of 2018	-	197	489	-	248.43%
<i>In particular, profit from power production</i>	-	189	454	-	239.69%

* Plan for the fourth quarter of 2018: Parent Company's Plan according to the Resolution of the General Meeting of Shareholders and estimated final 3-month plans of subsidiaries.



ANALYSIS OF ASSET/EQUITY STRUCTURE

ASSET/EQUITY STRUCTURE

The Corporation always adhered to three principles in financial management:

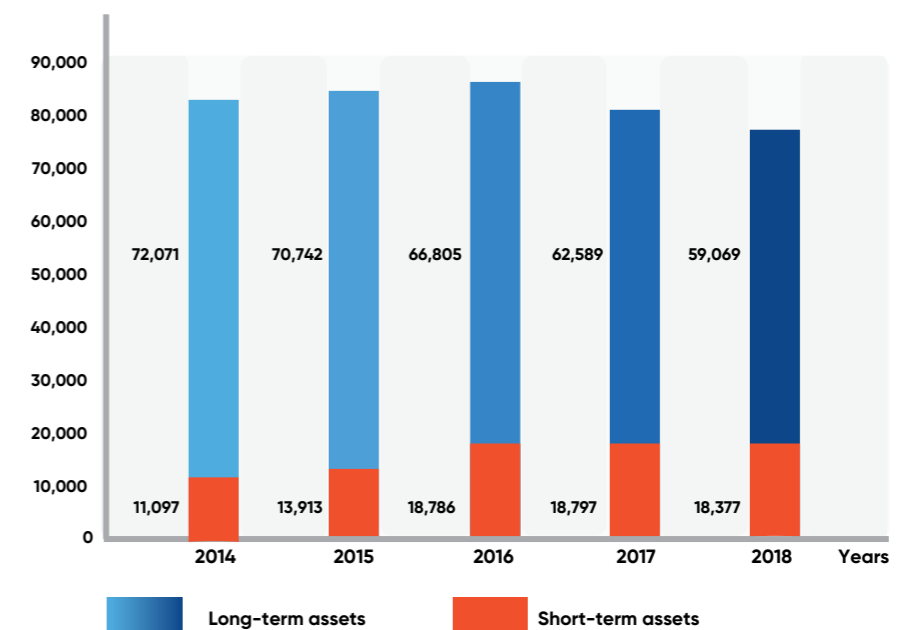
1. Focus all resources on electricity production and business activities.
2. Do not spread capital investment.
3. Prioritize the use of long-term funds to finance business activities.

	2014	2015	2016	2017	2018
Total assets	83,168	84,655	85,590	81,385	77,446
Short-term assets	11,097	13,913	18,786	18,797	18,377
Long-term assets	72,071	70,742	66,805	62,589	59,069
Liabilities	72,146	75,974	76,862	71,595	67,354
Short-term liabilities	16,954	10,577	10,611	12,903	11,303
Long-term liabilities	55,192	65,397	66,251	58,691	56,050
Equity	11,022	8,680	8,729	9,790	10,093

Because it is always understood that the natures of power production are high fixed asset investment cost and long payback period, EVNGENCO 3 always prioritized the use of long-term funds to finance business activities. This is one of the financial management effectiveness that EVNGENCO 3 has been doing well.

ASSET STRUCTURE

As of December 31st, 2018, total assets of EVNGENCO 3 reached VND 77,446 billion, down from December 31st, 2017, mainly due to fixed asset depreciation. With the characteristics of power production and trading, fixed assets accounted for a large proportion of EVNGENCO 3's total assets. Long-term assets as at December 31st, 2018 were VND 59,069 billion, accounting for 76.27% of total assets. Correspondingly, short-term assets were VND 18,377 billion, accounting for 24.73% of total assets. In general, short-term assets were stable in the last 3 years.



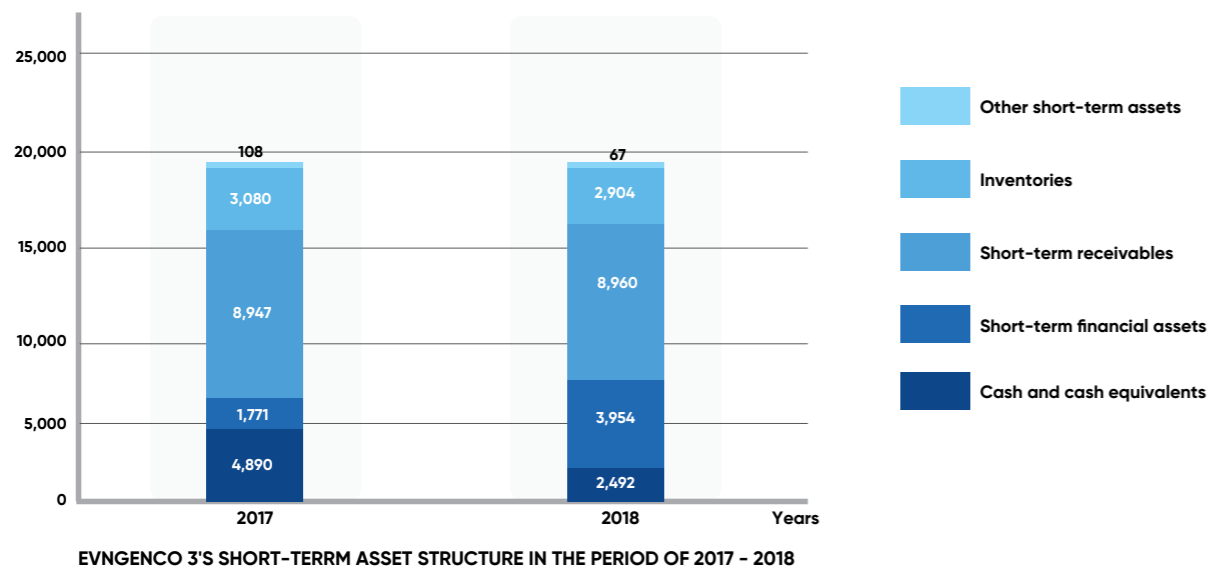
EVNGENCO 3'S ASSET STRUCTURE IN THE PERIOD OF 2014 - 2018



2018 FINANCIAL PERFORMANCE ANALYSIS

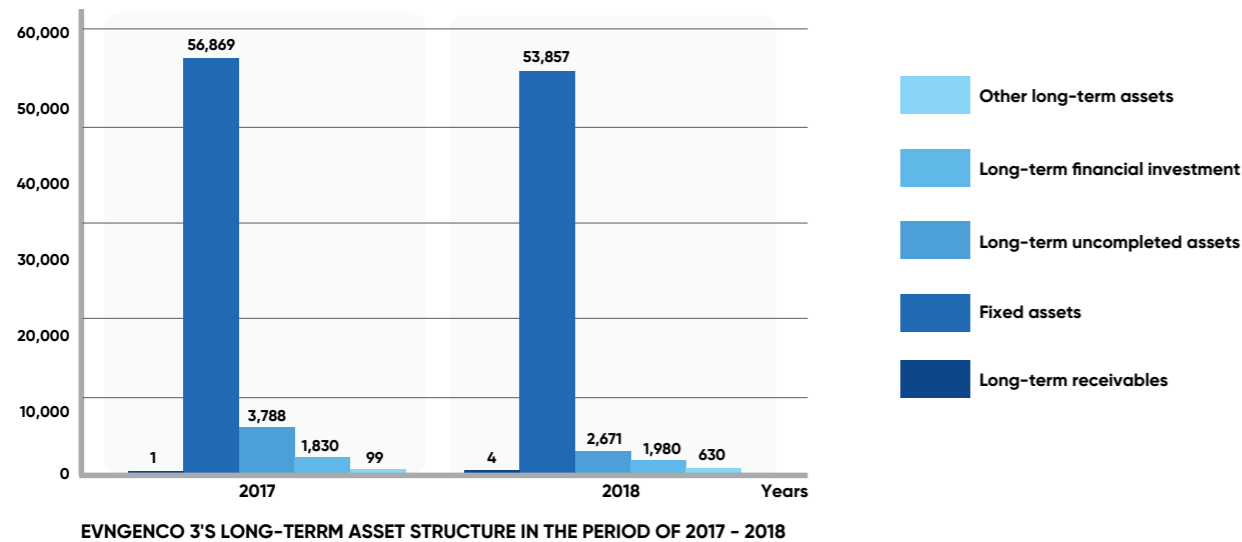
Short-term asset structure

At the end of 2018, short-term assets of EVNGENCO 3 reached VND 18,377 billion, down 2.23% compared to 2017. Cash and cash equivalents decreased but short-term financial investments increased compared to 2017. Strong increase in short-term financial investments was a good sign of effective utilization of resources in financial management and cash flow management. Short-term receivables increased slightly, which came from receivables from projects of Vietnam Electricity. Inventories decreased slightly by 5.73% compared to 2017.

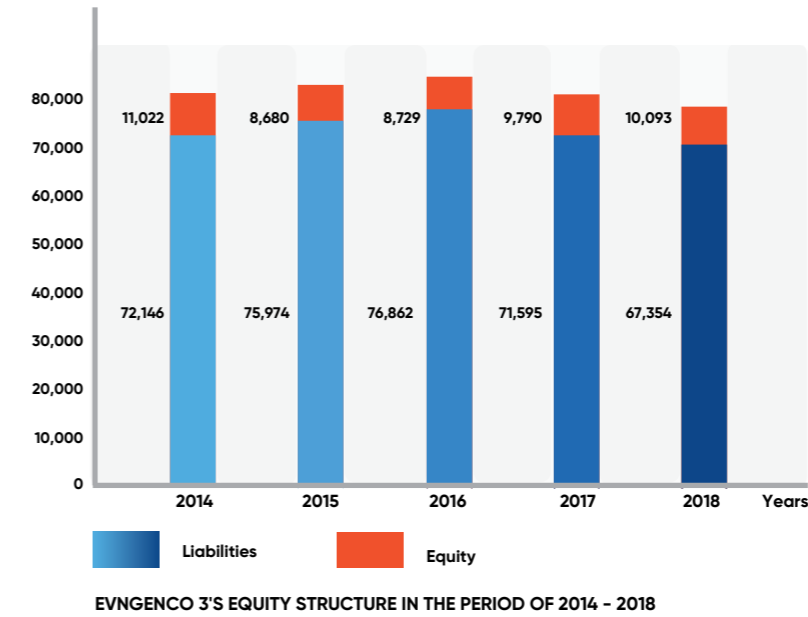


Long-term asset structure

By the end of 2018, the Corporation's long-term assets reached VND 59,069 billion. Fixed assets, including thermal and hydropower projects, are always the biggest assets of the Corporation with over 70% of the proportion and generate annual profits for the Corporation. Long-term uncompleted assets decreased significantly in 2018 because the Corporation completed the settlement of Phases 2-3 of Vinh Tan Power Plant Project and some other projects.

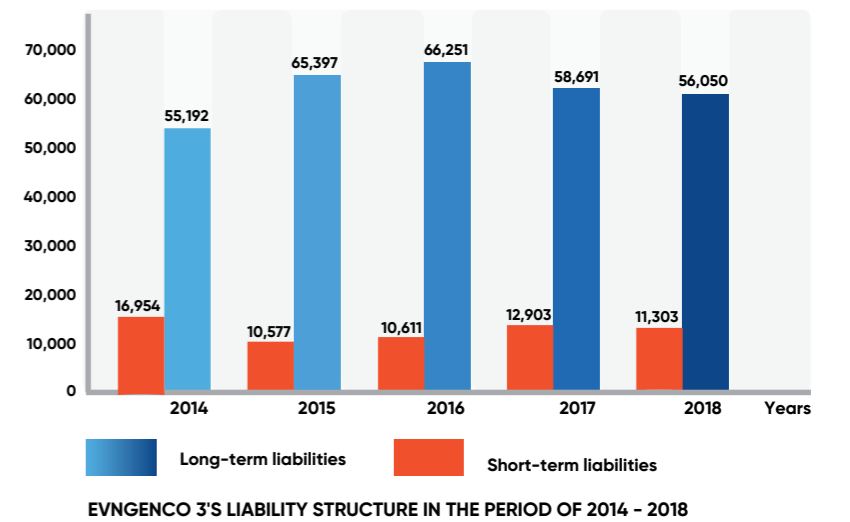
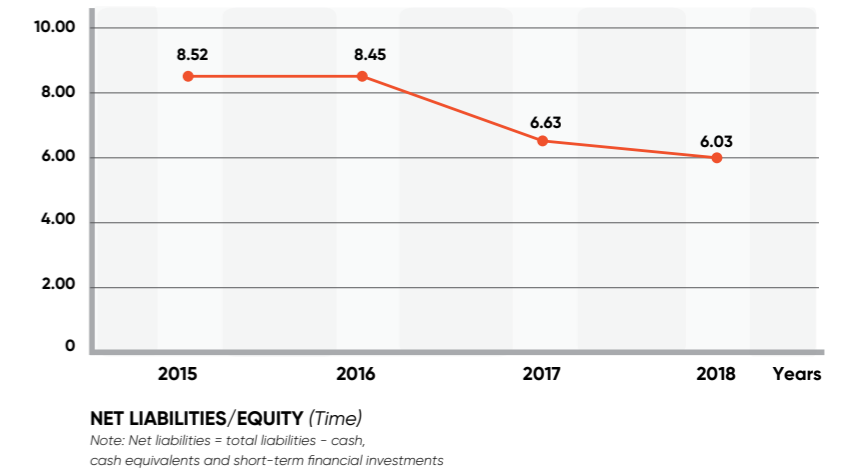


EQUITY STRUCTURE



Liabilities

By the end of 2018, liabilities decreased by VND 4,241 billion, equivalent to 5.92% compared to the end of 2017. Liabilities mainly focused on long-term liabilities with VND 56,050 billion, accounting for 83.22% of total liabilities, decreased by VND 2,641 billion compared to 2017. Short-term debts reached VND 11,303 billion, accounting for 16.78% of total liabilities, decreased by VND 1,600 billion compared to the end of 2017. Projects managed by EVNGENCO 3 mainly used loans, leading to high liability/equity ratio. However, thanks to stable revenues from power production and trading activities, the Corporation always ensured to repay debts in the year and ensured capital for effective business operations. In recent years, the Corporation has also focused on restructuring and reducing debt to equity ratio, which is reflected by gradual decrease in net liability/equity ratio over the years.



Equity

At the end of 2018, the Corporation's equity was VND 10,093 billion. Power Generation Corporation officially operated under the form of a joint stock company from October 1st, 2018. Accordingly, the Corporation's charter capital was VND 10,699 billion.



2018 FINANCIAL PERFORMANCE ANALYSIS



CASH FLOW ANALYSIS

In 2018, EVNGENCO 3's net cash flow in the year reached VND 2,397 billion. The key indicators of cash flow are shown as follows:

INDICATOR (Billion VND)	2014	2015	2016	2017	2018
Net cash flow from operating activities	9,813	(413)	4,019	6,720	1,516
Net cash flow from investment activities	(27,893)	(3,580)	(3,087)	(1,927)	(4,389)
Net cash flow from financial activities	17,689	2,889	(31)	(1,961)	475
Net cash flow during the year	373	(1,104)	901	2,831	(2,397)
Cash and cash equivalents at the beginning of the year	2,634	2,261	1,157	2,059	4,890
Cash and cash equivalents at the end of the year	2,261	1,157	2,059	4,890	2,492



Main business activities continued to be the driving force to bring key revenue sources for EVNGENCO 3 with VND 1,516 billion in 2018.

Cash flow used for investment activities increased compared to 2017, due to increased short-term financial investments in the form of time deposits to optimize idle cash flow in the Corporation on the basis of consideration of budget plan for the year. Correspondingly, cash and cash equivalents at the end of the period reached VND 2,492 billion, decreased compared to 2017 mainly due to increase in short-term financial investments.

ANALYSIS TABLE OF FINANCIAL INDICATORS

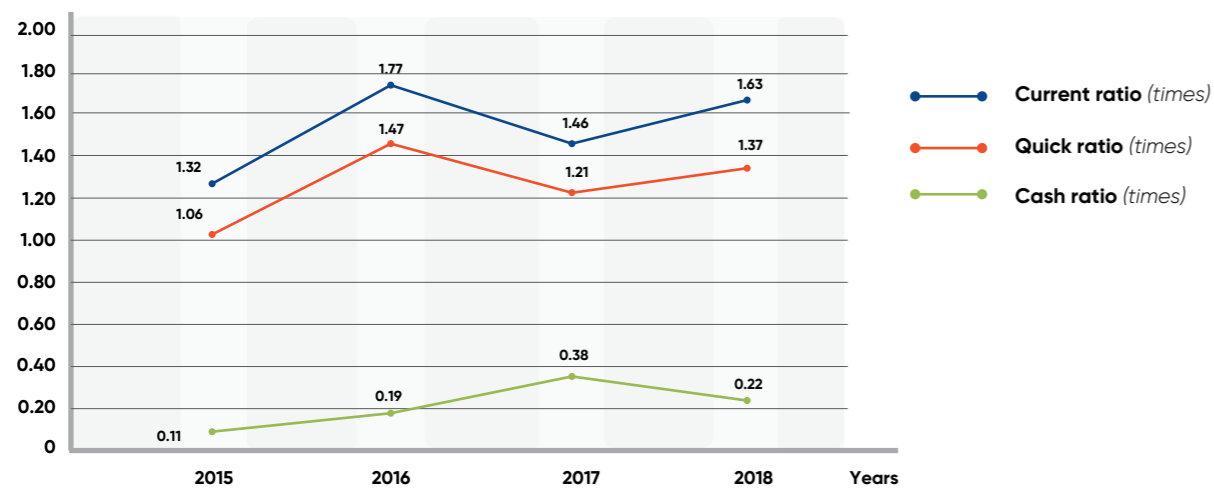
INDICATOR (Billion VND)	Unit	2015	2016	2017	2018
1. Indicators of solvency					
Current ratio	time	1.32	1.77	1.46	1.63
Quick ratio	time	1.06	1.47	1.21	1.37
Cash ratio	time	0.11	0.19	0.38	0.22
2. Indicators of performance					
Days of receivable	day	46.97	59.98	75.47	78.43
Days of inventory	day	30.39	31.41	33.24	31.74
Total asset turnover	time	0.34	0.42	0.45	0.50
Fixed asset turnover	time	0.71	0.56	0.64	0.71
3. Indicators of profitability					
Gross profit ratio	%	9.16	9.85	11.36	12.54
Profit from operating activities on net revenue ratio	%	0.94	0.60	1.10	-1.19
Profit from operating activities (excluding forex losses) on net revenue ratio	%	2.78	2.49	4.20	5.39
Profit after tax on net revenue ratio	%	0.72	0.74	0.84	-1.44
Return on Equity (ROE) ratio	%	1.70	2.76	3.15	-6.31
Profit before tax (excluding forex losses) on Equity ratio	%	7.76	11.30	17.78	21.49
Return on total assets (ROA) ratio	%	0.24	0.31	0.38	-0.71



2018 FINANCIAL PERFORMANCE ANALYSIS

INDICATORS OF SOLVENCY

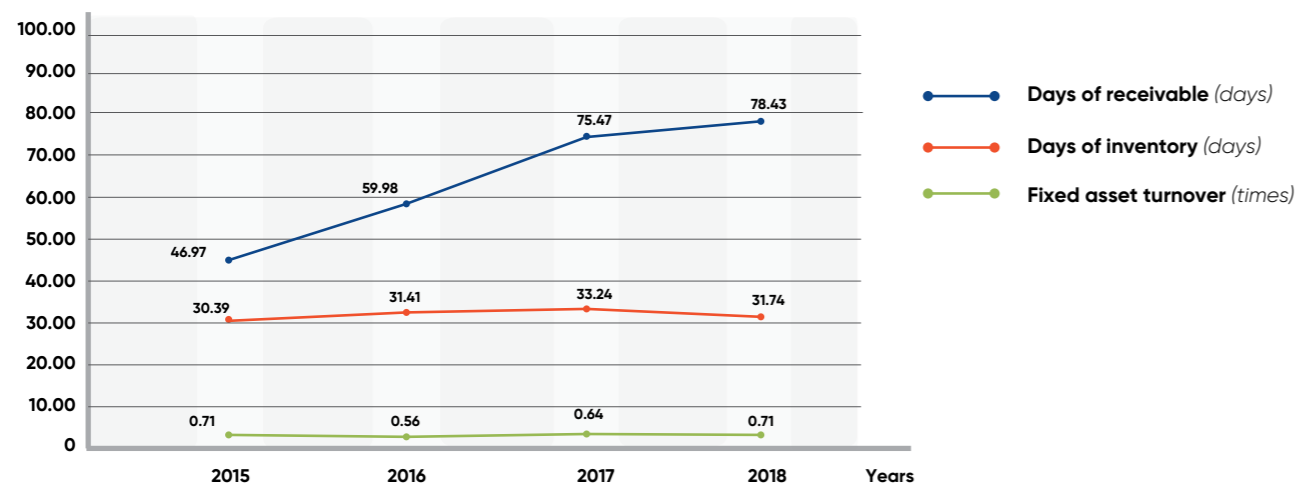
2018 current payment ratio of EVNGENCO 3 was 1.63 times, this showed the positive sign in the management of cash flows when keeping the liquidity at a safe level. The Corporation can fully pay its debts at maturity. Quick ratio also increased slightly compared to 2017, reaching 1.37 times in 2018. Cash ratio decreased by 0.16 times due to decrease in cash and cash equivalents. The Indicator remained safe and effective in utilizing idle resources in the short term.



EVNGENCO 3'S INDICATORS OF SOLVENCY IN THE PERIOD OF 2015 - 2018

INDICATORS OF PERFORMANCE

In general, indicators of performance in 2018 were higher than in 2017. Days of receivable increased to 78.63 days, up 3 days compared to 2017. Increase in the days of receivable came from increase in receivables from electricity sales companies, with more than VND 8,959 billion as of the end of 2018. Days of inventory decreased by 2 days compared to 2017. This ratio was always at a moderate level, did not cause much risk and always ensured level of production as well as met consumer demand.



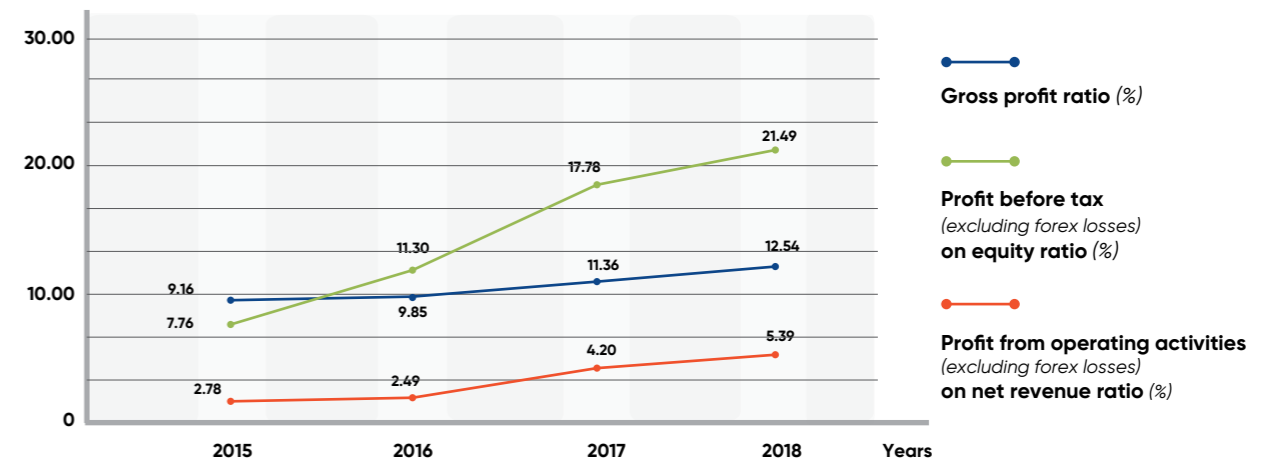
EVNGENCO 3'S INDICATORS OF PERFORMANCE IN THE PERIOD OF 2015 - 2018

INDICATORS OF PROFITABILITY

Indicators of profitability all increased compared to 2017. Specifically:

Gross profit ratio reached 12.54%, profit from operating activities (excluding forex losses) on net revenue ratio was 5.39%.

Profit before tax (excluding forex losses) on equity ratio reached 21.49%, a significant increase compared to 2017.



EVNGENCO 3'S INDICATORS OF PROFITABILITY IN THE PERIOD OF 2015 - 2018



GENERAL CONCLUSIONS

The year 2018 was recorded as a successful year of the Corporation in improving the efficiency of core production and business activities and gradually shaking out finance of the Corporation. Specifically, consolidated pre-tax profit when excluding forex losses was VND 2,169 billion, increased by VND 589 billion compared to the same period of 2017, contributed by VND 514 billion from growth in profit from power production activities and VND 75 billion from other activities. However, the exchange rate factor in 2018 had a big impact on performance indicators. This is an objective impact factor that business leaders can hardly adjust in the short term because projects managed by EVNGENCO 3 mainly used long-term loans in foreign currencies.

Regardless of the exchange rate impact factor, with what has been achieved in the past year, improving the efficiency of asset use, indicators of profitability from core business activities, and gradually improving the debt ratio are worth noting.





2019 OBJECTIVES - TASKS AND PLANS

1

Strengthen management, ensure power plants operate safely, reliably and stably.

2

Deploy coal and LNG import to supplement the shortage in short and long term, ensure fuel for power production.

3

Focus on implementing coal mixing burning plan for Vinh Tan 2 Thermal Power Plant.

7

Continue to implement power projects, ensure construction quality and progress as planned.

8

Focus on the preparation of investment in Ninh Phuoc 7 Solar Power Project and Long Son Power Center.

9

Standardize and unify application of internal management regulations.

4

Managing the electricity market, especially price offer and payment activities in the competitive electricity wholesale market of dependent accounting power generation units, ensure the effectiveness.

5

Select partners for long-term consumption of Vinh Tan 2 and Mong Duong 1 Thermal Power Plants' ash and slag.

6

Implement overhaul of plant units to ensure quality, progress and optimize cost. In particular, focus on the first overhaul of plant unit S1 of Vinh Tan 2 Thermal Power Plant.

10

Ensure security and national defense work; actively fight against corruption, wastefulness; strengthen internal control.

11

Restructure and improve the financial capacity of the Corporation according to the approved plan.

12

Train and develop human resources to meet the development requirements of the Corporation; Continue to arrange labor, ensure employment and income for laborers on the basis of increasing labor productivity and production and business efficiency.



2019 OBJECTIVES – TASKS AND PLANS

2019 PLANS



PRODUCTION AND BUSINESS PLAN

Power generation plan

Power production plan of the whole Corporation is 35.874 billion kWh, of which dependent accounting units are 32.570 billion kWh and the joint stock company is 3.304 billion kWh. For dependent accounting units, the power production plan increases by 6.75% compared to 2018 in the context that: expected adverse hydrological situation due to El Nino phenomenon, reduced gas fuel and potentially risky coal fuel will be big challenges for the Corporation in ensuring the power production plan and profit assigned.

Fuel supply plan

Gas fuel: Continue to work with PVGas, increase the volume of gas consumed, unify the Contract Appendix to supplement Sao Vang - Dai Nguyet gas source. Promote LNG import, LNG import and use target is from 2021.

Coal fuel: Diversify sources of raw coal for production activities to ensure continuous high demand for electricity including domestic coal and imported coal.

Overhaul plan

According to the 2019 overhaul plan, EVNGENCO 3 plans to carry out 17 overhaul works for plant units and many other auxiliary works, with a total overhaul cost of VND 1,452 billion (saving 7.5%).

CORPORATION'S POWER
PRODUCTION PLAN

35.874

BILLION KWH



PLAN TO IMPROVE PRODUCTION AND BUSINESS EFFICIENCY, LABOR PRODUCTIVITY

In 2019, the Corporation will continue to focus on implementing solutions to ensure reliable and stable operation, improve efficiency and reduce self-use electricity rates. Specifically as follows:

Continue to implement the project to improve the operation reliability and efficiency of coal-fired thermal power plants under the direction of the Group in Document No. 4829/EVN-KTSX on October 16th, 2017. In particular, focus on completing solutions to improve the reliability of coal crusher, coal bunker system and mixing coal supply system of Vinh Tan 2 Thermal Power Plant.

Continue to implement the project to improve the reliability and efficiency, especially mixing coal burning for plant unit S2 - Vinh Tan 2 Thermal Power Plant in order to improve operation efficiency, improve the initiative in coal supply and especially improve the quality of ash and slag to increase consumption, reduce inventory. Deploy the installation of inverters for large-capacity engines to reduce self-use electricity rates of Phu My Power Plant and Mong Duong 1 Thermal Power Plant.

In addition, regularly organize the overall assessment of the status of equipment and plant units of plants to bring solutions to improve, repair, replace, improve reliability, ensure stable, continuous operation.

Promote the implementation of repair work in the form of centralized repair and improve reliability at coal-fired thermal power plants.

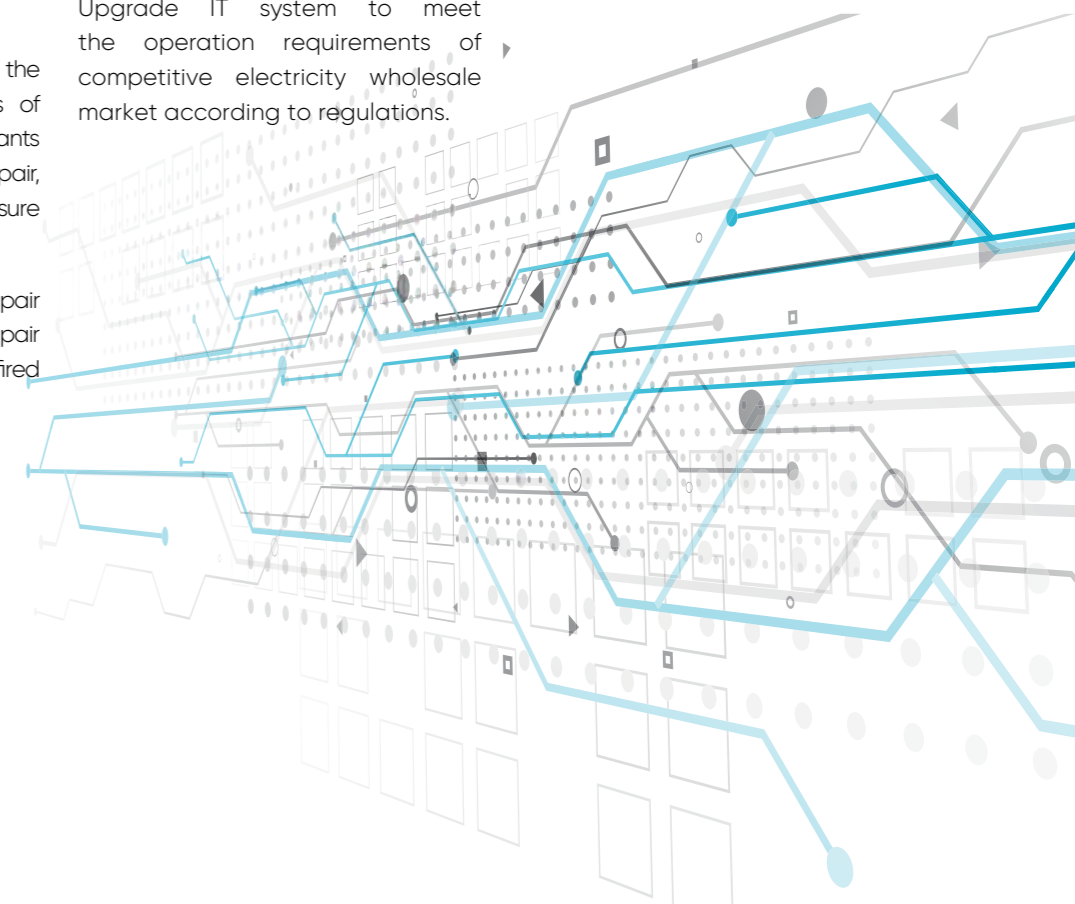
Electricity market plan

Ensure effective price offer on the electricity market, ensure the production and business plan assigned. Negotiate electricity prices and electricity sales contracts of affiliated power plants in order to recover all investment costs and costs incurred in production. Participate in the operation of the competitive electricity wholesale market in 2019 in compliance with the provisions of Decision No. 4391/QĐ-BCT dated November 26th, 2018 of the Ministry of Industry and Trade. Complete the organizational structure and manage the electricity market work, improve the capacity of the electricity market staff at the Corporation and power generation units.

Upgrade IT system to meet the operation requirements of competitive electricity wholesale market according to regulations.

Environmental management plan

Continue to maintain regular, reliable and stable operation of environmental treatment systems, environmental monitoring and supervision equipment (emissions, waste water and cooling water) which have been equipped synchronously at power plants. Ensure that management work is carried out strictly and thoroughly, organize regular monitoring and reporting according to regulations.





2019 OBJECTIVES – TASKS AND PLANS



CONSTRUCTION INVESTMENT PLAN

Investment promotion

Deploy the planning of **Long Son Power Complex Project using imported LNG** in Ba Ria - Vung Tau province (after being approved for additional planning).

Implement additional planning and construction investment in **Ninh Phuoc 7 Solar Power Project (200MWp)** in Ninh Thuan Province and other projects.

Annual investment needs for construction projects in 2019

TOTAL INVESTMENT

6,670

Billion VND

NET INVESTMENT

1,186

Billion VND

REPAYMENT OF PRINCIPAL AND INTEREST

5,484

Billion VND

Construction management, project management consultancy



Vinh Tan 4 Extension Thermal Power Project:

Execute construction according to the plan with the main progress milestone; Burn oil for the first time on January 26th, 2019 (~ 1-month earlier than EPC contract), burn coal for the first time on March 22nd, 2019 (~ 1.5 months earlier than EPC contract). In particular, successful connect grid for the first time at 10h:30 on June 22nd, 2019, 71 days ahead of schedule (the plan under the Contract is July 1st, 2019), marking an important step towards commercial power generation before October 31st, 2019 (~ 1 month earlier than EPC contract).



Vinh Tan 2 Solar Power Project: Accelerate construction and put commercial operation in June/2019.



Coal Port Project at Vinh Tan Power Complex: Coal Port Project of Vinh Tan Electricity Center: Completed the construction of passage dredging and turning basin for 70,000 DWT load vessels.



2019 OBJECTIVES – TASKS AND PLANS



2019 PARENT COMPANY'S FINANCIAL PLAN

TOTAL REVENUE

42,550

Billion VND

TOTAL COST

42,121

Billion VND

TOTAL PRE-TAX PROFIT

409

Billion VND

TOTAL PROFIT

(EXCLUDING FOREX LOSSES)

1,476

Billion VND



PLAN TO DIVEST AND IMPROVE FINANCIAL CAPACITY

- Develop and implement the plan to transfer investment capital in affiliates: Vinh Son – Song Hinh, Nhon Trach 2, Viet Lao to increase financial profit, the cash flow will be balanced to be used for repaying loans to prepare steps to be eligible for listing to Ho Chi Minh City Stock Exchange (HoSE), increasing the attractiveness of EVNGENCO 3 to investors.
- Developing a business development strategy in the long term (5-10 years).
- Develop and implement the plan to restructure EVNGENCO 3 to shake out finance and enhance the capacity and attractiveness of EVNGENCO 3 in the market, including issue to increase charter capital, reduce EVN's holding at EVNGENCO 3.



OTHER PLANS

Corporate governance plan

Continue to implement the administrative reform program of Power Generation Corporation 3 in the period of 2016-2020.

Apply IT in governance and administration activities: Building and putting into operation a centralized data warehouse of the Corporation and building a governance reporting system; deploying DigiNotes software to digitize and break down automatic text information integrated into E-Office software for the Corporation and its dependent units; Deploying the application of Building Information Modeling (BIM), 3D design in construction investment activities.

Organization – personnel – training work

Improve joint stock company governance; continue to restructure according to Decision No. 146/QĐ-EVN and Project to restructure the Corporation in the period of 2017 – 2020; Rate new units/Re-rate.

Continue training, rotation, and mobilization of staff and representatives according to the approved Plan and in accordance with the objectives of increasing operational efficiency and meeting the tasks of the Corporation.

Implement training plans to improve the quality of human resources, with a focus on specialist and extensive technical training, electricity market, solar power, LNG, finance, securities, business acquisitions and mergers, ... to meet the development requirements of the Corporation.





2019 OBJECTIVES – TASKS AND PLANS



PLAN ON DEVELOPMENT INVESTMENT, TECHNOLOGY TRANSFER, REPAIR CAPACITY IMPROVEMENT

With the objective of mastering power plant O&M technology, in 2019, the Corporation continues to promote the implementation of programs:

- Cooperate with KEPCO, KPS, GE, APS, Ansaldo, Benetech, Pangwo, Millpro, Chester,... on technical consultancy, repair capacity improvement, preventive maintenance technology, technical solution consultancy, improvement of the quality of repair and reliability of equipment/systems at Vinh Tan 2 and Mong Duong 1 Thermal Power Plants.
- Continue to cooperate with PECC2, PECC4, Doosan, SEC ... to evaluate and implement solutions to improve the reliability of boilers and auxiliary systems/equipment of Vinh Tan 2 Thermal Power Plant.
- Cooperate with TOSHIBA in supporting technical consultancy, providing materials and training services, providing personnel, experts and cooperating in providing repair services for power plants.
- Cooperate with qualified and experienced partners to promote the training of experts to evaluate and implement repairs and maintenance in the form of RCM and technology transfer. Continue to cooperate with experienced and reputable partners to apply RCM for coal-fired thermal power plants, implement solutions to improve reliability and operational efficiency.
- Promote technology development and transfer on processing - manufacturing - recovery to take initiative in repair materials, optimize costs, gradually improve capacity and brand. Cooperate with PT. Sulzer Indonesia in the field of steam turbine, pump, generator recovery processing.
- Develop and implement the Project on receiving repair work in member units to improve operational efficiency and strengths of centralized repair service.
- In addition, the Corporation develops legal commitments with its partners to establish long-term cooperation.



INVESTOR RELATIONS (IR)

Being aware of the responsibility to shareholders and investors, the Corporation always pays attention to and builds the image of a transparent and responsible company to shareholders. EVNGENCO 3 ensures timely and reliable information to support investment decisions of institutional and individual investors, while continuing to maintain confidence to reinforce the investment value of investors in EVNGENCO 3.

Engagement activities

The Investor Relations Department of the Corporation will maintain strong engagement with investors to better update investors about the production and business situation, financial efficiency, strategy and growth prospects of the Corporation.

Meeting among investment funds, securities companies

• On January 9th, 2019, Power Generation Corporation 3 successfully organized the Analyst Meeting at the Corporation's office. The Meeting aimed to inform and share with institutional investors and securities companies about the business results of the first 9 months of 2018 as well as the financial restructuring plan and development orientation of the Corporation in the future. The Event also attracted the presence of more than 60 representatives from fund management companies, large securities companies in the market such as SSI, BIDV, MBS, Viet Capital.

Securities companies highly appreciated the information transparency as well as put their faith in the plan and objectives set and committed to implement by the Corporation. The Analyst Meeting event was successfully organized by the Corporation for the first time and will become a periodically organized event to attract analysts and professional investors be interested in the Corporation.

International investment conference program "Viet Nam Access Day 2019"

In 3 days from March 5th to 7th, 2019, EVNGENCO 3 attended Vietnam Access Day 2019 organized by Viet Capital Securities Joint Stock Company in Ho Chi Minh City. This is an annual conference, attracting more than 200 institutional investors from more than 20 countries to attend and learn about investment opportunities in Vietnam.

Effective communication to enhance commitment

The Corporation's Website: www.genco3.com, provides an essential platform for investors to access periodic information through Investor Relations section. Any questions or concerns related to the Corporation, especially those related to Investor Relations, may be transferred to the group at irgenco3@genco3.evn.vn. As part of continuous improvements and participation initiatives that are consistent with the financial community, our IR Survey is conducted on a biennial basis. We welcome valuable feedback on our IR initiatives and services through this channel.

Investor Newsletter

The Investor Relations Department has also developed an investor newsletter (in Vietnamese and English), which will provide basic and complete information on the monthly production and business situation to help investors continuously update information of the Corporation.





04

FUTURE ORIENTATIONS

Green energy - Sustainable energy

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PROSPECTS FOR INVESTMENT IN THE ELECTRIC POWER INDUSTRY



ELECTRICITY CONSUMPTION GROWTH IS ALWAYS OVER 10% / YEAR

In recent years, Vietnam's energy demand increased rapidly in the period from 2001 to 2017 with an average growth of 11.3% per year and is expected to continue to increase quite high in the next 15 years. Especially, in 2010, the growth rate reached 15.1%, the highest in the years.

This shows that the electricity production and trading market in Vietnam is a potential market for exploitation and investment; because of the increased demand for electricity, accounting for more than 50% and the demand for development of industrial and manufacturing industries - this is the main driving force for the development of economy as well as for the demand growth in the following years.

- Moreover, in the amended Power Development Plan VII (PDP VII), EVN estimates that electricity consumption will reach 352 billion kwh - 379 billion kwh, the electricity industry is approved by the Prime Minister EVN's business plan in the period of 2016-2020 and instructed power consumption growth at 10.6%. The double annual growth of total power supply from 2010 to 2018 reached over 10%. The three main power sources are Hydropower, Coal-fired Thermal Power and Gas-fired Thermal Power, accounting for 93.78% of the total power capacity in the first months of the year.

- Import proportion of Vietnam's electricity industry is gradually stabilizing over the years. The proportion of imported power in the total power supply was kept at a stable level of about 1.3% - 2% in the period of 2015-2018. In 2018, imported power output accounted for 1.33% of the total power supply. Vietnam's power loss tends to decrease.

- Electricity prices in Vietnam are quite low compared to other countries in the Asia-Pacific region. Power generation is the only segment with the participation of units outside EVN because it requires very large investment capital. Therefore, the competitive electricity market in Vietnam will also start phase 1 in this segment. It is forecasted that the growth rate in the period of 2017-2020 will reach 10.7%, 2021-2025 will reach 9.7% and 2025 - 2030 will reach 8.7%. Demand for electricity is expected to continue growing by 10-11% per year in the coming years.



GREAT OPPORTUNITIES FOR POWER PLANTS TO INVEST IN CLEAN ENERGY

Vietnam is a developing country with such main supply sources for power production as hydropower and thermal power based on natural finite fuels such as coal, oil, natural gas or hydrogen. The remaining small part includes imported electricity and renewable energy. Because of the great dependence on finite and weather-related factors, Vietnam's electricity supply is not really abundant, the energy sources for electricity supply are limited.

- This is a great opportunity for power plants to invest and exploit renewable energy sources, invest in new energy sources such as renewable energy sources including wind and solar, which proves effective for a country with many favorable geographical conditions like Vietnam. Accordingly, the energy development strategy in the coming time is that renewable power output accounts for about 5% of the total power supply (equivalent to 2,600MW by 2020).

- In particular, the development of renewable energy will be prioritized to increase the proportion of new and renewable energy sources, accounting for about 3% of the total primary commercial energy by 2010 and 11% by 2050.

- Vietnam has favorable conditions to develop clean energy sources with a favorable geographical location compared to other countries in the region. Vietnam is in the range of 80 - 230 North latitude in the tropical monsoon area, has 3000km of coastline, each year has 2 main wind seasons: Northeast and Southeast. According to the World Bank, the region with good wind potential accounts for more than 8.6% of the territorial area to build large wind power stations. Meanwhile, this figure is 0.2% in Cambodia, 0.2% in Thailand, 2.9% in Laos. Considering the standard for building small wind power stations for economic development in difficult areas, Vietnam has 61% of rural areas. This figure in 3 above countries is 6%, 9% and 13%, respectively. Total wind power potential of Vietnam is about 713,000 MW, higher 250 times than Son La Hydropower's capacity and 13 times than total forecasted capacity of the electricity industry in 2020. Two potential

areas for wind power in Vietnam are Son Hai (Ninh Thuan) and Mui Ne (Binh Thuan) with average velocity of up to 6 - 7m/s and wind tends to be stable, the number of storms in the region is less, suitable for wind power stations with a capacity of 3 - 3.5 MW.

- Solar energy is also favored by geographical location, with relatively high solar radiation intensity. Average number of sunshine hours is about 2000 - 2500 hours/year, total solar radiation energy is about 150kCal/cm2 on average. The theoretical potential is estimated by experts to be about 43.9 billion TOE/year. In particular, the most potential regions are the Southern region, the Northwest region (Lai Chau, Son La ...) and the North Central region (Thanh Hoa, Nghe An, Ha Tinh) ... Located in the potential region for the development of the electricity industry, EVNGENCO 3 will be a strategic partner for businesses that want to invest in Vietnam's electricity industry.



ELECTRICITY INDUSTRY IS ALWAYS CONSIDERED A KEY INDUSTRY BY THE STATE

- A developed economy must be associated with the development of the national energy sector to ensure sufficient supply of power for production, business and economic development activities. Vietnam is no exception to that rule, when the electricity industry is always considered a key industry and receives a lot of attention from the State. In recent years, the growth rate of electricity consumption in Vietnam has been increasing and tends to double the GDP growth rate, which shows that Vietnam is on the rise of strong growth. However, high growth also poses a problem that requires a stable long-term strategy. Policies set out need to improve the efficiency of electricity use, minimize environmental impacts to avoid going against the world trend. The US and China, the two countries with the largest amount of CO2 emissions in the world, all believe that it is necessary to focus on solving the energy problem, the underlying cause of economic and financial instabilities.



ELECTRICITY PRICES TEND TO INCREASE

- Strongly increased speed of electricity consumption is not only due to the development of the economy but also due to product prices. Currently, although electricity prices in Vietnam are adjusted up gradually over the years, the increase in electricity prices will greatly affect the production and business activities of the economy. Therefore, the increase in electricity prices is very cautious. In 2010, electricity prices were adjusted for the first time on March 1st with an increase of 6.8% and are still being considered for price increase when Vietnam National Coal - Mineral Industries Group proposed in the end of this year. Currently, Vietnam's electricity price is VND 1058/kWh, equivalent to 5.3 cents/kWh, while for profit, the average price must be over 8 cents/kWh. Therefore, the increase in electricity prices is a need and is also certain in the coming years.

- The Northwest region (Lai Chau, Son La ...) and the North Central region (Thanh Hoa, Nghe An, Ha Tinh) ... Located in the potential region for the development of the electricity industry, EVNGENCO 3 will be a strategic partner for businesses that want to invest in Vietnam's electricity industry.



CORPORATION SWOT ANALYSIS



STRENGTHS

- EVNGENCO 3 is currently one of main electricity suppliers in Vietnam. EVNGENCO 3's plants all operate stably in key central areas of the national grid, with favorable geographical location, concentrated mainly in the southern region - Vietnam's economic gateway - region with high demand for electricity.

- Owning factories that have been completed and generate electricity stably supports new production and business activities and investments. At the same time, in the context that other factors are satisfactory, investing in EVNGENCO 3 and owning plants that have generated electricity will help investors avoid risks during construction and test run; at the same time, have sufficient data and bases to evaluate the effectiveness according to historical data over the years of 2013-2018.

- EVN is a major shareholder of EVNGENCO 3. With experience in investment, management and operation of the national grid system and the ability to balance finance in units, in the first phase of the joint stock company and especially in transferring phases of the competitive electricity market, EVNGENCO 3 can receive support in management, administration and finance from EVN.

- EVNGENCO 3 has a staff which is highly qualified, experienced in managing and operating plants. Young laborers in the golden age which is an advantage in accessing and applying advanced and modern knowledge, technology, ..; Those who have many years of professional and managerial experience; are trained, planned to become source officials to be ready to meet the assigned tasks.



WEAKNESSES

- Fossil fuels (coal, oil, gas) account for a large proportion: EVNGENCO 3 plants mainly use fossil fuels (accounting for 82%). Models of fossil-fueled power plants are not investment trends of developed countries, investors may face certain difficulties in deciding to invest in these types of plants.

- The financial situation is not really good and attractive: EVNGENCO 3's financial indicators now show capital imbalance. Debt/equity ratio is too high because investment projects mainly use loans. Besides, profitability from EVNGENCO 3's production and business activities is only at a low average level.

- Production and business activities are greatly influenced by macroeconomics or weather: One of the major influences on EVNGENCO 3's production and business activities is exchange rate and interest rate fluctuations. High debt ratio (mainly foreign loans) and debt recognition, debt repayment in foreign currencies (JPY, USD) greatly affect EVNGENCO 3's production and business results. In addition, hydropower plants are greatly impacted by weather and hydrological conditions, which significantly affect the results of production and business activities.



OPPORTUNITIES

The forming competitive electricity market creates a great opportunity for EVNGENCO 3. With putting the competitive electricity wholesale market into official operation from 2019, proceeding to operate the competitive retail market, EVNGENCO 3 is facing opportunities and threats of changing electricity prices and business situation in the period of 2019 onwards.

- Load demand in the South is always on the rise, while newly invested power plants' generation capacity cannot fully meet.

- New plants if invested effectively will bring about growth opportunities for EVNGENCO 3. Currently, EVNGENCO 3 is conducting research to invest in 4 new projects (solar power, combined cycle gas turbine using LNG) with a total expected capacity of 1,335 MW, which will be invested in the period of 2019-2024. If investing effectively in these projects, EVNGENCO 3 will have opportunities to grow well after 2025.



Development of models of repair and operation services of power plants

Power development by 2030 under the amended Power Plan VII is very large, whereby the demand for services of repair and operation of power plants, especially coal-fired power plants with large capacity will grow very high. In addition, the centralized power plant repair service is also the goal of EVN in order to overcome the limitations of technology, repair costs, efficiency of training and labor use. EVNGENCO 3 established EPS company to catch this opportunity.

Initiative in input materials

About coal fuel

In recent years, the demand for coal has increased significantly, more than 3.5 times from 10 million tons in 2002 to 35.5 million tons in 2014. In which, the electricity industry is the most coal-intensive industry, accounting for about 50% of total coal consumption.

- In the future, when power plants will be active in importing coal as a raw material for production, it will help businesses to ensure fuel for continuous production.

- Advances in coal production technology have made great strides in improving coal quality, helping parameters of boilers and turbines from: Subcritical, Supercritical, Ultra-supercritical - USC and Advanced Ultra-supercritical - A-USC, respectively. The use of imported coal according to international quality standards can help increase the efficiency by more than 3% and reduce the emission of CO₂ by 3 times (from 1,800 g/kWh to less than 600 g/kWh).

In addition, recycling ash and slag from coal-fired thermal power plants is increasingly strengthened. According to "World Wide Coal Combustion Products Networks", since 2010, the average rate of reuse of ash and slag of coal-fired power plants in countries has reached an average of 53.5%. Up to now, technological advances are allowing more ash and slag of coal-fired power plants used.



THREATS

Plants that use fossil fuels are heavily impacted by input material prices. Although, basically, input material prices are reflected in EVNGENCO 3's electricity prices, in the long term, the dependence on the supply of raw materials in the context of the competitive electricity market coming into operation, EVNGENCO 3 can face material-related problems.

EVNGENCO 3 must compete directly with power generation units in the market. In the context of the competitive electricity market in operation with large power generation units in the market such as EVNGENCO 1, 2, PVPower and the demand for large electricity consumption concentrated in the South, EVNGENCO 3 will have to compete on prices and factors associated with other investors to generate electricity.

EVNGENCO 3 must compete with domestic and foreign groups and corporations to retain high quality human resources.

In the production and business process of EVNGENCO 3; due to great demand for investment and construction of projects, the Corporation must mobilize capital from many sources; in which domestic loans are controlled in terms of rate, term and interest rate, EVNGENCO 3 must mobilize more foreign capital sources. And although the State Bank has a policy to regulate the exchange rate, but in reality, the fluctuation in foreign currencies, especially USD exchange rate difference, makes the Corporation's exchange rate loss still high.

In 2018, fluctuations and exchange rate differences caused many instabilities to the market. In particular, in addition to EVNGENCO 3, directly affected units also have oil and gas (PVN, PVT, GAS...), aviation (ACV, HVN...), marine transport (VOS, VNA, VTO...) companies and units involved in infrastructure construction ... with losses of up to billions of Vietnamese dong.



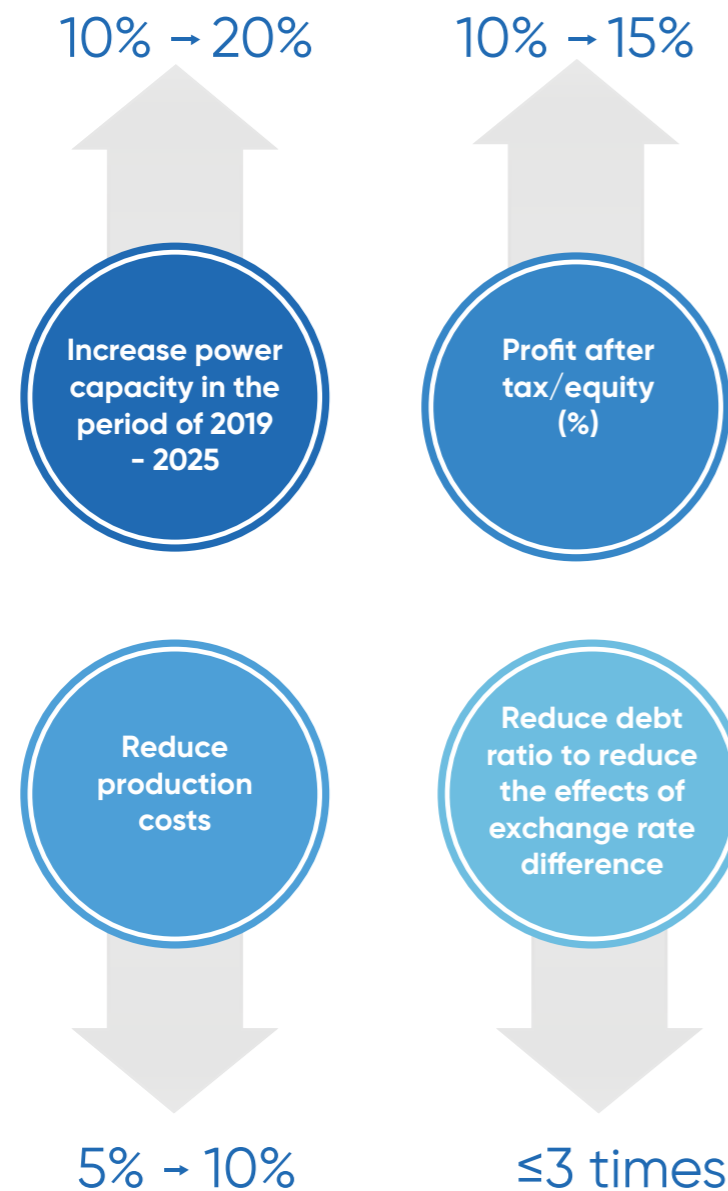


CORPORATION DEVELOPMENT STRATEGY

EVNGENCO 3's strategy will be linked to the goal to become a leading power generator in the country and the region. This can only be achieved through synchronous implementation of initiatives focusing on the following areas: Improve management capacity and restructuring finance, promoting solutions to improve production and business efficiency and increase labor productivity, increasing the capacity of green and sustainable energy sources.



TARGETS



WHAT WE WANT TO ACHIEVE

- Operate plant units safely, reliably, economically
- Ensure effective participation in the electricity market
- Promote production solutions, optimal repair and cost savings
- Develop new power investment projects effectively, bringing the highest profit to shareholders
- Improve the quality of human resource management

TOP PRIORITIES

- Operate to achieve and exceed the planned power production with the highest economic efficiency
- Improve power production efficiency and revenue
- Improve the efficiency of repair service business
- Shake out financial situation
- Invest in new projects with partners under the project model
- Find sources and develop, diversify talented human resources
- Convert to high-performance culture

NUMBER OF TARGET MEASUREMENTS

- Annual power production
- Electricity market profits
- Measurement data of economic and technical indicators
- Cost per unit of electricity produced
- New project investment capacity
- Financial performance indicators
- Employee KPIs
- Develop talented human resources internally

STRATEGIC RISKS

- Failure to provide sustainable, reliable and safe power sources
- Inability to guarantee fuels for production
- Inability to meet increasing expectations of shareholders
- Inability to maximize investment value



CORPORATION DEVELOPMENT STRATEGY



INCREASE THE CAPACITY OF GREEN ENERGY

In recent years, the concept of green (clean) energy has been no stranger to many countries around the world. Traditional energy resources that have been exploited mainly are oil and gas, coal and power, but only in the next few years, these energy sources will be gradually exhausted and cannot guarantee Vietnam's energy industry in the long-term. Meanwhile, energy wastage in industrial production, construction and transportation in our country is quite common and the demand for energy consumption is increasing. According to the amended Power Plan VII, Vietnam will have to import energy. Facing the above situation, the way to convert from fossil energy to green energy is becoming increasingly urgent.



Solar energy

With geographical and climatic conditions, Vietnam is assessed as a country with potential to develop renewable energy sources, which are capable of replacing fossil energy sources, minimizing impacts on the environment.

Vietnam has a great potential for wind energy, with a long coastline that makes wind flow plentiful, with a total estimated potential of 513,360 MW. Regarding solar energy, with the advantage of being one of the countries with the most sunshine distribution in the year on the world's radiation map, Vietnam has many advantages to exploit this energy source. In addition, there is another form of renewable energy that we still cannot take advantage of: biomass energy such as sawdust, agricultural wastes (straw, manure, plant waste...). Research and development of biomass materials and energy creates clean and cheap forms of energy and materials, contributing to ensuring energy security, both protecting the environment and collecting foreign currencies from exporting energy, selling CO2 emission reductions quota for re-investment.

Despite much potential, the development of renewable energy in our country is not really commensurate with the available potential.

According to experts, every year, we lose more than billion USD due to not exploiting and using renewable energy sources such as wind energy, solar energy, biomass energy... In order to facilitate investors to participate in the development of renewable energy, the Government has established a policy framework to regulate a number of financial policy mechanisms for investment projects under the clean development mechanism as Law on Environmental Protection in 2016, 2005; Electricity Law in 2006, as amended and supplemented in 2012; Law on economical and efficient use of energy in 2010; National Strategy on Environmental Protection by 2010 and with a vision to 2020; Decision No. 130/2007/QĐ-TTg regulating a number of financial policy mechanisms for investment projects under the clean development mechanism (CDM)...



In particular, in the National Strategy on Energy Development of Vietnam to 2020, with a vision to 2050 approved by the Prime Minister, it has set a goal of synchronous and rational development of the energy system: power, oil and gas, coal, new and renewable energy in which to pay attention to developing clean energy, prioritize to develop new and renewable energy in order to ensure sufficient supply of energy for socio-economic development needs. Specifically, Vietnam strives for renewable energy to reach 6% of total production power by 2030, expects to increase production to 13,000 MW from renewable energy sources in the period from now to 2030. By 2025, the production of ethanol and vegetable oil will reach 1.8 million tons, meeting about 5% of the country's gasoline and oil demand. The State's policy of promoting the development of renewable energy sources has created leverage for the implementation of investment projects

in clean energy. The State's policy of promoting the development of renewable energy sources has also encouraged the production and reduction of import taxes on renewable energy equipment such as biogas digester and wind turbine, development of investment support funds to research, survey and develop renewable energy. Domestic and foreign investors are allowed to invest in capital and technology to build clean energy projects in Vietnam accompanied by enjoying incentives in tax, land rent and investment credit of the State... Developing clean energy sources to replace fossil energy sources, increasing energy efficiency in production and consumption are keys to solve the problem of environmental pollution and save foreign currencies to invest in construction of hydropower plants, thermal power plants, as well as reduce dependence on oil, ensuring food security and towards a low carbon economy.



CORPORATION DEVELOPMENT STRATEGY



LNG fuel

At present, gas supply for combined-cycle turbine thermal power projects in Phu My, Ba Ria and Nhon Trach areas is no longer sufficient and it is necessary to consider plans to add with LNG. Therefore, finding to construct additional power source in the Southern region in the period to 2030 are necessary.

Moreover, when the power development projects in the South such as nuclear power plants, Bac Lieu coal-fired thermal power plant are stopped or pushed back the construction progress, thermal power plant projects using LNG with such favorable conditions as location, infrastructure, seaport, ability to import fuel...will contribute significantly to reducing gas fuel shortages for existing gas power plants in the South in particular, as well as reducing the stress of operating the 500kV North - South transmission system.

Finding to construct additional power source in the Southern region in the period to 2030 to replace power sources that are stopped or pushed back the construction progress is necessary. Thermal power sources using gas fuel have advantages to play this role, as follows:

- Emissions of combined cycle gas turbine power plants are easy to treat or do not require treatment but still meet requirements before being discharged into the environment.

- CO2 emissions are much lower than coal-fired thermal power plants due to high efficiency of combined cycle gas turbine power plants (over 60%, while coal power plants' efficiency is about 60%); and due to lower carbon content in natural gas fuel than in coal fuel.

- Meet the loan conditions of organizations around the world as mentioned above.

- Combined cycle gas turbine plants have faster start-up time to put into operation than coal-fired thermal power plants, especially gas turbines.

- Plants meet the requirements of running background and running back for electrical systems.

- Demand for land use is low when compared to other power sources.

- Construction time is fast, about 36 - 36 months. Based on the feasibility analysis of the project, the Corporation's research on Long Son Power Complex with such favorable conditions as location, infrastructure, seaport, ability to import fuel, easy search of financial resources... will contribute significantly to reducing gas fuel shortages for existing gas power plants in the South in particular, as well as reducing the stress of operating the 500kV North - South transmission system.



Currently, EVNGENCO 3's power plants have a total installed capacity of 6304 MW, equivalent to about 16% of total installed capacity of the national electricity system with uniform distribution in the structure: gas power, coal power and hydropower. Renewable energy sources, first of all solar power, will be a field that EVNGENCO 3 focuses on investing and deploying in the coming years. In 2018, in addition to traditional power fields, EVNGENCO 3 continued to invest in construction of solar power projects including: solar



During construction investment and operation management, EVNGENCO 3 has always focused on ensuring environmental protection, strictly implementing the provisions of the Law on Environment as well as the contents committed in the EIA environmental impact assessment report, license for exploitation and use of surface water, discharge license ... EVNGENCO 3 has been effectively managing and operating waste water, emissions treatment systems, sorting garbage



power projects at Buon Kuop (50 MW), Srepok (50 MW) hydropower reservoirs in Dak Lak province and Ninh Phuoc 7 solar power project (200 MW) in Ninh Thuan province. Simultaneously, EVNGENCO 3 implemented procedures to invest in Long Son Power Complex project using liquefied natural gas (LNG) in Ba Ria - Vung Tau province. This investment direction shows EVNGENCO 3 leaders' agility while the Government is encouraging the development of new power sources, especially renewable energy.



and waste for storage as well as implementing online monitoring work. Recognizing that environmental protection is an important task, so in addition to regular maintenance of systems and strict implementation of the provisions of the Law on Environment, EVNGENCO 3 still has developed plans to implement strategic solutions to protect the environment, in which thoroughly grasp the policy of installing online monitoring systems for all waste sources.



TECHNOLOGY INVESTMENT AND DEVELOPMENT

Striving to 2025, Power Generation Corporation 3 will become the leading energy enterprise in the country and Southeast Asia (in terms of labor productivity and quality of service provision), ensuring safe, reliable and stable operation of power plants.

- Promote the application of IT in management and production and business activities: Continue to replicate the Project on solution for management and storage of operating parameters using electronic operation log software instead of storage with hard copy like nowadays for equipment parameter record and operation log/shift handover book at Phu My Thermal Power Company. Continue to replicate in the remaining affiliated power generation units: Mong Duong, Vinh Tan Thermal Power Companies; Buon - Kuop Hydropower Company.
- Continue to research and complete the Project on establishment of a centralized Operation Center for hydropower plants: Buon Kuop, Buon Tua Srah and Srepok 3 of Buon Kuop Hydropower Company and pilot implementation in the future.
- Research and develop real-time remote monitoring system RMS, support to decide the optimal operation and maintenance plan to promptly diagnose, forecast, prevent and prevent incidents. Thereby, it helps improve production management capacity of the Corporation in general and EVNGENCO 3 Power Service Company in particular, soon establish remote control and diagnosis centers for member power plants, in which:
 - + RMS helps provide solutions to prevent problems incurred by equipment systems from becoming

serious; Increase the initiative, minimize the time for maintenance and repair work due to anticipation of equipment condition before serious damage occurs.

+ Minimize risks and optimize costs in operation and repair and maintenance of power plants; Help consult and share experiences in operation - repair for other power plants.

- Research and develop the Project on IT application in project management: remote safety control and project progress control.
- Research and develop the project on solutions to optimize costs and enhance competitiveness in the electricity market field.
- Research and complete the hydrological monitoring system to effectively regulate hydropower reservoirs and inter-reservoirs, optimize the use of water resources. At the same time, apply Industrial Revolution 4.0 to collect and improve the ability to analyze and forecast meteorological and hydrological information to meet the demand for efficient exploitation of water resources.
- Research and implement the Project on building a specific personnel database within the Corporation to serve the management and administration of production and business activities.



INTERNET OF THINGS (IOT) AND BIG DATA

- For power production, the underlying technology is energy conversion. Power Generation Corporation 3 is currently managing the operation of gas turbine and hydropower units and especially coal-fired thermal power with modern technology, quite large capacity of 540-622 MW, using PC and CFB furnace technology. However, along with the continuous development of modern science and technology, many technical solutions have been successfully researched and applied in the field of improving the capacity and efficiency of power generation, including research and application of digital technology in controlling and monitoring power plants which will contribute to improving the overall efficiency of the plant while still ensuring operational efficiency and generation capacity.
- In addition to the direct impacts on the main stages of the power production process, Industrial Revolution 4.0 also affects businesses in general and Power Generation Corporation 3 in particular, the number of existing workers will be at risk of redundancy. On the other hand, in general, safe and higher income jobs

may increase after technology gradually replaces people.

• In the future, capacity will become a core element of production. Extremely high automation and hyperlink capability in the short term will certainly have an impact on the workforce. Accordingly, part of the low-skilled workforce (such as chain workers), which was heavily affected by basic automation during Industrial Revolution 3.0, can now be further affected. The advent of robots that can move and interact will help low-skilled jobs get a jump in productivity. However, the most affected people may be the average skilled workforce. Because the development of super-automation and hyperlinks plus artificial intelligence will significantly affect the nature of knowledge work. Automation will initially affect office, sales, customer service work, and supporting industries. Automation robots, automated reports and virtual assistants will become popular. In the field of customer service, there may be no need for human intervention; most customer queries are answered automatically...



EVNGENCO 3 OFFICE

05

CORPORATE GOVERNANCE

Modern governance - Premise for development

Information and activities of the Board of Directors 88

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INFORMATION AND ACTIVITIES OF THE BOARD OF DIRECTORS



Main activities of the Board of Directors in 2018 (from October 1st, 2018 to December 31st, 2018): In the last 3 months of 2018, the Board of Directors held 05 meetings of the Board of Directors, collected written opinions of members of the Board of Directors, issued 22 Resolutions and 30 Decisions for the General Director and units to carry out production and business tasks in 2018.

About the Production and Business; Construction Investment Plan in the fourth quarter/2018 & 2019: Continue transition from one member limited liability company to joint stock company and direct the Corporation to submit the production and business, construction investment plan in 2019 to review and submit to the parent company - EVN.

Issuance of internal management and decentralization regulations in the Joint Stock Company:

- The Board of Directors agreed to apply 17 Internal Management Regulations issued by EVN and 32 Internal Management Regulations developed and issued by the Corporation.
- The Board of Directors of the Corporation - JSC reviewed the draft internal management regulations and issued 17 important regulations to meet the needs of governance and administration of the Corporation - JSC and by May/2019, it will issue all internal management regulations.

About the apparatus organization

- Maintain the existing apparatus of one-member limited liability company; meet the requirements for stable operation

of the Corporation and transition to the joint stock company.

- Appointed titles of Vice President; Chief of Office, Deputy Chief of Office, Heads and Deputy Heads of functional departments of the Joint Stock Company on the basis of transition from functional departments of the respective limited liability company. For the member units, the management and administration rights were transitioned from one member limited liability company to joint stock company.

- Developed and issued the working program of the Board of Directors of the Corporation in the fourth quarter of 2018.

About auditing work:

Continued to audit the units according to the 2018 Auditing Program of the Corporation (Auditing Thac Ba Hydropower Joint Stock Company, Auditing Ba Ria Thermal Power Joint Stock Company, auditing Vinh Tan Thermal Power Company, Vinh Tan Thermal Power Project Management Board, etc.

- The Board of Directors reviewed and approved 2017 financial statements of subordinate units under the Corporation.
- The Board of Directors reviewed and approved the 2019 business and production plan of units with capital contributed by the Corporation in JSCs.
- The Board of Directors directed the Corporation to develop a project to ensure gas fuel for power plants of the Corporation.
- The Board of Directors directed the implementation of the equitization settlement (handling exchange rate differences) and the plan to divest in joint stock companies to improve the financial capacity of the Corporation.



- The Board of Directors reviewed and decided on 09 work contents to collect opinions under the authority of the Board of Directors: (1) Final settlement of overhaul work for GT 22 Plant Unit Phu My 2.1; Draft internal management regulations of Power Generation Corporation 3; Regulation on expenditure management, Regulation on management of distribution and use of funds, Regulation on final settlement of completed projects, Regulation on human resource training and development; Regulation on examination and salary classification to increase professional staff rank/ Power Generation Joint Stock Corporation 3; (3) Opinion on the seal form of Power Generation Joint Stock Corporation 3; (4) Opinion on extension of time to be the Representative of the General Director of Ba Ria Thermal Power Joint Stock Company; (5) Draft regulation on information disclosure and 2019 production and business plan of Thac Ba Hydropower Joint Stock Company and 2017 Financial Statements of Units; (6) Opinion on the price of auxiliary service provision in 2019 and Contract for amendment and supplement No. 06 Supporting Service Provision Contract - Ba Ria Thermal

Power Plant; (7) Approval of voting contents at the 4th 2018 Board of Directors Meeting of Ninh Binh Thermal Power Joint Stock Company; (8) Seal structure of subordinate units under the Corporation; (9) Supplementation of business lines for the Corporation's branches...

- The Board of Directors created the most favorable conditions for the General Director as well as the Executive Board to organize the effective implementation of its tasks according to the Charter of the Corporation, the Resolution of the first General Meeting of Shareholders and the Board of Directors.
- Chairman of the Board of Directors on behalf of the Board of Directors controlled the implementation of direction and supervised the General Director and the Executive Board in the implementation of the Resolutions, Decisions and Directive Documents of the Board of Directors as prescribed in the Charter of the Corporation and issued internal management regulations; currently applied regulations of the Corporation.



INFORMATION AND ACTIVITIES OF THE BOARD OF DIRECTORS

No.	Resolution / Decision No.	Signing Date	Content of Resolution / Decision
I Resolutions			
	01/NQ-HDQT	01/10/2018	Elect the Chairman of the BOD of Power Generation Joint Stock Corporation 3
	03/NQ-HDQT	01/10/2018	About the implementation of work in the fourth quarter of 2018, contents are as follows Working programs of the BOD and Board of Supervisors of EVNGENCO3-JSC in the fourth quarter/2018 and 2019 Submit the production and business, construction investment plan in 2019 Develop and prepare the project: on gas fuel for power generation to ensure gas fuel for power plants under EVNGENCO 3-JSC to submit to the BOD of the Corporation About the divestment and restructuring of the Corporation: for the restructuring plan to submit to the BOD About policies on procurement of supplies and equipment for repair: Set up a project on policies on procurement and use of supplies and equipment for repair, including use of original equipment manufacturer (OEM) and non-original equipment manufacturer (Non-OEM) supplies and equipment About the Corporation office and launching the JSC
	04/NQ-HDQT	01/10/2018	About the apparatus - personnel organization and internal management regulations About the personnel organization and the number of leaders at the Departments: Assign specialized the Board member to be in charge of the Board of Supervisors and Select experienced and specialized personnel to the Board of Supervisors Working regulations of the BOD of Power Generation Joint Stock Corporation 3 Regulation of assignment in the BOD of EVNGENCO 3 - JSC: Submit to the Chairman of the BOD (Chairman signed the issuance: 3 Board members agreed) About Issuance of Internal Management Regulations: The BOD agreed to apply 17 regulations, and the General and Legal Departments reviewed to submit to the BOD for collecting opinions in 03 rounds, about 11 Regulations each round
	06/NQ-HDQT	09/10/2018	About extension of time to be the Representative of the General Director of Ba Ria Thermal Power Joint Stock Company
	07/NQ-HDQT	09/10/2018	Agree to apply Internal Management Regulations issued by EVN and the Corporation
	08/NQ-HDQT	09/10/2018	About the approval of the Seal Form of Power Generation Joint Stock Corporation 3
	13/NQ-HDQT	25/10/2018	Working program of the BOD in the fourth quarter of 2018
	17/NQ-HDQT	31/10/2018	Approve voting contents at the periodic Board meeting in the third quarter of 2018 of Ba Ria Thermal Power Joint Stock Company, the representative reported the results of the meeting to the BOD of the Corporation

No.	Resolution / Decision No.	Signing Date	Content of Resolution / Decision
	18/NQ-HDQT	26/10/2018	About the signing of Term Deposit Contract with EVN Finance (Contract No. 081/2018/EVNFC-GENCO3/TGCKH)
	20/NQ-HDQT	06/11/2018	Resolution on the approval of the overhaul estimate for 2019 - Overhaul of steam turbine plant unit ST23 of Phu My Thermal Power Company
	15/NQ-HDQT	30/10/2018	Resolution on approving the results of the 4th meeting in 2018 About fuel supply plan: Assign the Executive Board to submit the plan to ensure fuel (gas, coal) for operating power plants of the Corporation for 5 years with a consideration of up to 10 years, submit to the BOD for consideration and submit the project on establishment of the fuel procurement department Divestment plan of the Corporation in joint stock companies (review and re-finalize) and submit to the Board of Directors Overhaul estimate for 2019 - Overhaul of steam turbine plant unit ST23 of Phu My Thermal Power Company Management and issuance of Internal Management Regulation of the Corporation - JSC The General Department collaborated with the Legal Department to develop regulations on evaluation criteria of the Corporation Departments to submit to the BOD for consideration Develop the Regulation on Salary Division of the Corporation Develop criteria to send laborers abroad
	23/NQ-HDQT	14/11/2018	Resolution on the approval of additional business lines for Branches of Power Generation Joint Stock Corporation 3
	30/NQ-HDQT	26/11/2018	Resolution on the approval of seal forms of subordinate units under Power Generation Joint Stock Corporation 3
	32/NQ-HDQT	05/12/2018	Resolution on the approval of voting contents at the 4th 2018 Board Meeting of Ninh Binh Thermal Power Joint Stock Company
	1027/NQ-HDQT	13/12/2018	Decision on the Contract for amendment and supplement No. 08 to Electricity Sales Contract No. 01/2013/HD-NMD-BK of Buon Kuop, Buon Tua Srah, Srepok 3 Hydropower Plants
	1011/NQ-HDQT	13/12/2018	Resolution on the signing of Term Deposit Contract with EVN Finance
	53/NQ-GENCO3	16/12/2018	Resolution on the approval of voting contents of the 2019 business and production plan of Thac Ba Hydropower Joint Stock Company
	1289/NQ-HDQT	28/12/2018	Resolution on the approval of final settlement of overhaul work for GT22 Plant Unit Phu My 2.1 in 2017 (transition to 2018) of Phu My Thermal Power Company
	81/NQ-HDQT	28/12/2018	Resolution on the approval of final settlement of overhaul work for GT22 Plant Unit Phu My 2.1 in 2017 (transition to 2018) of Phu My Thermal Power Company
	71/NQ-GENCO3	28/12/2018	Resolution on the Issuance of Working Regulation of the Board of Directors of Power Generation Joint Stock Corporation 3 and the Regulation on Financial Management of Power Generation Joint Stock Corporation 3



INFORMATION AND ACTIVITIES OF THE BOARD OF DIRECTORS

No.	Resolution / Decision No.	Signing Date	Content of Resolution / Decision
	75/NQ-GENCO3	28/12/2018	Resolution on the issuance of internal management regulations of Power Generation Joint Stock Corporation 3 (phase 1)
II Decisions			
1	002/QĐ-GENCO3	01/10/2018	Decision on the appointment of the General Director of Power Generation Joint Stock Corporation 3
2	003/QĐ-GENCO3	01/10/2018	On the appointment of the Vice President of Power Generation Joint Stock Corporation 3 (Mr. Phan Thanh Xuan)
3	004/QĐ-GENCO3	01/10/2018	Decision on the appointment of the Vice President of Power Generation Joint Stock Corporation 3 (Cao Minh Trung)
4	005/QĐ-GENCO3	01/10/2018	Decision on the appointment of the Vice President of Power Generation Joint Stock Corporation 3 (Mr. Nguyen Thanh Trung Duong)
5	006/QĐ-GENCO3	01/10/2018	Decision on the appointment of the Vice President of Power Generation Joint Stock Corporation 3 (Mr. Le Van Danh)
6	008/QĐ-GENCO3	01/10/2018	Decision on the appointment of the Vice President of Power Generation Joint Stock Corporation 3 (Ms. Nguyen Thi Thanh Huong)
7	009/QĐ-GENCO3	01/10/2018	Decision on the appointment of Head of Internal Audit and Financial Supervision Committee of Power Generation Joint Stock Corporation 3 (Mr. Pham Quoc Thai)
8	010/QĐ-GENCO3	01/10/2018	Decision on assigning the task to concurrently hold the position of Head of General Department of Power Generation Joint Stock Corporation 3 (Mr. Pham Quoc Thai)
9	021/QĐ-GENCO3	01/10/2018	Decision on the appointment of Deputy Head of Internal Audit and Financial Supervision Committee of Power Generation Joint Stock Corporation 3 (Mr. Le Quang Toan)
10	053/QĐ-GENCO3	01/10/2018	Decision on the appointment of the Vice President of the Generation Joint Stock Corporation 3 (Mr. Tran Van Le)
11	190/QĐ-GENCO3	01/10/2018	Decision on the promulgation of internal regulations on governance of Power Generation Joint Stock Corporation 3
12	771/QĐ-GENCO3	27/11/2018	Decision on sending officials to take leave abroad (Mr. Van Thien Nhan)
13	889/QĐ-GENCO3	05/12/2018	Decision on the assignment of tasks in the Board of Directors of Power Generation Joint Stock Corporation 3
14	1062/QĐ-GENCO3	16/12/2018	Decision on the approval of the 2017 financial statements and profit distribution of Power Generation Corporation 3
15	1192/QĐ-GENCO3	25/12/2018	Decision on sending officials to work abroad (Mr. Phan Thanh Xuan)
16	60/QĐ-GENCO3	28/12/2018	Decision on the approval of the 2017 financial statements of Thu Duc Thermal Power Company
17	61/QĐ-GENCO3	28/12/2018	Decision on the approval of the 2017 financial statements of Phu My Thermal Power Company

No.	Resolution / Decision No.	Signing Date	Content of Resolution / Decision
18	62/QĐ-GENCO3	28/12/2018	Decision on the approval of the 2017 financial statements of Mong Duong Thermal Power Company
19	63/QĐ-GENCO3	28/12/2018	Decision on the approval of the 2017 financial statements of EPS Company
20	64/QĐ-GENCO3	28/12/2018	Decision on the approval of the 2017 financial statements of Vinh Tan Thermal Power Company
21	65/QĐ-GENCO3	28/12/2018	Decision on the approval of the 2017 financial statements of Buon Kuop Hydropower Company
22	66/QĐ-GENCO3	28/12/2018	Decision on the approval of the 2017 financial statements of Hydropower Project Management Board
23	67/QĐ-GENCO3	28/12/2018	Decision on the approval of the 2017 financial statements of Thermal Power Project Management Board No. 1
24	69/QĐ-GENCO3	28/12/2018	Decision on the promulgation of the Regulation on information disclosure
25	72/QĐ-GENCO3	28/12/2018	Decision on the promulgation of the Working Regulation of Board of Directors of Power Generation Joint Stock Corporation 3
26	73/QĐ-GENCO3	28/12/2018	Decision on the promulgation of the Regulation on financial management of Power Generation Joint Stock Corporation 3
27	76/QĐ-GENCO3	28/12/2018	Decision on the promulgation of the Regulation on management, distribution and use of funds of Power Generation Joint Stock Corporation 3
28	77/QĐ-GENCO3	28/12/2018	Decision on the promulgation of the Regulation on final settlement of completed projects in Power Generation Joint Stock Corporation 3
29	78/QĐ-GENCO3	28/12/2018	Decision on the promulgation of the Regulation on human resource training and development of Power Generation Joint Stock Corporation 3
30	79/QĐ-GENCO3	28/12/2018	Decision on the promulgation of the Regulation on examination and salary classification to increase professional staff rank in Power Generation Joint Stock Corporation 3
31	80/QĐ-GENCO3	28/12/2018	Decision on the promulgation of the Regulation on expenditure management and accounting applied in Power Generation Joint Stock Corporation 3

INFORMATION AND ACTIVITIES OF THE BOARD OF SUPERVISORS

The Board of Supervisors operates under the provisions of the Enterprise Law No. 68/2014-QH13, the Charter and Regulation on corporate governance approved at the first General Meeting of Shareholders on September 17th, 2018.

In addition, the operation of the Board of Supervisors is also governed by the Regulation on Internal Auditing, Financial Supervision and Control in Vietnam Electricity, issued under Decision No. 44/QĐ- EVN on February 13th, 2018.

Currently, the Board of Supervisors is drafting the Operation Regulation of the Board of Supervisors and consulting its members, then consulting the Board of Directors and agreeing to issue it.

Supervision plan in 2018 was issued by EVN's Chairman of the Members' Council under Resolution No. 28/NQ-HĐTV dated January 26th, 2018. The Board of Supervisors (Supervisor in the first 9 months) carried out the following main activities:

- Regularly monitor and control the compliance with the State's regimes and policies, the implementation of the resolutions of the Members' Council, the Rules, Regulations and Instructions of the Group, the Resolutions of the First General Meeting of Shareholders in the Corporation. As a result, the Corporation well complied with the State's regimes and policies and complied with and well implemented the Resolutions, Rules, Regulations and Instructions of the Group and the Resolutions of the First General Meeting of Shareholders.

- Supervise the disclosure of information of the Corporation in accordance with current regulations.

- The Board of Supervisors directly audited 03/03 audits at the units, including:

- + Control overhaul at Buon Kuop Hydropower Company;

- + Examine the implementation of the Supervisor's recommendations in the audit of fuel management at Mong Duong Thermal Power Company and at Vinh Tan Thermal Power Company;

- + Control the performance of the duties of the Representative and Supervisor appointed by Power Generation Corporation 3 at Ba Ria Thermal Power Company and approve the Representative to control the activities of Ba Ria Thermal Power Joint Stock Company.

- Control independent auditing in auditing the 2017 Financial Statements of the Corporation and its member units.

- Appraise the 2017 Report on final settlement of power

production salary of the Corporation to submit to EVN for approval.

- Appraise the 2017 report on production and business results.

- Appraise the 2017 audited Financial Statements of the Corporation.

- Appraise the Financial Statements for the first 6 months of 2018 of the Corporation.

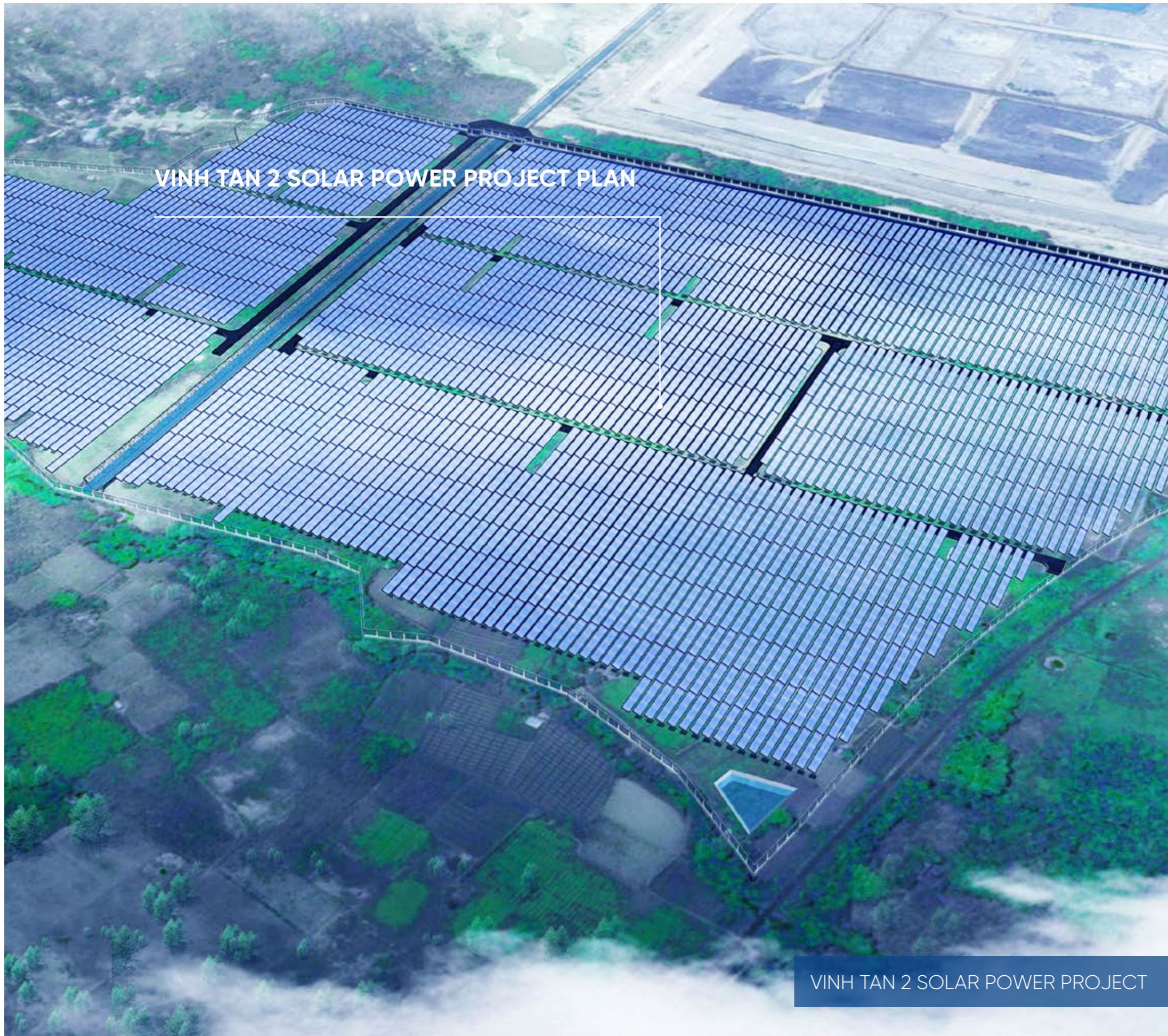
- Appraise the 2018 plan on power production salary fund of the Corporation.

- Report all appraisal results for the above reports and results of audits to the Board of Members of Vietnam Electricity.

- Monitor and report regular monitoring results in the first, second and third quarters of 2018 to send the Internal Audit & Financial Supervision Committee of Vietnam Electricity.

- Draft the draft Operation Regulation of the Board of Supervisors to collect opinions of members of the Board of Supervisors.





VINH TAN 2 SOLAR POWER PROJECT PLAN

VINH TAN 2 SOLAR POWER PROJECT

06

SUSTAINABLE DEVELOPMENT REPORT

Introduction to sustainable development report

EVNGENCO 3 recognizes the "Sustainable Development Report" as an opportunity for the company and investors to interact with each other more actively. We believe that the Sustainable Development Report is an inevitable trend to enhance transparency and towards improving the sustainability of its investment activities. This is also a management tool that can help the company improve operational efficiency, strengthen relationships with related parties, increase corporate value and attract investment.

Introduction to sustainable development report	97
EVNGENCO 3's sustainable development management model	98
Sustainable development strategy	99
Key issues related to sustainable development	100



EVNGENCO 3'S SUSTAINABLE DEVELOPMENT MANAGEMENT MODEL

- **Board of Directors:** Give general strategic orientation and approve key objectives and sustainable development plan and be most responsible for the Company's sustainable development strategy.
- **Executive Board:** EVNGENCO 3 integrates operational strategies and business objectives into sustainable development strategy. Periodically identify and analyze key short- and long-term risks including risks arising from changes in the environment and society to assess the frequency and extent of impacts to make proper management measures.
- **Member units / functional departments:** Implement the sustainable development plan according to the orientation of the Executive Board and the Board of Directors.
- **Risk control on sustainable development:** Based on the orientation of the Board of Directors, research, develop and propose sustainable development objectives and plans. Communicate detailed objectives and plans to member units/functional departments and organize implementation and propose adjustments to ensure the achievement of the set objectives.



SUSTAINABLE DEVELOPMENT STRATEGY



Exploit the potential of economical and efficient use of energy

It can be said that this is the most effective solution that many countries around the world apply in order to reduce the demand for electricity so as to reduce the investment costs in developing power supply grids, reduce adverse impacts on the ecological environment (reducing pollution emissions, land occupation...) and reduce electricity costs...

According to research and evaluation of a number of national and international energy experts, energy efficiency solutions can reduce the country's electricity demand by 11-12% by 2030.



Develop low carbon green energy

The strategy to develop solar and LNG energy projects is the right strategy, in line with the Decision "Approving Vietnam's renewable energy development strategy by 2030, with a vision to 2050", in which states the orientation to develop biomass, wind and solar power projects to nearly 90 billion kWh, accounting for about 15% of total power generation by 2030. The strategy also proposes policy mechanisms on prioritizing, encouraging economic sectors to invest in developing renewable energy projects, on building electricity selling prices, ensuring recovery of investment costs and reasonable

profit for grid connected renewable energy projects. At the same time, according to the research and evaluation of international energy experts, investment costs for power projects from renewable energy, especially wind and solar, tend to decline sharply, leading to costs of electricity from wind and solar power projects completely competitive in some markets, even without subsidies and not only because of good resources. This will be a good promise for EVNGENCO 3 to affirm its position in the power generation and production market in Vietnam.



KEY ISSUES RELATED TO SUSTAINABLE DEVELOPMENT



Environmental protection

The Corporation always maintains proper and complete implementation of requirements on environment in accordance with the current legal documents, according to the environmental impact assessment report (EIA) approved by the authorities and licenses on environment, specifically as follows:

Regarding environmental procedures

All operating power plants have full licenses on environment as prescribed, such as EIA report and approval decision; certificate of completion of environmental protection work; license for exploitation and use of surface water, license for exploitation and use of sea water; license to discharge waste water into water sources; register of hazardous waste source owner, procedures for response to oil spill incidents, chemical incidents; environmental protection plan, etc.

Regarding emissions

For gas-fired power plants: Using natural gas fuel that is a clean fuel does not generate dust, on the other hand, gas turbine plant units apply technology to minimize the concentration of pollutants in emissions affecting the environment, so the concentrations of air pollutants such as dust, SO_x, NO_x are within the allowable limits.

For coal-fired thermal power plants: emissions treatment works have been arranged according to regulations such as electrostatic precipitators (ESP); NO_x reduction system (SCR); SO_x reduction system (FGD).

Treated emissions are directed onto high exhaust flue before discharged into the environment.

Results of monitoring plants' output emissions parameters have met QCVN 22:2009/BTNMT and QCVN 19:2009/BTNMT, which proves that environmental protection works operate effectively.

Regarding ash and slag and solid waste

Ash discharged during the operation of coal-fired thermal power plants is a common industrial solid waste, not on the list of hazardous wastes.



Plants all arrange an ash storage area and ash is collected, transported by functional units for treatment and consumption.

In recent years, based on the regulations of the Government and Ministries, Departments and Branches, the Corporation has strived to find partners with sufficient functions and capabilities to maximize the consumption of ash and slag discharged from coal-fired power plants. At the same time, the units have also actively invited the authorities to take samples, analyze and issue conformity certificates to use ash and slag for construction materials and filling materials. Therefore, it has contributed to reducing storage pressure and ensuring safety at the slag yard and improving the effectiveness of environmental protection.

Domestic solid waste: Arrange domestic waste bins with lids in working areas; sign contracts with functional units (mainly local units) to conduct collection, transportation and treatment.

Ordinary industrial solid waste: Supplies, equipment with low quality and loss of quality recovered and stored and carried out liquidation and treatment procedures according to regulations.



Regarding periodic environmental monitoring

Monitoring program: All units conduct periodic environmental monitoring and fully report to the authorities as required in the EIA report, licenses on environment about monitoring criteria, parameters and frequency. According to the new regulation in Circular No. 31/2016/TT-BTNMT on October 14th, 2016, since the fourth quarter of 2016, units have conducted periodic environmental monitoring with frequency every 3 months. In addition, monitoring at some units has been also conducted periodically once a month or every 2 months according to licenses on water resources.

Monitoring unit: Contract with the monitoring unit granted a license on eligibility for environmental monitoring services by the Ministry of Natural Resources and Environment (NR&E).

About installation of automatic monitoring equipment and data transmission

Cooling water and waste water: Units installed online parameter monitoring equipment according to licenses on environment and according to Circular No. 31/2016/TT-BTNMT dated October 14th, 2016; At the same time,

also installed automatic sampling equipment and were sealed by local DONREs.

Regarding emissions: Coal-fired thermal power plants installed continuous emissions monitoring system (CEMS system) as required.

Currently, online environmental monitoring data on parameters of wastewater and emissions have been transmitted to local DONREs to coordinate monitoring according to regulations.

Implementation of items, projects to improve, upgrade and protect the environment

Coal-fired thermal power plants such as Vinh Tan 2 and Mong Duong 1 completed the project of converting starter and burning fuel from HFO/FO to DO.

The Corporation has developed and signed the Regulation on coordination in environmental protection, ensuring order and security and effectively exploiting and using shared technical infrastructure works in Vinh Tan Power Complex between units in Vinh Tan Power Complex, which contributes to further improving the effectiveness of environmental protection in one of the big power complexes, which plays an important role in ensuring energy security of the national electricity system.



KEY ISSUES RELATED TO SUSTAINABLE DEVELOPMENT



EMPLOYMENT AND EMPLOYEE POLICIES

EVNGENCO 3 always ensures stable employment and employee's life fully cared for material and spiritual benefits in accordance with the regulations, as well as encourages and facilitates employees to improve knowledge and skills for career development.

2,710 PEOPLE
Total number of employees
As of December 31st, 2018

At EVNGENCO 3, we:

- Always innovate thinking in building and training a growing team, promote the creativity of each individual. Diversify forms of human resource training and development.
- Always improve policies and mechanisms to encourage and attract good human resources. Use labor in an effective and streamlined way, increase labor productivity. Evaluate effectiveness through KPIs; attach KPI results to paying salary, bonus, achievement, planning, etc., to employees.
- Create fair opportunities to employees for learning and development, do not discriminate against employees; promptly encourage and reward and strictly handle violations of internal labor regulations.

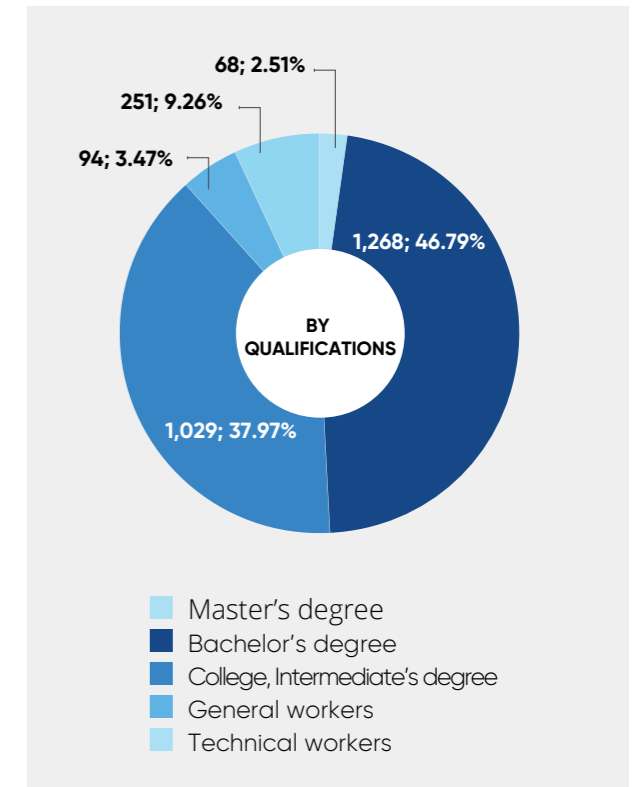


Number of employees and labor structure

As of 31/12/2018, EVNGENCO 3's total number of permanent employees is 2,710 people with the following labor structure:

No.	Criteria	Quantity (people)	Proportion (%)
I	By qualifications	2,710	100
1	Master's degree	68	2.51
2	Bachelor's degree	1,268	46.79
3	College, Intermediate's degree	1,029	37.97
4	General workers	94	3.47
5	Technical workers	251	9.26
II	By gender	2,710	100
1	Male	2,295	84.69
2	Female	415	15.31

Note: The above labor includes employees of units that have been handed over to EVN since 01/01/2019: Thai Binh Thermal Power Company cum Thai Binh Thermal Power Project Management Board, production staff of Vinh Tan 4 and Vinh Tan 4 Extension Thermal Power Plants.



ENHANCING EMPLOYEES' SPIRIT

After intense working hours, EVNGENCO 3 organizes relax and recreation, teambuilding, sports activities, on the occasion of public and Tet holidays and the Company's anniversary, to enhance staff solidarity. Specifically:

To celebrate the 20th anniversary of Phu My Thermal Power Company, the Corporation's Trade Union in association with the Youth Union organized the sports festival in 2018, including 3 competitions: mini football (7 people), tennis and badminton.

TRAINING

EVNGENCO 3 always pays great attention to training to improve employee's management skills, technical skills, professionalism, work discipline and access to advanced technology. In 2018, EVNGENCO 3 held training courses for 9,355 turns of employees. Of which: Training in management and technical skills for 4,644 turns of employees; Internal training for 4,711 turns of employees. The Corporation concentrates on training production staffs for management of Vinh Tan 4 and Thai Binh Thermal Power Plants. Implementing the 2018 Theme on improving the quality of human resources, the Corporation implemented comprehensively and effectively fields of personnel,

The sports festival took place from 10/3/2018 to 23/3/2018, with enthusiastic participation of employees from 03 departments (02 Operating Workshops, Business Division) and 02 guest teams which were EVNGENCO 3 and EPS's Trade Unions.

For activities at subsidiaries, "for the benefits of trade unionists", from May 23rd to 26th 2018 in Buon Ma Thuot City, Dak Lak Province, the Corporation organized 2018 sports festival - hosted by Buon Kuop Hydro Power Company.

officials and training; training results achieved/exceeded the plan, trained personnel in the planning reached the standard; In particular, the Corporation cooperated and signed a Memorandum of Understanding on Human Resource Development with TEPCO F&P Japan and KPS Korea, and conducted training courses on skills on management and operation of coal-fired thermal power plants and electrical repair/C&I, intensive techniques on maintenance and repair of boilers, steam turbines and generators of large-capacity thermal power plants; built and implemented a specialist training scheme.



KEY ISSUES RELATED TO SUSTAINABLE DEVELOPMENT



ACTIVITIES FOR COMMUNITY

- Build and support facilities for schools;
- Contribute to study promotion funds, schools;
- Support funding to clear Suoi Chua Canal - Vinh Tan Commune;
- Sponsor to build 18 houses of love and gratitude;
- Visit, give gifts to policy families, organize play activities, and give gifts to the children in the localities on the occasion of public and Tet holidays.
- Activities for employees in the Corporation.



TYPICAL ACTIVITIES OF THE CORPORATION IN 2018

The Corporation's social security in 2018 is quite diverse with many activities and programs spread throughout the localities where the Corporation's member units are located, the results are as follows:

- Implementing the Instruction on organizing activities in the "Month of gratitude to customers" of EVN, the Corporation and its member units actively participated and gave more than 500 gifts to poor households and policy families, mobilized nearly 300 employees to participate in the humanitarian blood donation program "EVN's Blood donation week".
- The Corporation and its member units organized donations, visited and gave gifts to local people in difficult circumstances, policy families, revolutionary families, and supported for the Blind Association, ... on the occasion of: the Great Solidarity Day, the Lunar New

Year, the Youth Month, the Workers' Month, the Month of Action for Children, the Invalids and Martyrs' Day on July 27th, Mid-Autumn Festival.

- Supported local funds such as: Fund for the poor, gratitude fund, social assistance fund, fund for the future of our children, scholarship funds Nguyen Van Thuc, Nguyen Van Troi, Lighting dreams, ... in the localities.
- The Corporation also cooperated with commune authorities to finance to build houses of gratitude (05 houses contributed under the program of EVN, 07 in Vinh Tan, 05 in Vinh Son - Song Pictures, 01 in Phu My, ...), support to build a memorial board in Dien Ban commune, Quang Nam province - VND 600 million), build and donate 01 school in Yen Bai province (Thac Ba), donate tables and chairs, computers to schools in Cam Pha (Quang Ninh).



07

CONSOLIDATED FINANCIAL STATEMENTS

Transparency for sustainable development

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COMPANY INFORMATION

Establishment Decision No.	3025/QĐ-BCT	
	Dated June 1st, 2012	
	The Establishment Decision was issued by the Ministry of Industry and Trade	
Business Registration	3502208399	
Certificate No.	Dated November 26th, 2012	
	The business registration certificate was issued by the Department of Planning and Investment of Ba Ria - Vung Tau Province and the Business Registration Certificate of the joint stock company issued by the Department of Planning and Investment of Ho Chi Minh City is a certificate registered for the 6th change, on January 2nd, 2019	
Board of Management	Mr. Nguyen Van Le	Chairman
	Mr. Dinh Quoc Lam	Member
	Mr. Truong Quoc Phuc	Member
	Mr. Do Mong Hung	Member
Board of Management	Mr. Dinh Quoc Lam	General Director
	Mr. Phan Thanh Xuan	Vice President
	Mr. Le Van Danh	Vice President
	Mr. Cao Minh Trung	Vice President
	Mr. Nguyen Thanh Trung Duong	Vice President
	Ms. Nguyen Thi Thanh Huong	Vice President
Registered Office	No. 60-66 Nguyen Co Thach, Sala Urban Area, An Loi Dong Ward, District 2, Ho Chi Minh City, Vietnam	
Auditor	KPMG Limited Vietnam	



STATEMENT OF THE BOARD OF MANAGEMENT

The Board of Directors of Power Generation Joint Stock Corporation 3 ("the Corporation") presents this statement and the accompanying consolidated financial statements of the Corporation and its subsidiaries (collectively "the Group") for the period from 1 October 2018 to 31 December 2018.

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

- (a) The consolidated financial statements set out on pages 6 to 55 give a true and fair view of the consolidated financial position of the Group as at 31 December 2018, and of the consolidated results of operations and the consolidated cash flows of the Group for the period from 1 October 2018 to 31 December 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 are no reasons to believe that the Group will not be able to pay its debts as and when they fall due.

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

On behalf of the Board of Directors

PP. PRESIDENT & CEO (Signed and sealed)

Nguyễn Thị Thanh Hương
PHÓ TỔNG GIÁM ĐỐC

Ho Chi Minh City, April 2nd, 2019



INDEPENDENT AUDIT REPORT

To the shareholders

Power Generation Joint Stock Corporation 3

We have audited the accompanying consolidated financial statements of Power Generation Joint Stock Corporation 3 ("the Corporation") and its subsidiaries (collectively "the Group"), which comprise the consolidated balance sheet as at 31 December 2018, the consolidated statements of income and the consolidated cash flows for the period from 1 October 2018 to 31 December 2018 and the explanatory notes thereto which were authorised for issue by the Corporation's Board of Directors on 2 April 2019, as set out on pages 6 to 55.

Management's Responsibilities

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

Auditor's Responsibilities

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

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

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

Auditor's Opinion

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of Power Generation Joint Stock Corporation 3 and its subsidiaries as at 31 December 2018 and of their consolidated results of operations and their consolidated cash flows for the period from 1 October 2018 to 31 December 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(b)(ii), 3(b)(iii) and 3(b)(iv) to the consolidated 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 Resolution No.150/2018/ND-CP of the Government dated 13 December 2018 ("Resolution 150") 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 Resolution 150, 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 amortised 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 amortised 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 consolidated financial statements for the period from 1 October 2018 to 31 December 2018 was disclosed in Note 3(b)(ii) and 3(b)(iii) to the consolidated 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 guidance of Article 21 of 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 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, 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 consolidated financial statements for the period from 1 October 2018 to 31 December 2018 was disclosed in Note 3(b)(iv) to the consolidated financial statements.



INDEPENDENT AUDIT REPORT

Other Matter

We conducted our audit in order to express an opinion on the consolidated financial statements as set out on pages 6 to 55. Additional information on page 56 is not an integral part of the consolidated financial statements and not within the scope of the audit of the consolidated 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.: 18-01-00897-19-2

Nelson Rodriguez Casihan

Practicing Auditor Registration

Certificate No. 2225-2018-007-1

PP. PRESIDENT & CEO

(Signed and sealed)



Nguyễn Thị Thanh Hương

Ho Chi Minh City, April 25th, 2019

Nguyen Anh Tuan

Practicing Auditor Registration

Certificate No. 0636-2018-007-1

CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31ST, 2018

FORM B 01- DN/HN
(ISSUED UNDER CIRCULAR NO. 202/2014/TT-BTC
DATED DECEMBER 22ND, 2014 OF THE MINISTRY OF FINANCE)

	Code	Note	31/12/2018 VND	1/10/2018 VND
ASSETS				
Current assets (100 = 110 + 120 + 130 + 140 + 150)	100		18,376,946,046,690	19,940,350,776,436
Cash and cash equivalents	110	5	2,492,402,081,429	4,514,277,821,705
Cash	111		1,416,502,081,429	3,398,193,986,089
Cash equivalents	112		1,075,900,000,000	1,116,083,835,616
Short-term financial investments	120		3,953,820,000,000	1,413,320,000,000
Held-to-maturity investments	123	6(a)	3,953,820,000,000	1,413,320,000,000
Accounts receivable – short-term	130		8,959,930,572,719	10,812,780,634,721
Accounts receivable from customers	131	7	8,411,364,732,038	10,181,518,501,085
Prepayments to suppliers	132		128,818,263,821	271,594,230,347
Other receivables	136	8	420,599,418,013	360,029,101,888
Allowance for doubtful debts	137		(851,841,153)	(361,198,599)
Inventories	140	9	2,903,548,394,905	3,107,966,406,794
Inventories	141		2,903,834,001,848	3,108,091,128,345
Allowance for inventories	149		(285,606,943)	(124,721,551)
Other current assets	150		67,244,997,637	92,005,913,216
Short-term prepaid expenses	151		32,402,999,301	51,830,243,643
Deductible value added tax	152		32,581,406,696	37,178,865,317
Taxes and others receivable from State Treasury	153	14(b)	2,260,591,640	2,996,804,256

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

CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31ST, 2018 (CONTINUED)

FORM B 01- DN/HN
(ISSUED UNDER CIRCULAR NO. 202/2014/TT-BTC
DATED DECEMBER 22ND, 2014 OF THE MINISTRY OF FINANCE)

	Code	Note	31/12/2018 VND	1/10/2018 VND
Long-term assets (200 = 210 + 220 + 240 + 250 + 260)	200		59,069,268,847,647	59,631,915,688,928
Accounts receivable – long-term	210		3,549,424,000	3,266,424,000
Other long-term receivables	216		3,549,424,000	3,266,424,000
Fixed assets	220		53,856,992,760,491	54,846,391,283,555
Tangible fixed assets	221	10	53,769,066,685,575	54,775,880,233,262
Cost	222		109,876,984,867,644	109,802,297,628,223
Accumulated depreciation	223		(56,107,918,182,069)	(55,026,417,394,961)
Intangible fixed assets	227	11	87,926,074,916	70,511,050,293
Cost	228		109,661,849,291	91,291,905,985
Accumulated amortisation	229		(21,735,774,375)	(20,780,855,692)
Long-term work in progress	240		2,670,721,176,014	2,487,272,804,641
Construction in progress	242	12	2,670,721,176,014	2,487,272,804,641
Long-term financial investments	250	6(b)	1,908,187,930,769	1,920,296,631,638
Investments in associates	252		1,385,352,444,441	1,386,942,714,130
Equity investments in other entities	253		536,837,181,388	536,837,181,388
Allowance for diminution in the value of long-term financial investments	254		(14,001,695,060)	(3,483,263,880)
Other long-term assets	260		629,817,556,373	374,688,545,094
Long-term prepaid expenses	261		120,706,619,611	125,781,428,946
Deferred tax assets	262		26,606,710,591	-
Long-term tools, supplies and spare parts	263		482,504,226,171	248,907,116,148
TOTAL ASSETS (270 = 100 + 200)	270		77,446,214,894,337	79,572,266,465,364

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

CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31ST, 2018 (CONTINUED)

FORM B 01- DN/HN
(ISSUED UNDER CIRCULAR NO. 202/2014/TT-BTC
DATED DECEMBER 22ND, 2014 OF THE MINISTRY OF FINANCE)

	Code	Note	31/12/2018 VND	1/10/2018 VND
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		67,353,569,009,650	69,766,387,795,991
Current liabilities	310		11,303,469,857,347	14,472,033,007,045
Accounts payable to suppliers	311	13	3,864,809,168,154	4,865,692,098,314
Advances from customers	312		103,636,000	915,000,000
Taxes payable to State Treasury	313	14(a)	328,547,327,437	151,253,443,821
Payables to employees	314		102,294,632,728	135,135,259,912
Accrued expenses	315		52,102,756,457	201,614,469,108
Unearned revenue	318		15,944,744,132	15,952,466,021
Other payables	319	15	1,077,798,480,696	3,309,049,365,611
Short-term borrowings	320	16(a)	5,473,408,154,411	5,426,787,609,848
Provisions – short-term	321		133,033,552,953	98,377,185,447
Bonus and welfare funds	322		255,427,404,379	267,256,108,963
Long-term liabilities	330		56,050,099,152,303	55,294,354,788,946
Long-term unearned revenue	336		378,955,365,915	382,744,919,575
Long-term borrowings	338	16(b)	55,671,143,786,388	54,911,609,869,371
EQUITY (400 = 410)	400		10,092,645,884,687	9,805,878,669,373
Owners' equity	410	17	10,092,645,884,687	9,805,878,669,373
Share capital	411	18	10,699,695,770,000	10,478,234,644,194
Capital surplus	412		6,014,917,945	6,014,917,945
Other capital	414		18,876,854,562	18,387,593,875
Foreign exchange differences	417	19	(1,098,488,973,504)	(2,378,304,250,451)
Investment and development fund	418		134,210,488,996	362,518,284,511
Other equity funds	420		15,939,926,044	15,939,926,044
Retained profits	421		(20,046,414,799)	853,491,634,889
- Retained profits brought forward	421a		853,491,634,889	806,913,104,550
- (Loss)/retained profit for the current year	421b		(873,538,049,688)	46,578,530,339
Capital expenditure fund	422		-	110,593,427,602
Non-controlling interest	429		336,443,315,443	339,002,490,764
TOTAL RESOURCES (440 = 300 + 400)	440		77,446,214,894,337	79,572,266,465,364

April 2nd, 2019

Preparer (Signed)

Tran Nguyen Khanh Linh
Preparer

Approver (Signed)

Vũ Phương Thảo
Head of Finance - Accounting

Nguyễn Thị Thanh Hương
PHÓ TỔNG GIÁM ĐỐC

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



CONSOLIDATED INCOME STATEMENT PERIOD

FROM 01/10/2018 TO 31/12/2018

FORM B 02– DN/HN
(ISSUED UNDER CIRCULAR NO. 202/2014/TT-BTC
DATED DECEMBER 22ND, 2014 OF THE MINISTRY OF FINANCE)

	Code	Note	Period from 1/10/2018 to 31/12/2018 VND	Period from 1/1/2018 to 30/9/2018 VND (Reclassified)
Revenue from sales of goods and provision of services	01	22	10,047,930,226,021	29,290,517,937,087
Cost of sales	11	23	8,809,853,242,137	25,595,196,345,512
Gross profit (20 = 10 - 11)	20		1,238,076,983,884	3,695,321,591,575
Financial income	21	24	83,785,001,348	162,750,057,796
Financial expenses	22	25	1,949,906,094,139	3,407,794,806,802
<i>In which: Interest expense</i>	23		699,539,293,509	2,034,789,676,172
Share of profit in associates	24	6(b)	26,984,730,311	171,991,642,283
Selling expenses	25		31,684,721	101,858,195
General and administration expenses	26	26	139,156,246,216	349,362,542,049
Net operating (loss)/profit {30 = 20 + (21 - 22) + 24 - (25 + 26)}	30		(740,247,309,533)	272,804,084,608
Other income	31		38,592,912,146	167,327,810,643
Other expenses	32		34,355,305,077	121,032,826,971
Results of other activities (40 = 31 - 32)	40		4,237,607,069	46,294,983,672
Accounting (loss)/profit before tax (50 = 30 + 40)	50		(736,009,702,464)	319,099,068,280
Income tax expense – current	51	28	144,128,554,766	17,118,748,352
Income tax (benefit)/expense – deferred	52	28	(26,606,710,591)	13,879,964,174
Net (loss)/profit after tax (60 = 50 - 51 - 52) (carried forward)	60		(853,531,546,639)	288,100,355,754

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

FORM B 02– DN/HN
(ISSUED UNDER CIRCULAR NO. 202/2014/TT-BTC
DATED DECEMBER 22ND, 2014 OF THE MINISTRY OF FINANCE)

	Code	Note	Period from 1/10/2018 to 31/12/2018 VND	Period from 1/1/2018 to 30/9/2018 VND (Reclassified)
Net (loss)/profit after tax (60 = 50 - 51 - 52) (brought forward)	60		(853,531,546,639)	288,100,355,754
Attributable to:				
Equity holders of the Company	61		(873,538,049,688)	268,052,205,804
Non-controlling interest	62		20,006,503,049	20,048,149,950
Earnings per share				
Basic earnings per share	70	29	(816)	Not Applicable

April 2nd, 2019

Preparer (Signed)

Tran Nguyen Khanh Linh
Preparer

Approver (Signed)

Vũ Phương Thảo
Head of Finance - Accounting



Nguyễn Thị Thanh Hương
PHÓ TỔNG GIÁM ĐỐC

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



CONSOLIDATED CASH FLOW STATEMENT PERIOD

FROM 01/10/2018 TO 31/12/2018

(INDIRECT METHOD)

FORM B 03- DN/HN

(ISSUED UNDER CIRCULAR NO. 202/2014/TT-BTC
DATED DECEMBER 22ND, 2014 OF THE MINISTRY OF FINANCE)

	Code	Note	Period from 1/10/2018 to 31/12/2018 VND	Period from 1/1/2018 to 30/9/2018 VND (Reclassified)
CASH FLOWS FROM OPERATING ACTIVITIES				
Accounting (loss)/profit before tax	01		(736,009,702,464)	319,099,068,280
Adjustments for				
Depreciation and amortisation	02		1,158,307,954,529	3,356,698,313,593
Allowances and provisions	03		45,826,326,632	24,552,997
Exchange losses arising from revaluation of monetary items denominated in foreign currencies	04		1,227,158,793,591	1,342,614,232,180
Profits from investing activities	05		(69,023,454,275)	(162,285,480,302)
Share of profit in associates	05		(26,984,730,311)	(171,991,642,283)
Interest expense	06		699,539,293,509	2,034,789,676,172
Operating profit before changes in working capital	08		2,298,814,481,211	6,718,948,720,637
Change in receivables	09		(1,424,275,378,073)	(4,944,752,098,861)
Change in inventories	10		(36,202,068,359)	(88,135,008,047)
Change in payables and other liabilities	11		518,838,852,296	(697,192,696,714)
Change in prepaid expenses	12		24,502,053,677	(37,798,984,291)
			1,381,677,940,752	951,069,932,724
Interest paid	14		(128,158,988,948)	(350,920,496,929)
Income tax paid	15		(10,266,543,316)	(116,361,233,485)
Other payments for operating activities	17		(11,828,704,584)	(198,731,283,756)
Net cash flows from operating activities	20		1,231,423,703,904	285,056,918,554

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



CONSOLIDATED CASH FLOW STATEMENT PERIOD

FROM 01/10/2018 TO 31/12/2018

(INDIRECT METHOD)

FORM B 03- DN/HN

(ISSUED UNDER CIRCULAR NO. 202/2014/TT-BTC
DATED DECEMBER 22ND, 2014 OF THE MINISTRY OF FINANCE)

	Code	Note	Period from 1/10/2018 to 31/12/2018 VND	Period from 1/1/2018 to 30/9/2018 VND (Reclassified)
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for additions to fixed assets and other long-term assets	21		(1,809,671,206,244)	(681,451,327,760)
Proceeds from disposals of fixed assets	22		-	210,454,546
Payments for term deposits	23		(3,921,820,000,000)	(1,413,320,000,000)
Receipts from term deposits	24		1,381,320,000,000	1,752,000,000,000
Transfer subsidiary to Vietnam Electricity	26		-	(35,558,568,910)
Receipts of interests and dividends	27		62,821,694,465	276,432,690,392
Net cash flows from investing activities	30		(4,287,349,511,779)	(101,686,751,732)
CASH FLOWS FROM FINANCING ACTIVITIES				
Payments for capital refunds	32		(221,350,148,719)	-
Proceeds from borrowings	33		1,586,899,285,954	280,143,160,920
Payments to settle loan principals	34		(305,856,073,050)	(822,669,910,851)
Payments of dividends	36		(25,638,647,529)	(16,068,819,328)
Net cash flow from financial activities	40		1,034,054,416,656	(558,595,569,259)
Net cash flow in the period (50 = 20 + 30 + 40)	50		(2,021,871,391,219)	(375,225,402,437)
Cash and cash equivalents at the beginning of the period	60		4,514,277,821,705	4,889,503,224,142
Effect of exchange rate changes	61		(4,349,057)	-
Cash and cash equivalents at the end of the period (70 = 50 + 60)	70	5	2,492,402,081,429	4,514,277,821,705

April 2nd, 2019

Preparer (Signed)

Tran Nguyen Khanh Linh
Preparer

Approver (Signed)

Vũ Phương Thảo
Head of Finance - Accounting



Nguyễn Thị Thanh Hương
PHÓ TỔNG GIÁM ĐỐC

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



NOTES TO FINANCIAL STATEMENTS

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

1. Reporting entity

(a) Ownership structure

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

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

The Corporation was approved by the Hanoi Stock Exchange to register its shares on UPCoM of the Hanoi Stock Exchange with transaction code PGV pursuant to Decision No. 114/QĐ-SGDHN dated 14 March 2018.

The Corporation's Business registration No 3502208399 was issued by the Department of Planning and Investment of Ba Ria - Vung Tau Province on 26 November 2012 and the sixth amendment of the Business registration was on 2 January 2019. Accordingly, the start date of operation of Power Generation Joint Stock Corporation 3 was on 1 October 2018.

(b) Main activities

The Corporation's main activities are to produce and trade electricity; manage, operate, repair, maintain, overhaul, renovate and upgrade electrical equipment, electrical works; In addition, the Corporation also operates in a number of fields of science, technology, research and development, training for main activities.

(c) Normal business production cycle

The Group's normal business production cycle is 12 months.

(d) Group Structure

As at 31 December 2018, the Corporation had 2 subsidiaries (1/10/2018: 2 subsidiaries). The organizational structure of the Corporation includes:

- Dependent accounting power generation companies: Buon Kuop Hydropower Company, Vinh Tan Thermal Power Company, Mong Duong Thermal Power Company, Phu My Thermal Power Company, EVNGENCO3 EPS;
- Power Project Management Boards: Thermal Power Project Management Board No. 1, Vinh Tan Thermal Power Project Management Board; Thai Binh Thermal Power Project Management Board;
- The Corporation's Office.



NOTES TO FINANCIAL STATEMENTS

PERIOD FROM 01/10/2018 TO 31/12/2018 (CONTINUED)

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The Subsidiaries are as follows:

As at December 31st, 2018, the Group had 3,478 employees (1/10/2018: 3,372 employees).

Subsidiaries	Principal activities	% of equity owned and voting rights	
		31/12/2018	1/10/2018
Ninh Binh Thermal Power Joint Stock Company	Produce electricity, produce chemical products, repair and install electrical equipment and other related services.	54.76%	54.76%
Ba Ria Thermal Power Joint Stock Company	Produce and trade electricity, provide operation and maintenance management, repair, experiment, adjustment, renovation of electrical equipment, electrical construction and related services and products.	79.56%	79.56%

2. Basis of preparation

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with the Vietnamese Accounting Standards, the Vietnamese Enterprise Accounting System and the relevant statutory requirements applicable to preparation and representation of financial statements.

(b) Basis of measurement

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

(c) Annual accounting period

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

(d) Accounting currency and presentation of financial statements

The accounting currency of the Group is Vietnamese Dong ("VND"), which is also the currency used for the purpose of preparing and presenting the consolidated financial statements.



NOTES TO FINANCIAL STATEMENTS

PERIOD FROM 01/10/2018 TO 31/12/2018 (CONTINUED)

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3. Summary of significant accounting policies

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

(a) Basis of consolidation

(i) Subsidiaries

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

(ii) Non-controlling interests

Non-controlling interests ("NCI") are measured at their proportionate share of the acquiree's identifiable net assets at date of acquisition. Changes in the Corporation's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners. Difference between the change in the Corporation's share of net assets of the subsidiary and any consideration paid or received is recorded directly in retained profits under equity.

(iii) Loss of control

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

(iv) Associates

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

(v) Transactions eliminated on consolidation

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



NOTES TO FINANCIAL STATEMENTS

PERIOD FROM 01/10/2018 TO 31/12/2018 (CONTINUED)

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(vi) Business combination

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

(b) Foreign currency

(i) Foreign currency transactions

Transactions in currencies other than VND during the year have been translated into VND at actual rates of exchange ruling at the transaction dates. 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 or its subsidiaries most frequently conducts transactions. Liabilities with Vietnam Electricity at the end of the annual accounting period are translated at the selling rate (by transfer) of Joint Stock Commercial Bank for Foreign Trade of Vietnam announced at the time of reporting under the guidance of Official Letter No. 1779/BTC-CDKT dated 1 February 2013 of the Ministry of Finance on the use of exchange rates to reevaluate monetary items denominated in foreign currencies at the end of the period ("Official Letter 1779") and Official Letter No. 5246/EVN-TCKT dated 15 October 2018 of Vietnam Electricity on guiding the preparation of financial statements for 2018 ("Official Letter 5246"). Except for the accounting policies set out below, all foreign exchange differences are recorded in the consolidated 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 Resolution No. 150/2018/ND-CP of the Government dated 13 December 2018 ("Resolution 150"), 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 Resolution 150 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 Group recognised foreign exchange differences incurred during the period of construction consistently with Circular 200 over the years, the Group's financial expenses and profit before tax for the period from 1 October 2018 to 31 December 2018 would increase and decrease by VND121,939,976,041 respectively (period from 1/1/2018 to 30/9/2018: decrease and increase by VND492,968,936,511 respectively), "Foreign exchange differences" in "Equity" and "Retained profits" in the consolidated balance sheet of the Group as at 31 December 2018 (under the assumption that no taxation impact, if any), would increase and decrease by VND1,098,488,973,504 respectively (1/10/2018: increase and decrease by VND605,520,036,993 respectively).



NOTES TO FINANCIAL STATEMENTS

PERIOD FROM 01/10/2018 TO 31/12/2018 (CONTINUED)

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(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 amortised 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 amortised within 5 years.

If the Group recognised foreign exchange differences consistently with Circular 200 over the years, the Group's financial expenses and profit before tax for the period from 1 October 2018 to 31 December 2018 would not change (period from 1/1/2018 to 30/9/2018: decrease and increase by VND979,679,014,804 respectively), "Foreign exchange differences" in "Equity" and "Retained profits" in the consolidated balance sheet of the Group as at 31 December 2018 (under the assumption that no taxation impact is applicable, if any), would not change (1/10/2018: increase and decrease by VND371,028,960,470 respectively).

(iv) Foreign exchange differences due to revaluation of the balances of monetary items denominated in foreign currencies upon transforming into joint stock company

As guided in 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 Group recognised foreign exchange differences upon transforming into joint stock company consistently with Circular 200, the Group's financial expenses and profit before tax for the period from 1 October 2018 to 31 December 2018 would decrease and increase by VND1,401,755,252,988 respectively (period from 1/1/2018 to 30/9/2018: increase and decrease by VND1,401,755,252,988 respectively), "Foreign exchange differences" in "Equity" and "Retained profits" in the consolidated balance sheet of the Group as at 31 December 2018 (under the assumption that no taxation impact is applicable, if any), would not change (1/10/2018: increase and decrease by VND1,401,755,252,988).



NOTES TO FINANCIAL STATEMENTS

PERIOD FROM 01/10/2018 TO 31/12/2018 (CONTINUED)

FORM B 09– DN/HN

(ISSUED UNDER CIRCULAR NO. 202/2014/TT-BTC
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(c) Cash and cash equivalent

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

(d) Investments

(i) Held-to-maturity investments

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

(ii) Equity investments in other entities

Investments in equity instruments of other entities are initially recognised at cost which include purchase price plus any directly attributable transaction costs. Subsequent to initial recognition, these investment are stated at cost less allowance for diminution in value. An allowance is made for diminution in investment values when the fair value of the investment is lower than the carrying amount of the investment. For investments whose fair value is not available at the reporting date, an allowance is made for diminution in investment values if the investee has suffered a loss, except where such a loss was anticipated by the 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.

(e) Account receivable

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

(f) Inventories

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

The Group applies the perpetual method of accounting for inventories.



NOTES TO FINANCIAL STATEMENTS

PERIOD FROM 01/10/2018 TO 31/12/2018 (CONTINUED)

FORM B 09– DN/HN

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(g) Tangible fixed assets

(i) Cost

Tangible fixed assets are stated at cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises its purchase price, including import duties, non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition for its intended use. 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 actual investment cost if all construction costs have been incurred, 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:

- Building and structures : 10 – 40 years
- Machinery and equipment : 5 – 20 years
- Motor vehicles : 5 – 20 years
- Office equipment : 3 – 10 years
- Others : 5– 10 years

(h) 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.
- 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 amortization. The initial cost of land use rights comprises purchase price and any directly attributable costs incurred in conjunction with securing the land use rights. Amortization is computed on a straight-line basis over 50 years.
- Land use rights with indefinite term are stated at cost and not amortized.



NOTES TO FINANCIAL STATEMENTS

PERIOD FROM 01/10/2018 TO 31/12/2018 (CONTINUED)

FORM B 09– DN/HN

(ISSUED UNDER CIRCULAR NO. 202/2014/TT-BTC
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(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.

(i) Construction in progress

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

(j) Long-term prepaid expenses

Tools and instruments

Tools and instruments include assets held for use by the Group 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.

(k) Trade and other payables

Trade and other payables are stated at their cost.

(l) Provisions

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

(m) Share capital

Ordinary shares

Ordinary shares are stated at par value. Excess of cash received from share issues over par value is recorded as share premium. Incremental costs directly attributable to the issue of shares, net of tax effects, are recognised as a deduction from share premium.



NOTES TO FINANCIAL STATEMENTS

PERIOD FROM 01/10/2018 TO 31/12/2018 (CONTINUED)

FORM B 09– DN/HH

(ISSUED UNDER CIRCULAR NO. 202/2014/TT–BTC
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(n) Taxation

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

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

(o) 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. 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 recognized on a time proportion basis with reference to the principal outstanding and the applicable interest rate.



NOTES TO FINANCIAL STATEMENTS

PERIOD FROM 01/10/2018 TO 31/12/2018 (CONTINUED)

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(v) Dividend income

Dividend income is recognized when the right to receive dividend is established. Share dividends are not recognised as financial income. Dividends received which are attributable to the period before investment acquisition date are deducted from the carrying amount of the investment.

(p) 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.

(q) Borrowing cost

Borrowing costs are recognised as an expense in the period 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.

(r) Related parties

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

(s) Earnings per share (EPS)

The Group presents basic and diluted earnings per share ("EPS") for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to the ordinary shareholders and the weighted average number of ordinary shares outstanding for the effect of all dilutive potential ordinary shares, which comprise convertible bonds and share options.

The Group had no potentially dilutive shares, therefore the presentation of diluted earnings per share is not applicable.

(t) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Group's primary format for segment reporting is based on business segments.



NOTES TO FINANCIAL STATEMENTS

PERIOD FROM 01/10/2018 TO 31/12/2018 (CONTINUED)

FORM B 09– DN/HN
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4. Segment reporting

The principal business activities of the Group are to trade electricity and other related services. During the year, other related services accounted for an insignificant proportion of total revenue and operating results of the Group. Accordingly, the financial information presented in the balance sheet as at 31

December 2018 and 1 October 2018 and all revenue and expenses presented in the consolidated statement of income for the years ended 31 December 2018 and 30 September 2018 mainly related to the Group's principal business activities.

Geographically, the Group only operates in Vietnam.

5. Cash and cash equivalents

	31/12/2018 VND	1/10/2018 VND
Cash on hand	2,912,617,687	3,419,926,822
Cash in banks	1,413,589,463,742	3,394,774,059,267
Cash equivalents	1,075,900,000,000	1,116,083,835,616
	2,492,402,081,429	4,514,277,821,705

Cash equivalents represented terms deposits with maturities ranging from one month to three months at banks and other credit institutions and earned interest at rates ranging from 4.7% to 5.5% per annum (period from 1/1/2018 to 30/9/2018: 4.0% - 5.4% per annum).



NOTES TO FINANCIAL STATEMENTS

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6. Financial investments

(a) Held-to-maturity investments

	31/12/2018 VND	1/10/2018 VND
Term deposits at EVN Finance Joint Stock Company, a related party	200,000,000,000	200,000,000,000
Term deposits at banks	3,753,820,000,000	1,213,320,000,000
	3,953,820,000,000	1,413,320,000,000

Held-to-maturity investments represented term deposits with maturity from more than three months to 13 months at rates ranging between 4.8% - 7.2% per year (period from January 1st, 2018 to September 30th, 2018: 4.8% - 7.2% per year).

(b) Long-term financial investments

Movements of investments in associates during the period were as follows:

	Period from 1/10/2018 to 31/12/2018 VND	Period from 1/1/2018 to 30/9/2018 VND
Opening balance	1,386,942,714,130	1,341,623,914,594
Share of profit in associates	26,984,730,311	171,991,642,283
Dividends	(28,575,000,000)	(125,581,948,000)
Transfer to Vietnam Electricity	-	(1,090,894,747)
Closing balance	1,385,352,444,441	1,386,942,714,130

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	31/12/2018				1/10/2018			
	% 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 Joint Stock Companies								
Thac Ba Hydropower JSC (i)	30.00%	279,877,226,103	476,250,000,000	-	30.00%	292,543,554,840	466,725,000,000	-
Vinh Son – Song Hinh Hydropower JSC (ii)	30.55%	928,345,577,277	1,055,533,879,000	-	30.55%	919,964,444,421	1,109,098,284,800	-
Se San 3A Investment and Development JSC (iii)	30.00%	177,129,641,061	(*)	-	30.00%	174,434,714,869	(*)	-
		1,385,352,444,441				1,386,942,714,130		

(*) The Corporation has not determined fair values of these financial investments for disclosure in the consolidated financial statements because information about their market prices is not available.



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• Thac Ba Hydropower JSC was established under Business Registration Certificate No. 1603000069 dated March 31st, 2006 issued by the Department of Planning and Investment of Yen Bai Province. The principal activities of Thac Ba Hydropower JSC are to produce and trade electricity.

• Vinh Son – Song Hinh Hydropower JSC was converted from a state-owned enterprise – Vinh Son – Song Hinh Hydropower Plant, a dependent accounting unit of Vietnam Electricity. On May 6th, 2005, the Plant was officially converted to Vinh Son – Song Hinh Hydropower JSC under Business Registration Certificate No. 3503000058 issued by the Department of Planning and Investment of Binh Dinh Province. The principal activities of Vinh Son – Song Hinh Hydropower JSC are to produce and trade electricity.

• Se San 3A Power Investment and Development JSC officially went into operation on November 1st, 2003 under Official Letter No. 1391/CP-CN dated 10/10/2003 of the Prime Minister. The principal activities of Se San 3A Power Investment and Development JSC are to construct civil works, invest and construct hydropower projects and industrial construction.

Summarized financial information in respect of the Group's associates is set out below:

	31/12/2018 VND	1/10/2018 VND
Total assets	9,913,782,260,407	9,659,291,024,750
Total liabilities	5,480,917,796,001	5,216,546,471,960
Net assets	4,432,864,464,406	4,442,744,552,790
Share of net assets in associates	1,385,352,444,441	1,386,942,714,130

	Period from 1/10/2018 to 31/12/2018 VND	Period from 1/1/2018 to 30/9/2018 VND
Revenue	264,870,199,092	1,072,609,347,269
Net profit after tax	89,446,141,616	568,194,635,486
Share of profit in associates	26,984,730,311	171,991,642,283

Movements of investments in associates during the year were as follows:

	Period from 1/10/2018 to 31/12/2018 VND	Period from 1/1/2018 to 30/9/2018 VND
Opening balance	3,483,263,880	2,991,646,400
Allowance made/(reversed)	10,518,431,180	(26,431,382,520)
Closing balance	14,001,695,060	3,483,263,880

	31/12/2018				1/10/2018			
	% of equity owned	Carrying amount VND	Fair value VND	Allowance VND	% of equity owned	Carrying amount VND	Fair value VND	Allowance VND
INVESTMENTS IN OTHER ENTITIES Petro Vietnam Power								
Nhon Trach 2 JSC (iv)	2.50%	83,022,592,000	175,199,232,000	-	2.50%	83,022,592,000	187,662,592,000	-
GE PMTP Power Service Limited Liability Company	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	(*)	-
Quang Ninh Thermal Power JSC	1.80%	114,770,927,800	109,899,232,740	4,871,695,060	1.80%	114,770,927,800	113,417,663,920	1,353,263,880
Hai Phong Thermal Power JSC	1.60%	108,730,000,000	99,600,000,000	9,130,000,000	1.60%	108,730,000,000	106,600,000,000	2,130,000,000
Buon Don Hydro Power JSC	19.89%	83,750,000,000	(*)	-	19.89%	83,750,000,000	(*)	-
Phu Thanh My JSC	12.10%	50,000,000,000	(*)	-	12.10%	50,000,000,000	(*)	-
Northern Thermal Power Repairing Service JSC	2.70%	2,500,000,000	(*)	-	2.70%	2,500,000,000	(*)	-
		536,837,181,388		14,001,695,060		536,837,181,388	(*)	3,483,263,880

(iv) The carrying amount of equity investment in Petro Vietnam Power Nhon Trach 2 JSC, the listed company, as at 30 September 2018, was determined in accordance with the guidance on financial adjustments stipulated in Item d, Clause 2, Article 21 and Clause 2, Article 32, Decree 126/2017/ND-CP dated 16 November 2017 of the Government. Accordingly, the Corporation is entitled to recognise additional share dividends at reference trading prices on the stock exchange upon transforming into Joint Stock Company.

(*) The Corporation has not determined fair values of these financial investments for disclosure in the consolidated financial statements because information about their market prices is not available.



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7. Trade receivables

	31/12/2018 VND	1/10/2018 VND
RELATED PARTIES		
Trading Electricity Company	8,304,276,576,025	10,059,088,650,826
Thai Binh Thermal Power Plant (an entity of Vietnam Electricity)	35,093,793,900	96,224,131,300
Vinh Tan 4 Power Plant (an entity of Vietnam Electricity)	54,824,844,800	13,705,661,200
Other related parties	82,140,145	833,772,937
THIRD PARTIES		
Other customers	17,087,377,168	11,666,284,822
	8,411,364,732,038	10,181,518,501,085

8. Other short-term receivables

	31/12/2018 VND	1/10/2018 VND
RELATED PARTIES		
Vietnam Electricity	15,256,171,287	7,211,873,623
Vinh Tan 4 Power Plant and Vinh Tan 4 Expansion Project	253,952,245,056	218,741,729,220
Management unit of Thai Binh Thermal Power Project	10,307,578,223	-
Dividends receivable	52,984,728,000	27,000,000,000
Interest receivable from EVN Finance Joint Stock Company	2,780,082,191	5,395,890,411
Other related parties	7,468,387,981	-
THIRD PARTIES		
Interest receivables on deposits	43,084,935,241	35,479,345,211
Other receivables	34,765,290,034	66,200,263,423
	420,599,418,013	360,029,101,888

10. Tangible fixed assets

COST	Buildings and structures VND		Machinery and equipment VND		Motor vehicles VND		Office equipment VND		Others VND		Total VND
Opening balance	18,458,657,440,224		84,619,971,093,024		6,574,214,489,421		149,261,741,918		192,863,636		109,802,297,628,223
Additions	6,011,473,763		9,610,604,717		3,406,794,545		2,880,784,671		860,154,790		22,769,812,486
Transfer from construction in progress (note 12)	10,053,903,194		117,308,656,749		498,150,800		-		-		127,860,710,743
Written off	-		(75,852,248,738)		-		-		-		(75,852,248,738)
Other deductions	-		(3,017,200)		(88,017,870)		-		-		(91,035,070)
Closing balance	18,474,722,817,181		84,671,035,088,552		6,578,031,416,896		152,142,526,589		1,053,018,426		109,876,984,867,644
ACCUMULATED DEPRECIATION											
Opening balance	5,983,366,875,407		46,043,127,978,340		2,890,367,958,483		109,394,898,004		159,684,727		55,026,417,394,961
Charge for the period	158,683,286,523		918,850,184,778		75,253,361,560		3,711,173,417		855,029,568		1,157,353,035,846
Written off	-		(75,852,248,738)		-		-		-		(75,852,248,738)
Closing balance	6,142,050,161,930		46,886,125,914,380		2,965,621,320,043		113,106,071,421		1,014,714,295		56,107,918,182,069
NET BOOK VALUE											
Opening balance	12,475,290,564,817		38,576,843,114,684		3,683,846,530,938		39,866,843,914		33,178,909		54,775,880,233,262
Closing balance	12,332,672,655,251		37,784,909,174,172		3,612,410,096,853		39,036,455,168		38,304,131		53,769,066,685,575

Included in tangible fixed assets were assets costing VND32,628 billion which were fully depreciated as of 31 December 2018 (1/10/2018: VND29,282 billion), but which are still in active use. As at 31 December 2018, tangible fixed assets with carrying amount of VND1,857 billion (1/10/2018: VND1,887 billion) were pledged with banks as security for loans granted to the Corporation (Note

16(b)(*)).



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9. Inventories

	31/12/2018		1/10/2018	
	Cost VND	Allowance VND	Cost VND	Allowance VND
Goods in transit	2,289,837,243	-	11,731,955,901	-
Raw materials	2,813,283,077,995	(285,606,943)	3,005,434,447,525	(124,721,551)
Tools and supplies	83,063,188,397	-	74,745,868,685	-
Work in progress	4,565,535,210	-	15,510,725,998	-
Finish goods	632,363,003	-	668,130,236	-
	2,903,834,001,848	(285,606,943)	3,108,091,128,345	(124,721,551)

Movements in allowance for inventories during the period as follows:

	Period from 1/10/2018 to 31/12/2018 VND	Period from 1/1/2018 to 30/9/2018 VND
Opening balance	124,721,551	936,690,056
Additions	160,885,392	51,574,662
Reversals	-	(863,543,167)
Closing balance	285,606,943	124,721,551



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11. Intangible fixed assets

	Land use rights VND	Software VND	Technology transfer rights VND	Others VND	Total VN
COST					
Opening balance	73,613,400,322	13,461,469,427	4,025,390,148	191,646,088	91,291,905,985
Additions	-	2,718,279,231	-	13,099,234,733	15,817,513,964
Transfer from construction in progress (note 12)	2,552,429,342	-	-	-	2,552,429,342
	76,165,829,664	16,179,748,658	4,025,390,148	13,290,880,821	109,661,849,291
ACCUMULATED AMORTISATION					
Opening balance	11,900,907,211	5,086,617,046	3,789,362,850	3,968,585	20,780,855,692
Charge for the period	579,324,074	321,860,032	21,208,251	32,526,326	954,918,683
Closing balance	12,480,231,285	5,408,477,078	3,810,571,101	36,494,911	21,735,774,375
NET BOOK VALUE					
Opening balance	61,712,493,111	8,374,852,381	236,027,298	187,677,503	70,511,050,293
Closing balance	63,685,598,379	10,771,271,580	214,819,047	13,254,385,910	87,926,074,916

Included in land use rights were land use rights with indefinite term costing VND8 billion were not amortised as of 31 December 2018 (1/10/2018: VND8 billion).

Included in intangible fixed assets were assets costing VND8 billion which were fully amortised as of 31 December 2018 (1/10/2018: VND8 billion), but which are still in use.



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12. Construction in progress

	Period from 1/10/2018 to 31/12/2018 VND	Period from 1/1/2018 to 30/9/2018 VND
Opening balance	2,487,272,804,641	3,788,284,168,769
Additions	339,909,929,374	343,862,237,668
Interest capitalised	6,056,765,400	15,396,266,976
Transfer from/(to) inventory	(335,748,162)	(225,438,924,313)
Transfer to tangible fixed assets (note 10)	(127,860,710,743)	(205,211,721,160)
Decrease due to finalisation	-	(1,052,102,661,356)
Transfer to intangible fixed assets (note 11)	(2,552,429,342)	(6,149,923,000)
Transfer to prepaid expenses	-	(101,226,716,090)
Other deductions	(31,769,435,154)	(70,139,922,853)
Closing balance	2,670,721,176,014	2,487,272,804,641

Constructions in progress included the following construction projects:

	31/12/2018 VND	1/10/2018 VND
Mong Duong 1 Thermal Power Plant	1,221,295,137,450	1,221,947,927,450
Vinh Tan 2 Thermal Power Plant	148,924,891,353	162,729,518,607
Vinh Tan Power Center Infrastructure	676,106,948,237	660,160,223,232
Vinh Tan Coal Terminal	383,746,615,607	334,257,403,904
Ba Ria Thermal Power Plant	132,043,939,157	64,771,181,148
Vinh Tan 2 Solar Power Plant	8,066,079,120	-
Other constructions	100,537,565,090	43,406,550,300
	2,670,721,176,014	2,487,272,804,641

13. Accounts payable to suppliers

	31/12/2018 VND	1/10/2018 VND
RELATED PARTIES		
Vietnam Electricity	1,311,294,219	42,071,791,336
Other related parties	17,075,702,451	9,538,028,849
THIRD PARTIES		
Petrovietnam Gas South East Transmission Company	2,549,808,266,172	2,295,234,627,479
Shanghai Electric Group Company	8,313,030,000	1,486,382,804,864
Other suppliers	1,288,300,875,312	1,032,464,845,786
	3,864,809,168,154	4,865,692,098,314
Amount within payment capacity	3,864,809,168,154	4,865,692,098,314

14. Taxes payable to and receivable from State Treasury

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(a) Taxes payable to State Treasury

	1/10/2018 VND	Incurred VND	Paid VND	Reclassified VND	31/12/2018 VND
Value added tax	37,785,261,139	256,365,591,913	(201,102,455,755)	-	93,048,397,297
Corporate income tax	3,836,312,184	144,128,554,766	(10,266,543,316)	(1,923,568,788)	135,774,754,846
Withholding tax	5,505,165,553	11,982,693,090	(7,613,780,741)	-	9,874,077,902
Import-export tax	-	5,085,955,017	(5,085,955,017)	-	-
Personal income tax	3,356,164,623	9,881,483,161	(8,783,341,562)	1,313,667,783	5,767,974,005
Natural resource taxes	39,575,736,307	117,645,585,068	(116,231,290,167)	(69,848,535)	40,920,182,673
Land and housing taxes, land rental	14,192,477,353	750,140,802	(14,942,667,780)	49,625	-
Duty and fees - fees for forest environmental services	47,002,326,662	37,987,984,327	(41,771,857,574)	(56,512,701)	43,161,940,714
Other taxes	-	7,324,290,979	(7,324,290,979)	-	-
	151,253,443,821	591,152,279,123	(413,122,182,891)	(736,212,616)	328,547,327,437

(b) Taxes receivable from State Treasury

	1/10/2018 VND	Incurred VND	Paid VND	Reclassified VND	31/12/2018 VND
Corporate income tax	1,923,568,788	-	-	(1,923,568,788)	-
Personal income tax	937,284,340	-	-	1,313,667,783	2,250,952,123
Natural resource taxes	79,438,427	-	-	(69,848,535)	9,589,892
Land and housing taxes, land rental	-	-	-	49,625	49,625
Duty and fees - fees for forest environmental services	56,512,701	1,347,141,983	(1,347,141,983)	(56,512,701)	-
	2,996,804,256	1,347,141,983	(1,347,141,983)	(736,212,616)	2,260,591,640



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15. Other payables

	31/12/2018 VND	1/10/2018 VND
Loans principal, interest expense, re-loan fees, withholding tax (to be net off with account receivables)	-	2,275,532,138,470
Accrued interest expense, re-loan fees, withholding tax	779,189,436,755	519,881,469,214
Profits transferred to EVN	-	74,444,898,826
Estimated value added tax	156,962,849,626	146,215,216,225
Payable from sale of shares	152,499,616	98,349,816,694
Professional fees	14,680,695,065	66,789,916,722
Other payables	126,812,999,634	127,835,909,460
	1,077,798,480,696	3,309,049,365,611

Detail of other payable to related party:

	31/12/2018 VND	1/10/2018 VND
Vietnam Electricity	779,932,815,962	2,869,858,506,510
Other related parties	116,070,726,297	44,304,863,693
	896,003,542,259	2,914,163,370,203

16. Borrowings

(a) Short-term borrowing

	Movements			31/12/2018 VND
	1/10/2018 VND	Increase VND	Decrease VND	
Current portion of long-term borrowings	5,426,787,609,848	679,321,001,003	(624,901,477,246)	5,473,408,154,411
Amount within payment capacity	5,426,787,609,848			5,473,408,154,411
			Foreign exchange difference VND	
			(7,798,979,194)	

(b) Long-term borrowings

	Movements			31/12/2018 VND
	1/10/2018 VND	Increase VND	Decrease VND	
Long-term borrowings	54,911,609,869,371	1,586,899,285,954	(679,321,001,003)	55,671,143,786,388
			Foreign exchange difference VND	
			(148,044,367,934)	



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

	Currency	Year of Maturity	31/12/2018 VND	1/10/2018 VND
BORROWING FROM ORGANISATIONS				
<i>Mong Duong 1 Thermal Power Project</i>				
Lien Viet Post Joint Stock Commercial Bank – Thang Long Branch	VND	2025	103,604,510,566	103,604,510,566
<i>Vinh Tan 2 Thermal Power Project</i>				
Vietnam Development Bank – Transaction Center I	VND	2024	1,974,000,000,000	2,068,000,000,000
Joint Stock Commercial Bank for Foreign Trade of Vietnam	VND	2025	1,516,694,935,392	1,572,868,821,888
<i>Buon Kuop Hydropower Project</i>				
Saigon – Hanoi Commercial Joint Stock Bank – Ha Noi Branch	VND	2025	250,000,000,000	260,000,000,000
Military Commercial Joint Stock Bank – Hai Ba Trung Branch	VND	2021	70,905,118,612	78,777,118,612
Vietnam Bank for Agriculture and Rural Development (*)	VND	2019	92,068,364,311	92,068,364,311
<i>Srepok 3 Hydropower Project</i>				
Joint Stock Commercial Bank for Foreign Trade of Vietnam	VND	2019	110,684,549,761	221,369,062,761
<i>Vinh Tan Power Center Infrastructure Project</i>				
Saigon – Hanoi Commercial Joint Stock Bank – Ha Noi South West Branch	VND	2026	258,153,558,834	233,945,112,081
			4,376,111,037,476	4,630,632,990,219

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17. Changes in owners' equity

	Contributed capital VND	Capital surplus VND	Other capital VND	Foreign exchange differences VND	Investment and development fund VND	Other equity fund VND	Retained profits VND	Capital expenditure fund VND	Non – controlling interest VND	Total VND
Balance at 1 January 2018	0,561,944,694,725	6,014,917,945	16,273,236,198	(2,449,196,948,778)	291,205,621,444	15,939,926,044	881,358,003,376	114,101,515,647	352,757,549,993	9,790,398,516,594
Other increase	14,542,592,000	-	-	-	499,211,736	-	-	-	-	15,041,803,736
Transfer to Vietnam Electricity	(3,327,218,134)	-	-	-	-	-	(74,444,898,826)	-	-	(77,772,116,960)
Transfer of Thu Duc Thermal Power Limited Company (*)	(94,925,424,397)	-	(1,566,487,558)	-	(21,540,842,227)	-	-	(3,508,088,045)	-	(121,540,842,227)
Reclassification	-	-	3,680,845,235	-	(3,680,845,235)	-	-	-	-	-
Appropriation to investment and development fund	-	-	-	-	96,035,138,793	-	(96,035,138,793)	-	-	-
Appropriation to bonus and welfare funds	-	-	-	-	-	-	(125,438,536,672)	-	(6,772,643,995)	(132,211,180,667)
Profit for the year	-	-	-	-	-	-	268,052,205,804	-	20,048,149,950	288,100,355,754
Exchange differences	-	-	-	70,892,698,327	-	-	-	-	-	70,892,698,327
Dividend	-	-	-	-	-	-	-	-	(27,030,565,184)	(27,030,565,184)
Balance at 30 September 2018	10,478,234,644,194	6,014,917,945	18,387,593,875	(2,378,304,250,451)	362,518,284,511	15,939,926,044	853,491,634,889	110,593,427,602	339,002,490,764	9,805,878,669,373

(*) 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 from Power Generation Joint Stock Corporation 3 to Vietnam Electricity from 1 January 2018.



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	Currency	Year of Maturity	31/12/2018 VND	1/10/2018 VND
RE-BORROWINGS FROM VIETNAM ELECTRICITY				
<i>Mong Duong 1 Thermal Power Project</i>				
Asian Development Bank	USD	2032	444,445,836,309	454,606,455,267
Asian Development Bank	USD	2034	19,206,808,016,325	19,554,327,054,073
Export-Import Bank of Korea	USD	2028	8,999,713,746,007	9,048,109,711,516
<i>Vinh Tan 2 Thermal Power Project</i>				
Export-Import Bank of China	USD	2027	6,275,936,541,397	6,309,685,393,524
Export-Import Bank of China	CNY	2027	1,688,212,359,504	1,685,494,354,842
Export-Import Bank of China	USD	2028	14,731,365,464,567	13,248,226,816,493
<i>Buon Kuop Hydropower Project</i>				
Japan Bank for International Cooperation	JPY	2026	89,444,501,596	87,125,866,733
Japan Bank for International Cooperation	JPY	2028	67,338,860,225	65,593,261,265
<i>Buon Tua Srah Hydropower Project</i>				
Export-Import Bank of China	USD	2020	73,457,010,088	73,852,025,199
Asia Commercial Joint Stock Bank	VND	2019	27,989,680,391	55,790,241,320
<i>Srepok 3 Hydropower Project</i>				
Credit Agricole Corporate and Investment Bank	USD	2020	156,119,724,974	196,199,073,599
<i>Phu My Thermal Power Project</i>				
Japan Bank for International Cooperation	JPY	2028	4,530,817,037,415	4,413,366,437,868
<i>Steam tail 306-2 Ba Ria Power Plant Vietnam</i>				
Development Bank - Ba Ria - Vung Tau	KRW	2028	476,792,124,525	515,387,797,301
			56,768,440,903,323	55,707,764,489,000
			61,144,551,940,799	60,338,397,479,219
<i>In which, repayable within 12 months</i>			5,473,408,154,411	5,426,787,609,848

Effective interest rate of borrowings during the period were as follows:

Borrowings dominated in USD bore interest at rates ranging from 3.15% to 6.56% (period from 1/1/2018 to 30/9/2018: from 2.01% to 6.17%).

Borrowings dominated in VND bore interest at rates ranging from 8.98% to 10.05% (period from 1/1/2018 to 30/9/2018: from 8.98% to 10.03%).

Borrowings dominated in JPY bore interest at rates ranging from 1.15% to 2.75% (period from 1/1/2018 to 30/9/2018: from 0.95% to 2.75%).

Borrowings dominated in CNY bore interest at rate of 3.40% (period from 1/1/2018 to 30/9/2018: 3.40%).

Borrowings dominated in KRW bore interest at rate of 2.40% over the borrowing period of 13 years.

(*) Borrowing from Vietnam Bank for Agriculture and Rural Development was secured by Buon Kuop Hydropower Plant with carrying amount of VND1,857 billion as at 31 December 2018 (1/10/2018: VND1,887 billion).

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

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	Share capital VND	Capital surplus VND	Other capital VND	Foreign exchange differences VND	Investment and development fund VND	Other equity fund VND	Retained profits VND	Capital expenditure fund VND	Non – controlling interest VND	Total VND
Balance at 1 October 2018	10,478,234,644,194	6,014,977,945	18,387,593,875	(2,378,304,250,451)	362,518,284,511	15,939,926,044	853,491,634,889	110,593,427,602	339,002,490,764	9,805,878,669,373
Payment to Enterprise Arrangement and Development Fund	-	-	-	-	(221,350,148,719)	-	-	-	-	(221,350,148,719)
Transfer to owners' equity	117,061,813,711	-	489,260,687	-	(6,957,646,796)	-	-	(110,593,427,602)	-	-
Share issuance	86,143,440,000	-	-	-	-	-	-	-	-	86,143,440,000
Exchange differences	-	-	-	1,279,815,276,947	-	-	-	-	-	1,279,815,276,947
Appropriation to investment and development fund	-	-	-	-	-	-	-	-	-	-
Appropriation to bonus and welfare funds	-	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	(873,538,049,688)	-	20,006,503,049	(853,531,546,639)
Dividend	-	-	-	-	-	-	-	-	(22,565,678,370)	(22,565,678,370)
Financial adjustments upon transferring into joint stock company	18,255,872,095	-	-	-	-	-	-	-	-	18,255,872,095
Balance at 31 December 2018	10,699,695,770,000	6,014,977,945	18,876,854,562	(1,098,488,973,504)	134,210,488,996	15,939,926,044	(20,046,414,799)	-	336,443,315,443	10,092,645,884,687



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18. Share capital

The Corporation's authorised and issued share capital are:

	Number of shares	31/12/2018 VND
Authorised share capital	1,069,969,577	10,699,695,770,000
Issued share capital	1,069,969,577	10,699,695,770,000
Ordinary shares		
Shares in circulation	1,069,969,577	10,699,695,770,000

All ordinary shares have a par value of VND10,000. Each share is entitled to one vote at meetings of the Corporation. Shareholders are entitled to receive dividend as declared from time to time. All ordinary shares are ranked equally with regard to the Corporation's residual assets. In respect of shares bought back by the Corporation, all rights are suspended until those shares are reissued.

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

	Period from 1/10/2018 to 31/12/2018 VND	Period from 1/1/2018 to 30/9/2018 VND
Balance at beginning of the period	10,478,234,644,194	10,561,944,694,725
Transfer to Vietnam Electricity	-	(3,327,218,134)
Transfer of Thu Duc Thermal Power One-member Limited Company	-	(94,925,424,397)
Increase due to financial adjustments in accordance with Decree 126/2017/ND-CP	-	14,542,592,000
Share issuance	86,143,440,000	-
Financial adjustments upon transforming into joint stock company	18,255,872,095	-
Transfer to owners' equity	117,061,813,711	-
Balance at end of the period	10,699,695,770,000	10,478,234,644,194

Details of shareholder as at 31 December 2018 were as follows:

	Share capital	31/12/2018 Number of ordinary shares	Percentage %
Vietnam Electricity	10,613,552,330,000	1,061,355,233	99.19%
Employees	14,647,000,000	1,464,700	0.14%
Other shareholders	71,496,440,000	7,149,644	0.67%
	10,699,695,770,000	1,069,969,577	100.00%

19. Foreign exchange differences

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Note	1/10/2018 VND	Reclassified VND	Incurred VND	Amortised VND	31/12/2018 VND
Foreign exchange differences incurred in the period of construction	605,520,036,993	371,028,960,470	-	121,939,976,041	1,098,488,973,504
Foreign exchange differences due to revaluation of the balances of long-term monetary liabilities in foreign currencies	371,028,960,470	(371,028,960,470)	(143,502,828,713)	143,502,828,713	-
Foreign exchange differences due to financial adjustments in accordance with Decree 126/2017/ND-CP	1,401,755,252,988	-	102,316,344,579	(1,504,071,597,567)	-
	2,378,304,250,451	-	(41,186,484,134)	(1,238,628,792,813)	1,098,488,973,504

Note	1/10/2018 VND	Reclassified VND	Incurred VND	Amortised VND	31/12/2018 VND
Foreign exchange differences incurred in the period of construction	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	1,350,707,975,274	-	(108,430,637,811)	(871,248,376,993)	371,028,960,470
Foreign exchange differences due to financial adjustments in accordance with Decree 126/2017/ND-CP	-	-	1,401,755,252,988	-	1,401,755,252,988
	2,449,196,948,778	-	1,293,324,615,177	(1,364,217,313,504)	2,378,304,250,451



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20. Dividends

Profit distribution follows the Resolutions of the General Meeting of Shareholders.

21. Off balance sheet items

(a) Lease

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

	31/12/2018 VND	1/10/2018 VND
Within one year	17,497,494,087	11,366,097,978
Within two to five years	74,866,060,886	45,430,549,049
More than five years	280,468,865,098	286,932,636,646
	372,832,420,071	343,729,283,673

Operating lease commitments represented:

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

Office rental at 60-66 Nguyen Co Thach Street, Sala Residence, An Loi Dong Ward, District 2, Ho Chi Minh City. Land rental in Huong Giang Quarter, Long Hung Ward, Ba Ria - Vung Tau Province, Vietnam for 50 years from 9 May 2005.

(b) Foreign currency

	31/12/2018		1/10/2018	
	Original currency	VND equivalent	Original currency	VND equivalent
United States Dollars	28,223,67	653,373,165	28,343,47	660,123,168

(c) Investment commitments

As at 31 December 2018, in accordance with the approved construction plan, the Group will invest VND1,553,121 million to build power plants and other works during 2019 (1/10/2018: VND886,571 million).



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22. Revenue from sales of goods and provision of services

	Period from 1/10/2018 to 31/12/2018 VND	Period from 1/1/2018 to 30/9/2018 VND
Sales of electricity	9,923,521,583,253	28,973,756,731,882
Sales of other goods and services	124,408,642,768	316,761,205,205
	10,047,930,226,021	29,290,517,937,087

23. Cost of sales

	Period from 1/10/2018 to 31/12/2018 VND	Period from 1/1/2018 to 30/9/2018 VND
Cost of electricity	8,692,535,637,363	25,308,564,945,465
Cost of other goods and services	117,317,604,774	286,631,400,047
	8,809,853,242,137	25,595,196,345,512

24 Financial income

	Period from 1/10/2018 to 31/12/2018 VND	Period from 1/1/2018 to 30/9/2018 VND
Interest income from deposits	58,811,476,275	121,037,180,986
Dividends	10,211,978,000	3,800,000,000
Foreign exchange gains arising from payments	3,291,547,851	16,309,795,486
Foreign exchange gains arising from revaluation	11,469,999,222	21,603,081,324
	83,785,001,348	162,750,057,796



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25. Financial expenses

	Period from 1/10/2018 to 31/12/2018 VND	Period from 1/1/2018 to 30/9/2018 VND
Interest expense	699,539,293,509	62,034,789,676,172
Foreign exchange losses arising from payments	1,174,491,410	35,213,748,256
Foreign exchange losses arising from revaluation	1,238,628,792,813	1,364,217,313,504
Addition to/(reversal of) allowance for long-term investment	10,518,431,180	(26,431,382,520)
Others	45,085,227	5,451,390
	1,949,906,094,139	3,407,794,806,802

26. General and administration expenses

	Period from 1/10/2018 to 31/12/2018 VND	Period from 1/1/2018 to 30/9/2018 VND
Labour costs and staff costs	43,643,304,237	172,735,963,012
Outside services	19,906,261,176	42,142,876,450
Other expenses	75,606,680,803	134,483,702,587
	139,156,246,216	349,362,542,049

27. Production and business costs by element

	Period from 1/10/2018 to 31/12/2018 VND	Period from 1/1/2018 to 30/9/2018 VND
Raw material costs	6,669,857,526,291	20,253,403,498,640
Labour costs and staff costs	192,006,937,427	645,366,790,153
Depreciation and amortisation	1,129,473,775,722	3,269,005,211,443
Outside services	143,406,271,037	316,124,752,837
Overhaul expenses	501,048,517,551	756,240,732,235
Other expenses	313,248,145,046	704,519,760,448



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28. Income tax

(a) Recognised in the statement of income

	Period from 1/10/2018 to 31/12/2018 VND	Period from 1/1/2018 to 30/9/2018 VND
Current tax expense	38,564,267,744	17,118,748,352
Current year	105,564,287,022	-
Previous year	144,128,554,766	17,118,748,352
Deferred tax (benefit)/expense		
Origination of temporary differences	(26,606,710,591)	13,879,964,174
Income tax expense	117,521,844,175	30,998,712,526

(b) Reconciliation of effective tax rate

	Period from 1/10/2018 to 31/12/2018 VND	Period from 1/1/2018 to 30/9/2018 VND
Accounting (loss)/profit before tax	(736,009,702,464)	319,099,068,280
Tax at the Corporation's tax rate	(147,201,940,493)	63,819,813,656
Non-taxable income	(7,439,341,662)	(45,016,552,583)
Non-deductible expenses	98,346,663,186	7,591,372,306
Income tax expense in previous year	105,564,287,022	-
Deferred tax assets not recognised	72,900,716,631	4,648,540,509
Tax losses utilised	(4,648,540,509)	-
Tax incentives	-	(44,461,362)
	117,521,844,175	30,998,712,526



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(c) Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	31/12/2018		1/10/2018	
	Temporary difference VND	Tax value VND	Temporary difference VND	Tax value VND
Tax losses	364,503,583,155	72,900,716,631	23,242,702,545	4,648,540,509

The tax losses expire in the following years:

Year of expiry	Status of tax review	Tax losses available VND
2023	Outstanding	364,503,583,155

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

(d) Applicable tax rates

Under the current Law on Corporate Income Tax, the Group 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 year.



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29. Basic earnings per share

The calculation of basic earnings per share for the period from 1 October 2018 to 31 December 2018 was based on the loss attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding of 1,069,969,577 (period from 1 January 2018 to 30 September 2018: not applicable), calculated as follows:

(a) Net loss attributable to ordinary shareholders

	Period from 1/10/2018 to 31/12/2018 VND	Period from 1/1/2018 to 30/9/2018 VND
Net loss attributable to ordinary shareholders	(873,538,049,688)	Not applicable

(b) Weighted average number of ordinary shares

	Period from 1/10/2018 to 31/12/2018 VND	Period from 1/1/2018 to 30/9/2018 VND
Issued ordinary shares at the beginning of the year and weighted average number of ordinary shares at the end of the year	1,069,969,577	Not applicable

As at 31 December 2018, the Group did not have potentially dilutive ordinary shares.



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30. Significant transactions with related parties

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

	Transaction value	
	Period from 1/10/2018 to 31/12/2018 VND	Period from 1/1/2018 to 30/9/2018 VND
<i>Parent company</i>		
Vietnam Electricity		
Purchases of electricity	31,262,775,465	93,593,294,327
Sales of services	-	192,651,641,000
Borrowings during the year	1,562,690,839,201	-
Repayments of borrowings during the year	2,968,463,360,784	3,609,367,205,129
Interest on loans	335,257,017,954	1,858,926,273,319
Profits transferred to Vietnam Electricity	-	74,444,898,826
<i>Associates</i>		
Vinh Son - Song Hinh Hydropower JSC		
Dividend	-	63,016,948,000
Thac Ba Hydropower JSC		
Dividend	28,575,000,000	24,765,000,000
Se San 3A Power Investment and Development JSC		
Dividend	-	37,800,000,000
<i>Other related parties</i>		
Electricity Power Trading Company		
Sales of electricity	9,923,521,583,253	28,973,756,731,882
Duyen Hai Thermal Power Company		
Sales of services	649,766,000	216,048,000
Northern Power Corporation (Quang Ninh Power Company)		
Purchases of electricity	712,692,956	9,388,082,831
Electrical Power Testing Center - Northern Power Corporation		
Purchases of services	2,075,253,137	-
Power Engineering Consulting Joint Stock Company 2		
Purchases of services	966,843,461	12,316,846,292
Sales of services	214,275,100	-



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	Transaction value	
	Period from 1/10/2018 to 31/12/2018 VND	Period from 1/1/2018 to 30/9/2018 VND
Power Engineering Consulting Joint Stock Company 3 Purchases of services	1,021,404,136	1,671,848,605
Power Engineering Consulting Joint Stock Company 4 Purchases of services	79,410,845	74,247,332,268
EVN Finance Joint Stock Company Interest on deposits	5,797,890,410	17,056,937,596
Electrical Power Testing Center – Southern Power Corporation Purchases of services	1,352,417,791	2,338,790,165
Telecommunication and Information Technology Center Purchases of services	1,463,663,543	519,552,489
Petro Vietnam Power Nhon Trach 2 JSC Dividend	6,409,728,000	49,291,120,640
Pha Lai Thermal Power JSC Sales of services	1,011,326,364	-
Board of Management (including Chairman, independent members, full-time members) Salary and bonus	73,773,000	428,161,000
Board of Directors Salary and bonus	215,775,000	2,312,433,000
Other Management Officer Salary and bonus	1,923,749,500	6,480,691,500



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31. Non-cash investing and financing activities

	Period from 1/10/2018 to 31/12/2018 VND	Period from 1/1/2018 to 30/9/2018 VND
Fixed assets and construction in progress acquired but not yet paid	100,365,114,571	1,564,540,602,810
Netoff borrowings, interest expense, re-loan fees, withholding tax payable to EVN and receivables from Electricity Power Trading Company	2,917,335,651,810	3,149,756,701,124
Netoff profits transferred to Vietnam Electricity and receivables from Electricity Power Trading Company	74,444,898,826	-
Transfer construction in progress from/to inventories	6,862,084,833	225,438,924,313
Transfer of Thu Duc Thermal Power Limited Company	-	121,540,842,227
Transfer construction in progress to prepaid expenses	-	101,226,716,090
Profits transferred to Vietnam Electricity	-	74,444,898,826
Share issued from equitisation fund retained	86,143,440,000	-
Financial adjustments upon transforming into joint stock company	18,255,872,095	-
Dividends receivable but not yet collected from associates and equity investments in other entities	52,984,728,000	27,000,000,000
Dividends declared but not yet paid	43,418,391,437	18,906,862,096



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30. Corresponding figures

Corresponding figures of “Financial income” and “Other income” for the period from 1 January 2018 to 30 September 2018 were reclassified in accordance with Decree No. 32/2018/ND-CP dated 8 March 2018 issued by the Government – “Amending and supplementing certain articles of Decree No.91/2015/ND-CP date 13 October 2015 issued by the Government on state capital investment in enterprises and management and use of capital and assets at enterprises” and Official Letter No.1931/BTC-TCDN dated 19 February 2019 issued by the Ministry of Finance guiding the difficulties in implementing the financial mechanism at Vietnam Electricity. A comparison of the amounts previously reported and as reclassified is as follows

Consolidated statement of income

	Period from 1/1/2018 to 30/9/2018		
	(as previously reported) VND	(reclassified) VND	(as reclassified) VND
Financial income	212,041,178,436	49,291,120,640	162,750,057,796
Other income	118,036,690,003	49,291,120,640	167,327,810,643

April 2nd, 2019

Preparer (Signed)

Tran Nguyen Khanh Linh
Preparer

Approver (Signed)

Vũ Phương Thảo
Head of Finance - Accounting

Nguyễn Thị Thanh Hương
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