



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

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

**Power Generation Corporation 3 and its subsidiaries  
Corporate Information**

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

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

**Business Registration Certificate No.** 3502208399 26 November 2012

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

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

**Chairman** Mr. Nguyen Van Le

<b>Board of Directors</b>	Mr. Dinh Quoc Lam	General Director
	Mr. Truong Quoc Phuc	Deputy General Director
	Mr. Phan Thanh Xuan	Deputy General Director
	Mr. Le Van Danh	Deputy General Director
	Mr. Cao Minh Trung	Deputy General Director
	Mr. Nguyen Thanh Trung Duong	Deputy General Director

**Power Generation Corporation 3 and its subsidiaries**  
**Corporate Information (continued)**

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

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

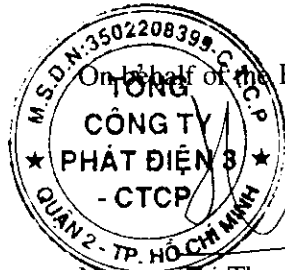
## **Power Generation Corporation 3 and its subsidiaries Statement of the Board of Directors**

The Board of Directors of Power Generation Corporation 3 (currently known as Power Generation Joint Stock Corporation 3) ("the Corporation") presents this statement and the accompanying consolidated financial statements of the Corporation and its subsidiaries (collectively "the Group") for the period from 1 January 2018 to 30 September 2018.

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

- (a) the consolidated financial statements set out on pages 7 to 50 give a true and fair view of the consolidated financial position of the Group as at 30 September 2018, and of the consolidated results of operations and the consolidated cash flows of the Group for the period from 1 January 2018 to 30 September 2018 in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting; and
- (b) at the date of this statement, there 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, *Uti*

Nguyễn Thị Thanh Hương  
*Deputy General Director*

Ba Ria – Vung Tau, 23 November 2018



KPMG Limited Branch  
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## **INDEPENDENT AUDITOR'S REPORT**

### **To the Board of Management and the Board of Directors Power Generation Corporation 3 and its subsidiaries**

We have audited the accompanying consolidated financial statements of Power Generation Corporation 3 ("the Corporation") and its subsidiaries (collectively "the Group"), which comprise the consolidated balance sheet as at 30 September 2018, the consolidated statements of income and the consolidated cash flows for the period from 1 January 2018 to 30 September 2018 and the explanatory notes thereto which were authorised for issue by the Corporation's Board of Directors on 23 November 2018, as set out on pages 7 to 50.

#### **Management's Responsibility**

The Corporation's Board of Directors is responsible for the preparation and fair presentation of these 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 Responsibility**

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

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

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

**Auditor's Opinion**

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

**Emphasis of Matter**

Without qualifying our opinion, we draw the attention to Note 3(b)(ii) and 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 Decree No. 10/2017/ND-CP of the Government dated 9 February 2017 ("Decree 10") and foreign exchange differences from revaluation of the balances of long-term liabilities denominated in foreign currencies in accordance with the guidance of Official Letter No. 5344/ BTC-TCDN of the Ministry of Finance dated 25 April 2017 on the treatment of foreign exchange differences from revaluation of the balances of monetary items denominated in foreign currencies in 2016 of Vietnam Electricity ("Official Letter 5344" ), approved by the Prime Minister under Official Letter No. 122/TB-VPCP of the Government Office dated 6 March 2017 ("Official Letter 122").

Under the guidance of Decree 10, foreign exchange differences incurred in the period of construction are recorded in the "Foreign exchange differences" in "Equity" and will be amortised to the statement of income for the period not exceeding 5 years from the date the project starts its commercial operation. Under the guidance of Official Letter 5344 and Official Letter 122, foreign exchange losses due to revaluation of the closing balances of long-term liabilities denominated in foreign currencies as at 31 December 2016 are recorded in the "Foreign exchange differences" in "Equity", rather than as "Financial expenses", and will be allocated to expenses in 2016 at an amount that is at least equal to the exchange differences of liabilities due in 2017 so as to ensure that business result is not negative, the remaining differences will be monitored and allocated within 5 years. The guidance of these Official Letters are different from that of Circular No. 200/2014/TT-BTC providing guidance on Vietnamese Accounting System for enterprises issued by the Ministry of Finance on 22 December 2014. The impact of applying this accounting policy to the consolidated financial statements for the period from 1 January 2018 to 30 September 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 the Government's Decree No. 126/2017/ND-CP dated 16 November 2017 on transformation of State owned enterprises, one-member limited liability companies wholly owned by the State into joint stock company ("Decree 126"). Accordingly, foreign exchange differences from revaluation of the balances of monetary items denominated in foreign currencies upon transforming to joint stock company, the equitized enterprises shall reevaluate in accordance with regulations and not record to statement of income, instead such foreign exchange differences shall be transferred to joint stock companies (after transformation of State owned enterprises) for monitoring and accounting for in accordance with regulations, instead of "Financial income" or "Financial expense".

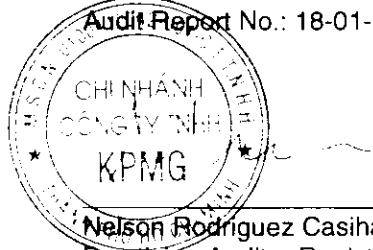
The guidance of Decree 126 is different from that of Circular No. 200/2014/TT-BTC providing guidance on Vietnamese Accounting System for enterprises issued by the Ministry of Finance on 22 December 2014. The impact of applying this accounting policy to the consolidated financial statements for the period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

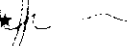
#### Other Matter

We conducted our audit in order to express an opinion on the consolidated financial statements as set out on pages 7 to 50. Additional information on page 51 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.: 18-01-897(b)



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



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

Ho Chi Minh City, 23 November 2018

**Power Generation Corporation 3 and its subsidiaries**  
**Consolidated balance sheet as at 30 September 2018**

**Form B 01 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	30/9/2018 VND	1/1/2018 VND
<b>ASSETS</b>				
<b>Current assets</b> <b>(100 = 110 + 120 + 130 + 140 + 150)</b>	<b>100</b>		<b>19,940,350,776,436</b>	<b>18,796,560,872,860</b>
<b>Cash and cash equivalents</b>	<b>110</b>	<b>4</b>	<b>4,514,277,821,705</b>	<b>4,889,503,224,142</b>
Cash	111		3,398,193,986,089	2,996,003,224,142
Cash equivalents	112		1,116,083,835,616	1,893,500,000,000
<b>Short-term financial investments</b>	<b>120</b>		<b>1,413,320,000,000</b>	<b>1,771,000,000,000</b>
Held-to-maturity investments	123	5(a)	1,413,320,000,000	1,771,000,000,000
<b>Accounts receivable – short-term</b>	<b>130</b>		<b>10,812,780,634,721</b>	<b>8,947,167,559,377</b>
Accounts receivable from customers	131	6	10,181,518,501,085	8,494,115,262,620
Prepayments to suppliers	132		271,594,230,347	171,652,902,312
Other receivables	136	7	360,029,101,888	282,627,553,598
Allowance for doubtful debts	137		(361,198,599)	(1,228,159,153)
<b>Inventories</b>	<b>140</b>	<b>8</b>	<b>3,107,966,406,794</b>	<b>3,080,370,970,600</b>
Inventories	141		3,108,091,128,345	3,081,307,660,656
Allowance for inventories	149		(124,721,551)	(936,690,056)
<b>Other current assets</b>	<b>150</b>		<b>92,005,913,216</b>	<b>108,519,118,741</b>
Short-term prepaid expenses	151		51,830,243,643	2,626,027,908
Deductible value added tax	152		37,178,865,317	92,345,538,765
Taxes receivable from State				
Treasury	153	13(b)	2,996,804,256	13,547,552,068

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



**Power Generation Corporation 3 and its subsidiaries**  
**Consolidated balance sheet as at 30 September 2018 (continued)**

**Form B 01 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	30/9/2018 VND	1/1/2018 VND
<b>Long-term assets</b> (200 = 210 + 220 + 240 + 250 + 260)	<b>200</b>		<b>59,631,915,688,928</b>	<b>62,588,641,268,619</b>
<b>Accounts receivable – long-term</b>	<b>210</b>		<b>3,266,424,000</b>	<b>769,382,459</b>
Other long-term receivables	216		3,266,424,000	769,382,459
<b>Fixed assets</b>	<b>220</b>		<b>54,846,391,283,555</b>	<b>56,869,179,072,117</b>
Tangible fixed assets	221	9	54,775,880,233,262	56,804,027,238,108
Cost	222		109,802,297,628,223	109,272,068,630,148
Accumulated depreciation	223		(55,026,417,394,961)	(52,468,041,392,040)
Intangible fixed assets	227	10	70,511,050,293	65,151,834,009
Cost	228		91,291,905,985	83,265,837,897
Accumulated amortisation	229		(20,780,855,692)	(18,114,003,888)
<b>Long-term work in progress</b>	<b>240</b>		<b>2,487,272,804,641</b>	<b>3,788,284,168,769</b>
Construction in progress	242	11	2,487,272,804,641	3,788,284,168,769
<b>Long-term financial investments</b>	<b>250</b>	<b>5(b)</b>	<b>1,920,296,631,638</b>	<b>1,830,593,857,582</b>
Investments in associates	252		1,386,942,714,130	1,341,623,914,594
Equity investments in other entities	253		536,837,181,388	518,884,589,388
Allowance for diminution in the value of long-term financial investments	254		(3,483,263,880)	(29,914,646,400)
<b>Other long-term assets</b>	<b>260</b>		<b>374,688,545,094</b>	<b>99,814,787,692</b>
Long-term prepaid expenses	261		125,781,428,946	35,959,944,300
Deferred tax assets	262		-	13,879,964,174
Long-term tools, supplies and spare parts	263		248,907,116,148	49,974,879,218
<b>TOTAL ASSETS (270 = 100 + 200)</b>	<b>270</b>		<b>79,572,266,465,364</b>	<b>81,385,202,141,479</b>

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

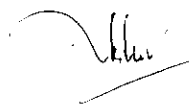
**Power Generation Corporation 3 and its subsidiaries**  
**Consolidated balance sheet as at 30 September 2018 (continued)**

**Form B 01 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

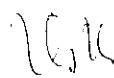
	Code	Note	30/9/2018 VND	1/1/2018 VND
<b>RESOURCES</b>				
<b>LIABILITIES (300 = 310 + 330)</b>	<b>300</b>		<b>69,766,387,795,991</b>	<b>71,594,803,624,885</b>
<b>Current liabilities</b>	<b>310</b>		<b>14,472,033,007,045</b>	<b>12,903,427,315,812</b>
Accounts payable to suppliers	311	12	4,865,692,098,314	6,131,548,072,263
Advances from customers	312		915,000,000	34,400,000
Taxes payable to State Treasury	313	13(a)	151,253,443,821	221,091,187,157
Payables to employees	314		135,135,259,912	279,657,435,291
Accrued expenses	315		201,614,469,108	101,897,917,392
Unearned revenue	318		15,952,466,021	15,890,415,131
Other payables	319	14	3,309,049,365,611	988,305,741,258
Short-term borrowings	320	15(a)	5,426,787,609,848	4,804,801,993,294
Provisions – short-term	321		98,377,185,447	70,242,320,871
Bonus and welfare funds	322		267,256,108,963	289,957,833,155
<b>Long-term liabilities</b>	<b>330</b>		<b>55,294,354,788,946</b>	<b>58,691,376,309,073</b>
Long-term unearned revenue	336		382,744,919,575	394,113,580,552
Long-term borrowings	338	15(b)	54,911,609,869,371	58,297,262,728,521
<b>EQUITY (400 = 410)</b>	<b>400</b>		<b>9,805,878,669,373</b>	<b>9,790,398,516,594</b>
<b>Owners' equity</b>	<b>410</b>	<b>16</b>	<b>9,805,878,669,373</b>	<b>9,790,398,516,594</b>
Contributed capital	411	17	10,478,234,644,194	10,561,944,694,725
Capital surplus	412		6,014,917,945	6,014,917,945
Other capital	414		18,387,593,875	16,273,236,198
Foreign exchange differences	417	19	(2,378,304,250,451)	(2,449,196,948,778)
Investment and development fund	418		362,518,284,511	291,205,621,444
Other equity funds	420		15,939,926,044	15,939,926,044
Retained profits	421		853,491,634,889	881,358,003,376
Capital expenditure fund	422		110,593,427,602	114,101,515,647
Non-controlling interest	429		339,002,490,764	352,757,549,993
<b>TOTAL RESOURCES</b> <b>(440 = 300 + 400)</b>	<b>440</b>		<b>79,572,266,465,364</b>	<b>81,385,202,141,479</b>

23 November 2018

Prepared by:

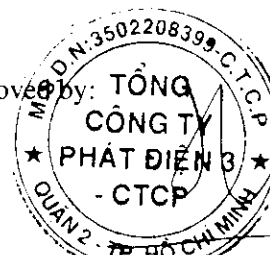


Tran Nguyen Khanh Linh  
Preparer



Vu Phuong Thao  
Head of Finance - Accounting Department

Approved by:



Nguyen Thi Thanh Huong  
Deputy General Director

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

**Power Generation Corporation 3 and its subsidiaries**  
**Consolidated statement of income for the period from 1 January 2018 to 30 September 2018**

**Form B 02 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	Period from 1/1/2018 to 30/9/2018 VND	Year ended 31/12/2017 VND
<b>Revenue from sales of goods and provision of services</b>	<b>01</b>	<b>21</b>	<b>29,290,517,937,087</b>	<b>37,907,111,180,748</b>
<b>Cost of sales</b>	<b>11</b>	<b>22</b>	<b>25,595,196,345,512</b>	<b>33,601,837,052,658</b>
<b>Gross profit (20 = 10 - 11)</b>	<b>20</b>		<b>3,695,321,591,575</b>	<b>4,305,274,128,090</b>
Financial income	21	23	212,041,178,436	206,588,923,828
Financial expenses	22	24	3,407,794,806,802	3,834,288,001,980
<i>In which: Interest expense</i>		23	<i>2,034,789,676,172</i>	<i>2,639,770,574,279</i>
Share of profit in associates	24	5(b)	171,991,642,283	175,913,775,282
Selling expenses	25		101,858,195	95,852,322
General and administration expenses	26	25	349,362,542,049	437,013,416,528
<b>Net operating profit {30 = 20 + (21 - 22) + 24 - (25 + 26)}</b>	<b>30</b>		<b>322,095,205,248</b>	<b>416,379,556,370</b>
Other income	31		118,036,690,003	87,553,020,039
Other expenses	32		121,032,826,971	35,061,985,866
<b>Results of other activities (40 = 31 - 32)</b>	<b>40</b>		<b>(2,996,136,968)</b>	<b>52,491,034,173</b>
<b>Accounting profit before tax (50 = 30 + 40)</b>	<b>50</b>		<b>319,099,068,280</b>	<b>468,870,590,543</b>
<b>Income tax expense – current</b>	<b>51</b>	<b>27</b>	<b>17,118,748,352</b>	<b>153,329,336,737</b>
<b>Income tax expense – deferred</b>	<b>52</b>	<b>27</b>	<b>13,879,964,174</b>	<b>(1,157,089,417)</b>
<b>Net profit after tax (60 = 50 - 51 - 52) (carried forward)</b>	<b>60</b>		<b>288,100,355,754</b>	<b>316,698,343,223</b>

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

**Power Generation Corporation 3 and its subsidiaries**  
**Consolidated statement of income for the period from 1 January 2018 to 30 September**  
**2018 (continued)**

**Form B 02 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	Period from 1/1/2018 to 30/9/2018 VND	Year ended 31/12/2017 VND
<b>Net profit after tax</b> <b>(60 = 50 - 51 - 52) (brought forward)</b>		<b>60</b>	<b>288,100,355,754</b>	<b>316,698,343,223</b>
<b>Attributable to:</b>				
Equity holders of the Company		61	268,052,205,804	280,726,839,785
Non-controlling interest		62	20,048,149,950	35,971,503,438

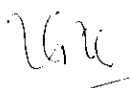
23 November 2018

Prepared by:

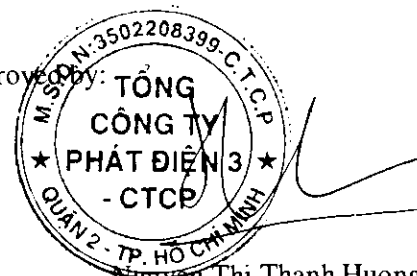


Tran Nguyen Khanh Linh  
Preparer

Approved by:



Vu Phuong Thao  
Head of Finance - Accounting Department



Nguyễn Thị Thanh Hương  
Deputy General Director

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

**Power Generation Corporation 3 and its subsidiaries**  
**Consolidated statement of cash flows for the period from 1 January 2018 to 30**  
**September 2018 (Indirect method)**

**Form B 03 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	Period from 1/1/2018 to 30/9/2018 VND	Year ended 31/12/2017 VND
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Profit before tax</b>	<b>01</b>		<b>319,099,068,280</b>	<b>468,870,590,543</b>
<b>Adjustments for</b>				
Depreciation and amortisation	02		3,356,698,313,593	5,030,141,824,339
Allowances and provisions	03		24,552,997	(5,152,634,045)
Exchange losses arising from revaluation of monetary items denominated in foreign currencies	04		1,364,217,313,504	1,175,579,797,120
Gains from investing activities	05		(162,285,480,302)	(177,139,787,366)
Share of profit in associates	05		(171,991,642,283)	(175,913,775,282)
Interest expense	06		2,034,789,676,172	2,639,770,574,279
<b>Operating profit before changes in working capital</b>	<b>08</b>		<b>6,740,551,801,961</b>	<b>8,956,156,589,588</b>
Change in receivables	09		(4,944,752,098,861)	(35,664,843,404)
Change in inventories	10		(88,135,008,047)	(89,653,497,443)
Change in payables and other liabilities	11		(718,795,778,038)	549,465,516,145
Change in prepaid expenses	12		(37,798,984,291)	13,774,052,038
			<b>951,069,932,724</b>	<b>9,394,077,816,924</b>
Interest paid	14		(350,920,496,929)	(2,589,663,456,503)
Income tax paid	15		(116,361,233,485)	(32,191,653,983)
Other payments for operating activities	17		(198,731,283,756)	(52,440,798,852)
<b>Net cash flows from operating activities</b>	<b>20</b>		<b>285,056,918,554</b>	<b>6,719,781,907,586</b>

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

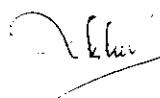
**Power Generation Corporation 3 and its subsidiaries**  
**Consolidated statement of cash flows for the period from 1 January 2018 to 30**  
**September 2018 (Indirect method – continued)**

**Form B 03 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

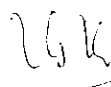
	Code	Note	Period from 1/1/2018 to 30/9/2018 VND	Year ended 31/12/2017 VND
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for additions to fixed assets and other long-term assets	21		(681,451,327,760)	(1,448,562,313,542)
Proceeds from disposals of fixed assets	22		210,454,546	229,694,400
Payments for term deposits	23		(1,413,320,000,000)	(1,651,000,000,000)
Receipts from term deposits	24		1,752,000,000,000	930,500,000,000
Transfer subsidiary to Vietnam Electricity	26		(35,558,568,910)	-
Receipts of interests and dividends	27		276,432,690,392	241,432,074,441
<b>Net cash flows from investing activities</b>	<b>30</b>		<b>(101,686,751,732)</b>	<b>(1,927,400,544,701)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from borrowings	33		280,143,160,920	1,491,344,526,277
Payments to settle loan principals	34		(822,669,910,851)	(3,431,990,191,780)
Payments of dividends	36		(16,068,819,328)	(20,786,335,160)
<b>Net cash flows from financing activities</b>	<b>40</b>		<b>(558,595,569,259)</b>	<b>(1,961,432,000,663)</b>
<b>Net cash flows during the period/year (50 = 20 + 30 + 40)</b>	<b>50</b>		<b>(375,225,402,437)</b>	<b>2,830,949,362,222</b>
<b>Cash and cash equivalents at the beginning of the period/year</b>	<b>60</b>		<b>4,889,503,224,142</b>	<b>2,058,553,861,920</b>
<b>Cash and cash equivalents at the end of the period/year (70 = 50 + 60)</b>	<b>70</b>	<b>4</b>	<b>4,514,277,821,705</b>	<b>4,889,503,224,142</b>

23 November 2018

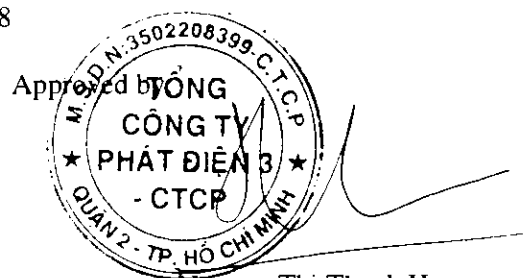
Prepared by:



Tran Nguyen Khanh Linh  
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Deputy General Director

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

**Power Generation Corporation 3 and its subsidiaries**  
**Notes to the consolidated financial statements for the period from 1 January 2018 to 30 September 2018**

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)*

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

**1. Reporting entity**

**(a) Ownership structure**

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

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

The Corporation’s Business registration No 3502208399 which was issued by the Department of Planning and Investment of Ba Ria - Vung Tau Province on 26 November 2012 and the fifth amendment of the Business registration was on 27 September 2018. Accordingly, the Corporation officially converted the form of enterprise into a joint stock company was on 1 October 2018.

**(b) Principal activities**

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

**(c) Normal operating cycle**

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

**(d) Group structure**

As at 30 September 2018, the Corporation had 2 subsidiaries (1/1/2018: 3 subsidiaries).

**Power Generation Corporation 3 and its subsidiaries**  
**Notes to the consolidated financial statements for the period from 1 January 2018 to 30 September 2018 (continued)**

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

The organizational structure of the Corporation includes:

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

The subsidiaries are as follows:

Subsidiaries	Principal activities	% of equity owned and voting rights	
		30/9/2018	1/1/2018
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%
Thu Duc Thermal Power One-member Limited Company	Produce electricity, produce, distribute steam, hot water, air-conditioner, repair and trade electrical equipment and other related services.	(*)	100.00%

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

As at 30 September 2018, the Group had 3,372 employees (1/1/2018: 3,491 employees).

## 2. Basis of preparation

### (a) Statement of compliance

The consolidated financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting.



**Power Generation Corporation 3 and its subsidiaries**  
**Notes to the consolidated financial statements for the period from 1 January 2018 to 30 September 2018 (continued)**

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

**(b) Basis of measurement**

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

**(c) Annual accounting period**

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

**(d) Accounting and presentation currency**

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

**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.

**Power Generation Corporation 3 and its subsidiaries**  
**Notes to the consolidated financial statements for the period from 1 January 2018 to 30 September 2018 (continued)**

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

**(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 recognized 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 or joint control 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.

**(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.

**Power Generation Corporation 3 and its subsidiaries**  
**Notes to the consolidated financial statements for the period from 1 January 2018 to 30 September 2018 (continued)**

**Form B 09 – DN/HN**

*(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

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 revalue monetary items denominated in foreign currencies at the end of the period (“Official Letter 1779”) and Official Letter No. 3195/GENCO3-TC-KT dated 11 September 2018 of Power Generation Corporation 3 on guiding the preparation of financial statements upon transforming to joint stock company (“Official Letter 3195”).

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

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

**(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”) for foreign exchange differences from revaluation of the balances of monetary items denominated in foreign currencies. Under the guidance of Official Letter 5344 and Official Letter 122, foreign exchange losses due to revaluation of the closing balances of long-term monetary liabilities denominated in foreign currencies as at 31 December 2016 are recorded in the “Foreign exchange differences” in “Equity”, rather than in “Financial expenses”, and will be allocated to expenses in 2016 at an amount that is at least equal to the exchange rate differences of liabilities due in 2017 so as to ensure that business result is not negative, the remaining differences will be monitored and allocated within 5 years.

**Power Generation Corporation 3 and its subsidiaries**  
**Notes to the consolidated financial statements for the period from 1 January 2018 to 30 September 2018 (continued)**

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC  
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If the Corporation recognised foreign exchange differences consistently with Circular 200 over the years, the Corporation's financial expenses and profit before tax for the period from 1 January 2018 to 30 September 2018 would decrease and increase by VND979,679,014,804 respectively (for the year ended 31 December 2017: decrease and increase by VND514,677,440,921 respectively), "Foreign exchange differences" in "Equity" and "Retained profits" in the consolidated balance sheet as at 30 September 2018 (under the assumption that no taxation impact is applicable, if any), would increase and decrease by VND371,028,960,470 respectively (1/1/2018: increase and decrease by VND1,350,707,975,274 respectively).

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

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 to joint stock company, the equitized enterprises shall revalue in accordance with regulations and not record to statement of income, instead such foreign exchange differences shall be transferred to joint stock companies (after transformation of State owned enterprises) for monitoring and accounting for in accordance with regulations.

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

**(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.

**Power Generation Corporation 3 and its subsidiaries**  
**Notes to the consolidated financial statements for the period from 1 January 2018 to 30 September 2018 (continued)**

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

**(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.

**(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 investment cost if all construction costs are collected, by the approved budget or by value of the equivalent assets. Expenditure incurred after tangible fixed assets have been put into operation, such as repair, maintenance and overhaul cost, is charged to the statement of income in the year in which the cost is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of tangible fixed assets beyond their originally assessed standard of performance, the expenditure is capitalised as an additional cost of tangible fixed assets.

**Power Generation Corporation 3 and its subsidiaries**  
**Notes to the consolidated financial statements for the period from 1 January 2018 to 30 September 2018 (continued)**

**Form B 09 – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

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

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

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

**(ii) Software**

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

**(iii) Technology transfer rights**

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

**(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.

**Power Generation Corporation 3 and its subsidiaries**  
**Notes to the consolidated financial statements for the period from 1 January 2018 to 30 September 2018 (continued)**

**Form B 09 – DN/HN**  
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**(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) Contributed capital**

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

**(n) Taxation**

Income tax on the profit or loss for the period/year 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/year, 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.

**Power Generation Corporation 3 and its subsidiaries**  
**Notes to the consolidated financial statements for the period from 1 January 2018 to 30 September 2018 (continued)**

**Form B 09 – DN/HN**  
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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 at the balance sheet date. The percentage of completion is assessed by reference to surveys of work performed. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due.

**(iii) Rental income**

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

**(iv) Interest income**

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

**(v) Dividend income**

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

**(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 separate statement of income as an integral part of the total lease expense.



**Power Generation Corporation 3 and its subsidiaries**  
**Notes to the consolidated financial statements for the period from 1 January 2018 to 30 September 2018 (continued)**

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**(g) 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.

**4. Cash and cash equivalents**

	<b>30/9/2018</b>	<b>1/1/2018</b>
	<b>VND</b>	<b>VND</b>
Cash on hand	3,419,926,822	2,142,279,718
Cash in banks	3,394,774,059,267	2,993,860,944,424
Cash equivalents	1,116,083,835,616	1,893,500,000,000
	<hr/>	<hr/>
	4,514,277,821,705	4,889,503,224,142
	<hr/>	<hr/>

Cash equivalents represented terms deposits with maturity ranging from one month to three months at banks and other credit institutions earning interest at rates ranging between 4.0% - 5.4% per annum (2017: 4.3% - 5.5% per annum).

**5. Investments**

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

	<b>30/9/2018</b>	<b>1/1/2018</b>
	<b>VND</b>	<b>VND</b>
EVN Finance Joint Stock Company, a related party	200,000,000,000	490,000,000,000
Term deposits at banks	1,213,320,000,000	1,281,000,000,000
	<hr/>	<hr/>
	1,413,320,000,000	1,771,000,000,000
	<hr/>	<hr/>

Held-to-maturity investments represented term deposits with maturity from more than 3 months to 12 months at rates ranging between 4.8% - 7.2% per annum (2017: from 5.3% - 7.1% per annum).

**Power Generation Corporation 3 and its subsidiaries**  
**Notes to the consolidated financial statements for the period from 1 January 2018 to 30 September 2018 (continued)**

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*dated 22 December 2014 of the Ministry of Finance)*

	30/9/2018			1/1/2018				
	% of equity owned	Carrying amount VND	Fair value VND	Allowance VND	% of equity owned	Carrying amount VND	Fair value VND	Allowance VND
<b>Investments in associates</b>								
▪ Thac Ba Hydropower JSC	(i) 30.00%	292,543,554,840	466,725,000,000	-	30.00%	271,553,053,099	457,200,000,000	-
▪ Vinh Son - Song Chinh Hydropower JSC	(ii) 30.55%	919,964,444,421	1,109,098,284,800	-	30.60%	898,907,128,098	1,083,891,505,600	-
▪ Se San 3A Power Investment and Development JSC	(iii) 30.00%	174,434,714,869	(*)	-	30.00%	171,163,733,397	(*)	-
		<u>1,386,942,714,130</u>		<u>-</u>		<u>1,341,623,914,594</u>		<u>-</u>

**Power Generation Corporation 3 and its subsidiaries**  
**Notes to the consolidated financial statements for the period from 1 January 2018 to 30 September 2018 (continued)**

**Form B 09 – DN/HN**  
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	30/9/2018				1/1/2018			
	% of equity owned	Carrying amount VND	Fair value VND	Allowance VND	% of equity owned	Carrying amount VND	Fair value VND	Allowance VND
<b>Investments in other entities</b>								
▪ Petro Vietnam Power Nhon Trach 2 JSC	2.50%	83,022,592,000	187,662,592,000	-	2.50%	64,000,000,000	238,584,320,000	-
▪ GE PMTP Power Service Limited Liability Company Viet - Lao Power JSC	15.00%	74,463,661,588	(*)	-	15.00%	74,463,661,588	(*)	-
▪ Quang Ninh Thermal Power JSC	0.60%	19,600,000,000	(*)	-	0.60%	19,600,000,000	(*)	-
▪ Hai Phong Thermal Power JSC	1.80%	114,770,927,800	113,417,663,920	1,353,263,880	1.80%	114,770,927,800	84,856,281,400	29,914,646,400
▪ Buon Don Hydro Power JSC	1.60%	108,730,000,000	106,600,000,000	2,130,000,000	1.60%	108,730,000,000	123,300,000,000	-
▪ Phu Thanh My JSC	19.89%	83,750,000,000	(*)	-	19.89%	83,750,000,000	(*)	-
▪ Northern Thermal Power Repairing Service JSC	12.10%	50,000,000,000	(*)	-	12.10%	50,000,000,000	(*)	-
▪ Pha Lai Thermal Power JSC	2.70%	2,500,000,000	(*)	-	2.70%	2,500,000,000	(*)	-
	-	-	-	-	0.03%	1,070,000,000	2,434,250,000	-
		536,837,181,388	(*)	3,483,263,880		518,884,589,388	(*)	29,914,646,400

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- (\*) 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.
- (i) Thac Ba Hydropower JSC was established under Business Registration Certificate No. 1603000069 dated 31 March 2006 issued by the Department of Planning and Investment of Yen Bai Province. The principal activities of Thac Ba Hydropower JSC are to produce and trade electricity.
- (ii) 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 4 May 2005, the Plant was officially converted to Vinh Son – Song Hinh Hydropower JSC under Business Registration Certificate No. 3503000058 dated 4 May 2005 issued by the Department of Planning and Investment of Binh Dinh Province. The principal activities of Vinh Son – Song Hinh Hydropower JSC are to produce and trade electricity.
- (iii) Se San 3A Power Investment and Development JSC officially went into operation on 1 November 2003 under Official Letter No. 1391/CP-CN dated 10 October 2003 of the Prime Minister. The principal activities of Se San 3A Power Investment and Development JSC are to construct civil works, invest and construct hydropower projects and industrial construction.
- (iv) Quang Ninh Thermal Power JSC and Hai Phong Thermal Power JSC are registered to trade in Unlisted Public Company Market (UPCoM) since 16 March 2017 and 5 October 2016 respectively. Therefore, provisions for long-term investment to them are based on listed prices. Before listing, their provisions are made when loss incur, except when such loss is in the Group Company's expectation.

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

	<b>30/9/2018</b>	<b>1/1/2018</b>
	<b>VND</b>	<b>VND</b>
Total assets	9,659,291,024,750	8,678,953,518,987
Total liabilities	5,216,546,471,960	4,372,130,740,683
Net assets	4,442,744,552,790	4,306,822,778,304
Share of net assets in associates	1,386,942,714,130	1,341,623,914,594
	<b>Period</b>	<b>Year ended</b>
	<b>from 1/1/2018</b>	<b>31/12/2017</b>
	<b>to 30/9/2018</b>	<b>31/12/2017</b>
	<b>VND</b>	<b>VND</b>
Revenue	1,072,609,347,269	1,214,620,759,101
Net profit after tax	568,194,635,486	580,700,220,247
Share of profit in associates	171,991,642,283	175,913,775,282

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

	<b>Period from 1/1/2018 to 30/9/2018 VND</b>	<b>Year ended 31/12/2017 VND</b>
Opening balance	1,341,623,914,594	1,287,523,689,312
Share of profit in associates	171,991,642,283	175,913,775,282
Dividends	(125,581,948,000)	(121,813,550,000)
Transfer to Vietnam Electricity	(1,090,894,747)	-
Closing balance	1,386,942,714,130	1,341,623,914,594

Movements in allowance for diminution in the value of long-term financial investments during the period/year were as follows:

	<b>Period from 1/1/2018 to 30/9/2018 VND</b>	<b>Year ended 31/12/2017 VND</b>
Opening balance	29,914,646,400	42,716,257,907
Allowance reversed	(26,431,382,520)	(12,801,611,507)
Closing balance	3,483,263,880	29,914,646,400

**6. Accounts receivable from customers**

	<b>30/9/2018 VND</b>	<b>1/1/2018 VND</b>
<b>Related parties</b>		
Trading Electricity Company	10,059,088,650,826	8,462,852,528,470
Thai Binh Thermal Power Plant (an entity of Vietnam Electricity)	96,224,131,300	-
Vinh Tan 4 Power Plant (an entity of Vietnam Electricity)	13,705,661,200	9,171,757,100
Other related parties	833,772,937	2,746,860,739
<b>Third parties</b>		
Other customers	11,666,284,822	19,344,116,311
	10,181,518,501,085	8,494,115,262,620

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**7. Other short-term receivables**

	<b>30/9/2018</b> <b>VND</b>	<b>1/1/2018</b> <b>VND</b>
Vietnam Electricity	7,211,873,623	98,292,977,878
Vinh Tan 4 Power Plant and Vinh Tan 4 Expansion Project	218,741,729,220	-
Huynhai Vietnam Company Limited	752,190,546	185,242,610
Interest receivables on deposits	35,479,345,211	24,943,348,477
Dividends receivable	27,000,000,000	14,258,437,500
EVN Finance Joint Stock Company	5,395,890,411	2,722,222,222
Other receivables	65,448,072,877	142,225,324,911
	<hr/>	
	360,029,101,888	282,627,553,598
	<hr/>	

**8. Inventories**

	<b>30/9/2018</b>		<b>1/1/2018</b>	
	<b>Cost</b> <b>VND</b>	<b>Allowance</b> <b>VND</b>	<b>Cost</b> <b>VND</b>	<b>Allowance</b> <b>VND</b>
Goods in transit	11,731,955,901	-	163,688,001,391	-
Raw materials	3,005,434,447,525	(124,721,551)	2,839,114,070,812	(936,690,056)
Tools and supplies	74,745,868,685	-	53,101,657,256	-
Work in progress	15,510,725,998	-	25,153,916,771	-
Finish goods	668,130,236	-	250,014,426	-
	<hr/>			
	3,108,091,128,345	(124,721,551)	3,081,307,660,656	(936,690,056)
	<hr/>			

Allowance for inventories represented the allowance for raw materials and had movements during the period/year as follows:

	<b>Period</b> <b>from 1/1/2018</b> <b>to 30/9/2018</b> <b>VND</b>	<b>Year ended</b> <b>31/12/2017</b> <b>VND</b>
Opening balance	936,690,056	406,302,233
Addition	51,574,662	530,387,823
Allowance reversed during the period/year	(863,543,167)	-
	<hr/>	
Closing balance	124,721,551	936,690,056
	<hr/>	

Power Generation Corporation 3 and its subsidiaries

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9. Tangible fixed assets

	Buildings and structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Others VND	Total VND
<b>Cost</b>						
Opening balance	19,152,186,908,935	83,180,477,499,223	6,797,119,593,368	142,056,050,701	228,577,921	109,272,068,630,148
Additions	8,165,692,155	11,355,494,141	8,470,048,141	10,139,459,677	-	38,130,694,114
Transfer from construction in progress (note 11)	68,042,196,185	115,533,429,856	20,420,287,342	1,215,807,777	-	205,211,721,160
Adjustment according to finalisation (note 11)	(739,482,502,757)	2,027,124,927,810	(235,539,763,697)	-	-	1,052,102,661,356
Transfer to other related parties	-	-	(4,683,961,554)	(32,654,545)	-	(4,716,616,099)
Transfer subsidiary to Vietnam	(15,460,713,720)	(769,421,708,141)	(8,542,169,096)	(4,029,478,642)	(35,714,285)	(797,489,783,884)
Electricity (note 1(d))	-	(165,515,832)	(3,029,545,083)	(87,443,050)	-	(3,282,503,965)
Disposals	-	55,066,965,967	-	-	-	55,066,965,967
Other (deduction)/increase	(14,794,140,574)	-	-	-	-	(14,794,140,574)
Closing 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
<b>Accumulated depreciation</b>						
Opening balance	5,621,170,380,632	44,107,414,192,159	2,637,192,331,010	102,075,442,650	189,045,589	52,468,041,392,040
Charge for the period	380,337,983,865	2,700,113,378,476	262,812,791,429	10,760,954,596	6,353,423	3,354,031,461,789
Transfer to other related parties	-	-	(10,726,834)	-	-	(10,726,834)
Transfer subsidiary to Vietnam	(15,400,624,386)	(764,234,076,463)	(6,596,892,039)	(3,354,056,192)	(35,714,285)	(789,621,363,365)
Electricity (note 1(d))	-	(165,515,832)	(3,029,545,083)	(87,443,050)	-	(3,282,503,965)
Disposals	-	-	-	-	-	-
Other deduction	(2,740,864,704)	-	-	-	-	(2,740,864,704)
Closing 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
<b>Net book value</b>						
Opening balance	13,531,016,528,303	39,073,063,307,064	4,159,927,262,358	39,980,608,051	39,532,332	56,804,027,238,108
Closing 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

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Included in tangible fixed assets were assets costing VND29,282,360,445,770 which were fully depreciated as of 30 September 2018 (1/1/2018: VND26,135,642,244,347), but which are still in active use.

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

**10. Intangible fixed assets**

	<b>Land use rights VND</b>	<b>Software VND</b>	<b>Technology transfer rights VND</b>	<b>Others VND</b>	<b>Total VND</b>
<b>Cost</b>					
Opening balance	67,463,477,322	12,031,469,427	3,770,891,148	-	83,265,837,897
Additions	-	1,430,000,000	254,499,000	191,646,088	1,876,145,088
Transfer from construction in progress (note 11)	6,149,923,000	-	-	-	6,149,923,000
	<u>73,613,400,322</u>	<u>13,461,469,427</u>	<u>4,025,390,148</u>	<u>191,646,088</u>	<u>91,291,905,985</u>
<b>Accumulated amortisation</b>					
Opening balance	10,086,599,280	4,256,513,460	3,770,891,148	-	18,114,003,888
Charge for the period	1,814,307,931	830,103,586	18,471,702	3,968,585	2,666,851,804
Closing balance	<u>11,900,907,211</u>	<u>5,086,617,046</u>	<u>3,789,362,850</u>	<u>3,968,585</u>	<u>20,780,855,692</u>
<b>Net book value</b>					
Opening balance	57,376,878,042	7,774,955,967	-	-	65,151,834,009
Closing balance	<u>61,712,493,111</u>	<u>8,374,852,381</u>	<u>236,027,298</u>	<u>187,677,503</u>	<u>70,511,050,293</u>

Included in land use rights were land use rights with indefinite term costing VND8,015,608,652 were not amortised as of 30 September 2018 (1/1/2018: VND8,015,608,652).

Included in intangible fixed assets were assets costing VND8,266,584,853 which were fully amortised as of 30 September 2018 (1/1/2018: VND8,266,854,853), but which are still in use.



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**11. Construction in progress**

	<b>Period from 1/1/2018 to 30/9/2018 VND</b>	<b>Year ended 31/12/2017 VND</b>
Opening balance	3,788,284,168,769	3,414,930,012,417
Additions	343,862,237,668	1,299,858,698,895
Interest capitalised	15,396,266,976	12,197,470,951
Transfer to inventory	(225,438,924,313)	(564,959,929,281)
Transfer to tangible fixed assets (note 9)	(205,211,721,160)	(319,599,902,860)
Decrease due to finalisation (note 9)	(1,052,102,661,356)	-
Transfer to intangible fixed assets (note 10)	(6,149,923,000)	-
Transfer to prepaid expenses	(101,226,716,090)	-
Other deduction	(70,139,922,853)	(54,142,181,353)
	<hr/>	<hr/>
Closing balance	2,487,272,804,641	3,788,284,168,769
	<hr/>	<hr/>

Constructions in progress included the following construction projects:

	<b>30/9/2018 VND</b>	<b>1/1/2018 VND</b>
Mong Duong 1 Thermal Power Plant	1,221,947,927,450	1,546,836,406,303
Vinh Tan 2 Thermal Power Plant	162,729,518,607	711,263,163,190
Vinh Tan Power Center Infrastructure	660,160,223,232	897,011,032,903
Vinh Tan Coal Terminal	334,257,403,904	483,510,872,821
Other constructions	108,177,731,448	149,662,693,552
	<hr/>	<hr/>
	2,487,272,804,641	3,788,284,168,769
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**12. Accounts payable to suppliers**

	<b>30/9/2018</b>	<b>1/1/2018</b>
	<b>VND</b>	<b>VND</b>
<b>Related parties</b>		
Vietnam Electricity	42,071,791,336	362,080,222
Other related parties	9,538,028,849	8,488,557,510
<b>Third parties</b>		
Petrovietnam Gas South East Transmission Company	2,295,234,627,479	3,190,542,474,065
Shanghai Electric Group Company	1,486,382,804,864	1,525,447,889,495
Other suppliers	1,032,464,845,786	1,406,707,070,971
	<hr/>	<hr/>
	4,865,692,098,314	6,131,548,072,263
	<hr/>	<hr/>
Amount within payment capacity	4,865,692,098,314	6,131,548,072,263
	<hr/>	<hr/>

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**13. Taxes payable to and receivable from State Treasury**

**(a) Taxes payable to State Treasury**

	1/1/2018 VND	Incurred VND	Paid VND	Reclassified VND	Transfer to Vietnam Electricity (*) VND	30/9/2018 VND
Value added tax	47,512,377,284	779,102,169,308	(777,795,347,892)	(10,627,961,478)	(405,976,083)	37,785,261,139
Corporate income tax	102,098,988,924	17,124,303,898	(116,361,233,485)	1,783,118,788	(808,865,941)	3,836,312,184
Withholding tax	-	59,331,848,004	(53,826,682,451)	-	-	5,505,165,553
Import-export tax	-	15,839,556,738	(15,839,556,738)	-	-	-
Personal income tax	3,677,497,728	63,644,144,917	(62,275,274,888)	(1,690,203,134)	-	3,356,164,623
Natural resource taxes	37,331,683,827	256,109,123,566	(253,944,503,753)	79,438,427	(5,760)	39,575,736,307
Land and housing taxes, land rental	-	26,089,448,904	(11,896,921,926)	(49,625)	-	14,192,477,353
Duty and fees - fees for forest environmental services	30,470,639,394	116,131,957,307	(99,656,782,740)	56,512,701	-	47,002,326,662
Other taxes	-	16,130,955,306	(16,130,955,306)	-	-	-
	221,091,187,157	1,349,503,507,948	(1,407,727,259,179)	(10,399,144,321)	(1,214,847,784)	151,253,443,821

**(b) Taxes receivable from State Treasury**

	1/1/2018 VND	Incurred VND	Received VND	Reclassified VND	Transfer to Vietnam Electricity (*) VND	30/9/2018 VND
Value added tax	10,627,961,478	-	-	(10,627,961,478)	-	-
Corporate income tax	140,450,000	-	-	1,783,118,788	-	1,923,568,788
Personal income tax	2,779,090,965	-	-	(1,690,203,134)	(151,603,491)	937,284,340
Natural resource taxes	-	-	-	79,438,427	-	79,438,427
Land and housing taxes, land rental	49,625	-	-	(49,625)	-	-
Duty and fees - fees for forest environmental services	-	-	-	56,512,701	-	56,512,701
	13,547,552,068	-	-	(10,399,144,321)	(151,603,491)	2,996,804,256

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**14. Other payables**

	<b>30/9/2018</b>	<b>1/1/2018</b>
	<b>VND</b>	<b>VND</b>
<b>Related parties</b>		
Vietnam Electricity (*)	2,869,858,506,510	692,641,114,110
Other related parties	44,304,863,693	-
<b>Third parties</b>		
Estimated value added tax	146,215,216,225	180,234,266,182
Payable from sale of shares	98,349,816,694	-
Professional fees	66,789,916,722	50,122,891,107
Other payables	83,531,045,767	65,307,469,859
	<b>3,309,049,365,611</b>	<b>988,305,741,258</b>

(\*) Detail of other payable to Vietnam Electricity

	<b>30/9/2018</b>	<b>1/1/2018</b>
	<b>VND</b>	<b>VND</b>
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	519,881,469,214	672,519,931,249
Profits transferred to EVN	74,444,898,826	-
Others	-	20,121,182,861
	<b>2,869,858,506,510</b>	<b>692,641,114,110</b>

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**15. Borrowings**

**(a) Short-term borrowing**

	1/1/2018 VND	Movements		Foreign exchange difference VND	30/9/2018 VND
		Increase VND	Decrease VND		
Short-term borrowings	-	211,000,000,000	(211,000,000,000)	-	-
Current portion of long-term borrowings	4,804,801,993,294	4,801,223,921,318	(4,187,664,166,162)	8,425,861,398	5,426,787,609,848
	4,804,801,993,294	5,012,223,921,318	(4,398,664,166,162)	8,425,861,398	5,426,787,609,848
Amount within payment capacity	4,804,801,993,294				5,426,787,609,848

**(b) Long-term borrowings**

	1/1/2018 VND	Movements		Foreign exchange difference VND	30/9/2018 VND
		Increase VND	Decrease VND		
Long-term borrowings	58,297,262,728,521	69,143,160,920	(4,801,223,921,318)	1,346,427,901,248	54,911,609,869,371

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

	Year of Currency Maturity	30/9/2018 VND	1/1/2018 VND
<b>Borrowing from organisations</b>			
<i>Mong Duong 1 Thermal Power Project</i>			
Lien Viet Post Joint Stock Commercial Bank – Thang Long Branch	VND 2025	103,604,510,566	119,480,387,242
Vietnam Electricity	VND 2018	-	97,395,223,254
<i>Vinh Tan 2 Thermal Power Project</i>			
Vietnam Development Bank – Transaction Center I	VND 2024	2,068,000,000,000	2,350,000,000,000
Joint Stock Commercial Bank for Foreign Trade of Vietnam	VND 2025	1,572,868,821,888	1,741,390,481,376
<i>Buon Kuop Hydropower Project</i>			
Saigon - Hanoi Commercial Joint Stock Bank – Ha Noi Branch	VND 2025	260,000,000,000	290,000,000,000
Vietnam Electricity	VND 2018	-	178,000,000,000
Military Commercial Joint Stock Bank - Tran Duy Hung Branch	VND 2021	78,777,118,612	102,393,118,612
Vietnam Bank for Agriculture and Rural Development (*)	VND 2019	92,068,364,311	184,132,364,311
<i>Buon Tua Srah Hydropower Project</i>			
Vietnam Electricity	VND 2018	-	338,000,000,000
<i>Srepok 3 Hydropower Project</i>			
Vietnam Electricity	VND 2018	-	202,000,000,000
Joint Stock Commercial Bank for Foreign Trade of Vietnam	VND 2019	221,369,062,761	-
<i>Vinh Tan Power Center Infrastructure Project</i>			
Saigon - Hanoi Commercial Joint Stock Bank – Ha Noi South West Branch	VND 2026	233,945,112,081	164,801,951,161
		4,630,632,990,219	5,767,593,525,956

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	Currency	Year of Maturity	30/9/2018 VND	1/1/2018 VND
<b>Re-borrowings from Vietnam Electricity</b>				
<i>Mong Duong 1 Thermal Power Project</i>				
Asian Development Bank	USD	2032	454,606,455,267	449,463,107,334
Asian Development Bank	USD	2034	19,554,327,054,073	19,249,288,966,287
Export-Import Bank of Korea	USD	2028	9,048,109,711,516	9,728,811,701,938
<i>Vinh Tan 2 Thermal Power Project</i>				
Export-Import Bank of China	USD	2027	6,309,685,393,524	6,820,268,027,292
Export-Import Bank of China	CNY	2027	1,685,494,354,842	1,948,880,435,441
Export-Import Bank of China	USD	2028	13,248,226,816,493	12,888,251,462,258
<i>Buon Kuop Hydropower Project</i>				
Japan Bank for International Cooperation	JPY	2026	87,125,866,733	96,072,108,793
Japan Bank for International Cooperation	JPY	2028	65,593,261,265	71,059,575,068
<i>Buon Tua Srah Hydropower Project</i>				
Export-Import Bank of China	USD	2020	73,852,025,199	107,768,022,992
Asia Commercial Joint Stock Bank	VND	2019	55,790,241,320	83,590,802,249
<i>Srepok 3 Hydropower Project</i>				
Credit Agricole Corporate and Investment Bank	USD	2020	196,199,073,599	229,041,639,962
Joint Stock Commercial Bank for Foreign Trade of Vietnam	VND	2019	-	332,053,575,761
<i>Phu My Thermal Power Project</i>				
Japan Bank for International Cooperation	JPY	2028	4,413,366,437,868	4,781,161,023,365
<i>Steam tail 306-2 Ba Ria Power Plant</i>				
Vietnam Development Bank - Ba Ria – Vung Tau	KRW	2028	515,387,797,301	548,760,747,119
			55,707,764,489,000	57,334,471,195,859
			60,338,397,479,219	63,102,064,721,815
In which, repayable within 12 months			5,426,787,609,848	4,804,801,993,294

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

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

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

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

Effective interest rate of borrowings dominated in KRW is fixed at 2.40% during the period per annum 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 VND1,887 billion as at 30 September 2018 (1/1/2018: VND1,963 billion).

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



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**16. 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 2017	10,561,944,694,725	6,014,917,945	16,273,236,198	(3,374,214,327,146)	218,278,897,602	15,939,926,044	825,628,673,005	114,101,515,647	344,561,911,953	8,728,529,445,973
Appropriation to investment and development fund	-	-	-	-	73,425,935,578	-	(73,425,935,578)	-	-	-
Appropriation to bonus and welfare funds	-	-	-	-	-	-	(151,571,573,836)	-	(6,683,732,398)	(158,255,306,234)
Profit for the year	-	-	-	-	-	-	280,726,839,785	-	35,971,503,438	316,698,343,223
Exchange differences during the year	-	-	-	925,017,378,368	-	-	-	-	-	925,017,378,368
Dividends	-	-	-	-	-	-	-	-	(21,092,133,000)	(21,092,133,000)
Other deduction	-	-	-	-	(499,211,736)	-	-	-	-	(499,211,736)
<b>Balance at 31 December 2017</b>	<b>10,561,944,694,725</b>	<b>6,014,917,945</b>	<b>16,273,236,198</b>	<b>(2,449,196,948,778)</b>	<b>291,205,621,444</b>	<b>15,939,926,044</b>	<b>881,358,003,376</b>	<b>114,101,515,647</b>	<b>352,757,549,993</b>	<b>9,790,398,516,594</b>

**Power Generation Corporation 3 and its subsidiaries**

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	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
<b>Balance at 1 January 2018</b>	10,561,944,694,725	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 during the period	-	-	-	70,892,698,327	-	-	-	-	-	70,892,698,327
Dividend	-	-	-	-	-	-	-	-	(27,030,565,184)	(27,030,565,184)
<b>Balance at 30 September 2018</b>	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 to Vietnam Electricity from 1 January 2018 (Note 1(d)).

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**17. Contributed capital**

Movements in contributed capital during the period were as follows:

	<b>Period from 1/1/2018 to 30/9/2018 VND</b>	<b>Year ended 31/12/2017 VND</b>
Balance at beginning of the period/year	10,561,944,694,725	10,561,944,694,725
Transfer to Vietnam Electricity	(3,327,218,134)	-
Transfer of Thu Duc Thermal Power Limited Company	(94,925,424,397)	-
Other increase	14,542,592,000	-
	<hr/>	
Balance at end of the period/year	10,478,234,644,194	10,561,944,694,725

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

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

**18. Profit distribution**

The Group distribute remaining profits after appropriation under the provisions of Article 31 Decree No. 91/2015/ND-CP dated 13 October 2015 of the Government and Financial Management Standards for corporation enterprise.

**Power Generation Corporation 3 and its subsidiaries**  
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**19. Foreign exchange differences**

	1/1/2018 VND	Incurred VND	Allocated to expenses VND	30/9/2018 VND
Foreign exchange differences incurred in the period of construction (i)	1,098,488,973,504	-	(492,968,936,511)	605,520,036,993
Foreign exchange differences due to revaluation of the balances of long-term monetary liabilities in foreign currencies (ii)	1,350,707,975,274	(108,430,637,811)	(871,248,376,993)	371,028,960,470
Foreign exchange differences due to revaluation of the balances of monetary items denominated in foreign currencies upon transforming to joint stock company (iii)	-	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
	1/1/2017 VND	Incurred VND	Allocated to expenses VND	31/12/2017 VND
Foreign exchange differences incurred in the period of construction (i)	1,508,828,910,951	6,869,803,197	(417,209,740,644)	1,098,488,973,504
Foreign exchange differences due to revaluation of the balances of long-term monetary liabilities in foreign currencies (ii)	1,865,385,416,195	-	(514,677,440,921)	1,350,707,975,274
	3,374,214,327,146	6,869,803,197	(931,887,181,565)	2,449,196,948,778

- (i) Foreign exchange differences incurred in the period of construction of power projects included in the National Electricity Development Plan (Note 3(b)(ii)).
- (ii) Foreign exchange differences due to revaluation of the balances of long-term monetary liabilities in foreign currencies (Note 3(b)(iii)).
- (iii) Foreign exchange differences due to revaluation of the balances of monetary items denominated in foreign currencies upon transforming to joint stock company (Note 3(b)(iv)).

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**20. Off balance sheet items**

**(a) Lease**

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

	<b>30/9/2018</b>	<b>1/1/2018</b>
	<b>VND</b>	<b>VND</b>
Within one year	11,366,097,978	10,597,532,991
Within two to five years	45,430,549,049	45,465,429,463
More than five years	286,932,636,646	292,575,977,240
	<hr/>	<hr/>
	343,729,283,673	348,638,939,694
	<hr/>	<hr/>

**(b) Foreign currency**

	<b>30/9/2018</b>		<b>1/1/2018</b>	
	<b>Original currency</b>	<b>VND equivalent</b>	<b>Original currency</b>	<b>VND equivalent</b>
United States Dollars	28,343.47	660,123,168	66,049.67	1,496,632,698
		<hr/>		<hr/>

**(c) Investment commitments**

As at 30 September 2018, in accordance with the approved construction plan, the Group will invest VND886,571 million to build power plants and other works (1/1/2018: VND1,251,447 million).

**Power Generation Corporation 3 and its subsidiaries**  
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**21. Revenue from sales of goods and provision of services**

	<b>Period from 1/1/2018 to 30/9/2018 VND</b>	<b>Year ended 31/12/2017 VND</b>
Sales of electricity	28,973,756,731,882	37,646,560,437,982
Sales of other goods and services	316,761,205,205	260,550,742,766
	<hr/> 29,290,517,937,087	<hr/> 37,907,111,180,748

**22. Cost of sales**

	<b>Period from 1/1/2018 to 30/9/2018 VND</b>	<b>Year ended 31/12/2017 VND</b>
Cost of electricity	25,308,564,945,465	33,350,453,433,632
Cost of other goods and services	286,631,400,047	251,383,619,026
	<hr/> 25,595,196,345,512	<hr/> 33,601,837,052,658

**23. Financial income**

	<b>Period from 1/1/2018 to 30/9/2018 VND</b>	<b>Year ended 31/12/2017 VND</b>
Interest income from deposits	121,037,180,986	125,180,262,748
Dividends	53,091,120,640	51,671,954,000
Foreign exchange gains due to payments	16,309,795,486	16,092,655,718
Foreign exchange gains due to revaluation	21,603,081,324	13,644,051,362
	<hr/> 212,041,178,436	<hr/> 206,588,923,828

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

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**24. Financial expenses**

	<b>Period from 1/1/2018 to 30/9/2018 VND</b>	<b>Year ended 31/12/2017 VND</b>
Interest expense	2,034,789,676,172	2,639,770,574,279
Foreign exchange losses due to payments	35,213,748,256	18,088,860,426
Foreign exchange losses due to revaluation	1,364,217,313,504	1,189,223,848,482
Reversal allowance for long-term investment	(26,431,382,520)	(12,801,611,507)
Others	5,451,390	6,330,300
	3,407,794,806,802	3,834,288,001,980

**25. General and administration expenses**

	<b>Period from 1/1/2018 to 30/9/2018 VND</b>	<b>Year ended 31/12/2017 VND</b>
Labour costs and staff costs	172,735,963,012	213,582,496,637
Outside services	42,142,876,450	57,212,444,227
Other expenses	134,483,702,587	166,218,475,664
	349,362,542,049	437,013,416,528

**26. Production and business costs by element**

	<b>Period from 1/1/2018 to 30/9/2018 VND</b>	<b>Year ended 31/12/2017 VND</b>
Raw material costs	20,253,403,498,640	24,850,756,002,905
Labour costs and staff costs	645,366,790,153	783,444,408,257
Depreciation and amortisation	3,269,005,211,443	5,001,950,528,314
Outside services	316,124,752,837	527,634,417,356
Overhaul expenses	756,240,732,235	2,140,133,276,979
Other expenses	704,519,760,448	735,027,687,697

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**27. Income tax**

**(a) Recognised in the statement of income**

	<b>Period from 1/1/2018 to 30/9/2018 VND</b>	<b>Year ended 31/12/2017 VND</b>
<b>Current tax expense</b>		
Current year	17,118,748,352	153,108,628,178
Previous year	-	220,708,559
	17,118,748,352	153,329,336,737
<b>Deferred tax expense/(benefit)</b>		
Origination of temporary differences	13,879,964,174	(1,157,089,417)
Income tax expense	30,998,712,526	152,172,247,320

**(b) Reconciliation of effective tax rate**

	<b>Period from 1/1/2018 to 30/9/2018 VND</b>	<b>Year ended 31/12/2017 VND</b>
Accounting profit before tax	319,099,068,280	468,870,590,543
Tax at the Corporation's tax rate	63,819,813,656	93,774,118,109
Non-taxable income	(45,016,552,583)	(46,435,531,300)
Non-deductible expenses	7,591,372,306	212,447,022,387
Income tax expense in previous year	-	220,708,559
Deferred tax assets not recognised	4,648,540,509	-
Tax incentives	(44,461,362)	(107,834,070,435)
	30,998,712,526	152,172,247,320

**(c) 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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**28. Non-cash investing and financing activities**

	<b>Period from 1/1/2018 to 30/9/2018 VND</b>	<b>Year ended 31/12/2017 VND</b>
Fixed assets and construction in progress acquired but not yet paid	1,564,540,602,810	1,791,659,620,757
Netoff liabilities to Vietnam Electricity and receivables from Electricity Power Trading Company	3,149,756,701,124	875,604,776,746
Transfer borrowings, interest expense, re-loan fees, withholding tax to other payables	2,777,482,598,238	-
Transfer construction in progress to inventories	225,438,924,313	564,959,929,281
Transfer of Thu Duc Thermal Power Limited Company (Note 1(d))	121,540,842,227	-
Transfer construction in progress to prepaid expenses	101,226,716,090	-
Profits transferred to Vietnam Electricity not yet paid	74,444,898,826	-
Transfer borrowings to parent company	-	3,506,018,228,841
Dividends receivables from associates	27,000,000,000	14,258,437,500
Dividends declared but not yet paid	14,696,681,726	3,734,935,870

**29. 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 year:

	<b>Transaction value</b>	
	<b>Period from 1/1/2018 to 30/9/2018 VND</b>	<b>Year ended 31/12/2017 VND</b>
<i>Parent company</i>		
<b>Vietnam Electricity</b>		
Purchases of electricity	93,593,294,327	128,443,231,126
Sales of services	192,651,641,000	-
Borrowings during the year	-	1,156,114,385,224
Repayments of borrowings during the year	3,609,367,205,129	2,396,678,847,034
Interest on loans	1,858,926,273,319	2,135,322,136,357
Profits transferred to Vietnam Electricity	74,444,898,826	-

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	Transaction value	
	Period from 1/1/2018 to 30/9/2018 VND	Year ended 31/12/2017 VND
<i>Associates</i>		
<b>Vinh Son - Song Hinh Hydropower JSC</b>		
Dividend	63,016,948,000	63,016,948,000
<b>Thac Ba Hydropower JSC</b>		
Dividend	24,765,000,000	41,910,000,000
<b>Se San 3A Power Investment and Development JSC</b>		
Dividend	37,800,000,000	16,800,000,000
<i>Other related parties</i>		
<b>Electricity Power Trading Company</b>		
Sales of electricity	28,973,756,731,882	37,646,534,251,297
<b>Duyen Hai Thermal Power Company</b>		
Sales of services	216,048,000	2,913,513,946
<b>Northern Power Corporation (Quang Ninh Power Company)</b>		
Purchases of electricity	9,388,082,831	8,074,281,106
<b>Power Engineering Consulting Joint Stock Company 1</b>		
Purchases of services	-	3,079,872,790
<b>Power Engineering Consulting Joint Stock Company 2</b>		
Purchases of services	12,316,846,292	7,818,244,357
Sales of services	-	2,527,500,000
<b>Power Engineering Consulting Joint Stock Company 3</b>		
Purchases of services	1,671,848,605	2,326,989,530
<b>Power Engineering Consulting Joint Stock Company 4</b>		
Purchases of services	74,247,332,268	12,644,774,648
<b>EVN Finance Joint Stock Company</b>		
Interest on deposits	17,056,937,596	25,618,437,500

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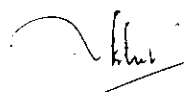
	Transaction value	
	Period from 1/1/2018 to 30/9/2018 VND	Year ended 31/12/2017 VND
<b>Electrical Power Testing Center – Southern Power Corporation</b>		
Purchases of services	2,338,790,165	1,861,737,114
<b>Telecommunication and Information Technology Center</b>		
Purchases of services	519,552,489	4,104,691,761
<b>Petro Vietnam Power Nhon Trach 2 JSC</b>		
Dividend	49,291,120,640	22,077,952,000
<b>Northern Thermal Power Repairing Service Joint Stock Company</b>		
Dividend	-	300,000,000
<b>Management Officer</b>		
Salary and bonus	7,640,549,562	12,858,429,110

### 30. Corresponding figures

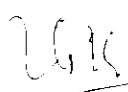
Corresponding figures as at 1 January 2018 were derived from the balances and amounts reported in the Group's financial statements as at and for the year ended 31 December 2017.

23 November 2018

Prepared by:

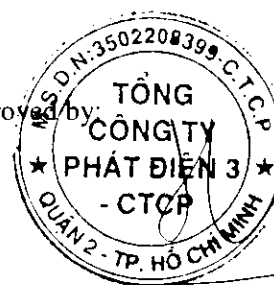


Tran Nguyen Khanh Linh  
Preparer



Vu Phuong Thao  
Head of Finance - Accounting Department

Approved by:



Nguyen Thi Thanh Huong  
Deputy General Director

