

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 december 2022

Form B09 – DN/HN

1 GENERAL INFORMATION

Power Generation Joint Stock Corporation 3 (“the Corporation”) is a joint stock company established from the equitisation of Parent company – Power Generation Corporation 3.

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

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

The Corporation operates under the enterprise registration certificate No. 3502208399 initially issued by the Department of Planning and Investment of Ba Ria – Vung Tau Province on 26 November 2012 and the latest 9th amendment issued by the Department of Planning and Investment of Ho Chi Minh City on 5 October 2021.

The Corporation’s shares were listed and traded on UPCoM since 14 March 2018 with the stock trading code “PGV” pursuant to the Decision No. 114/QĐ-SGDHN issued by the Hanoi Stock Exchange on 14 March 2018.

According to the Decision No. 34/QĐ-SGDHN dated 19 January 2022 of the Hanoi Stock Exchange, the Corporation’s shares have been deregistered for trading on the UPCoM from 24 January 2022.

Accordingly, pursuant to the Decision No. 731/QĐ-SGDHCM dated 29 December 2021 of the Ho Chi Minh Stock Exchange, the Corporation’s shares have been accepted to list on the Ho Chi Minh City Stock Exchange since 29 December 2021 with the stock trading code “PGV”. The official trading date is on 10 February 2022 at the Ho Chi Minh City Stock Exchange.

The principal activities of the Corporation and its subsidiaries (together, referred to as “the Group”) are to produce and trade electricity; provide operation and maintenance management, overhaul, renovation, upgrade of electrical equipment; and electrical constructions. In addition, the Corporation also operates in science, technology, research and development, and training to serve its principal activities.

The normal business cycle of the Group is within 12 months.

The Corporation’s head office is located at No. 60-66 Nguyen Co Thach Street, Sala Urban Area, An Loi Dong Ward, Thu Duc City, Ho Chi Minh City, Vietnam. As at 31 December 2022, the Corporation had 8 branches (as at 31 December 2021: 8 branches) as follows:

- » Buon Kuop Hydropower Company at No. 22, Mai Xuan Thuong Street, Thanh Nhat Ward, Buon Ma Thuot City, Dak Lak Province, Vietnam;
- » Mong Duong Thermal Power Company at Zone No. 8, Mong Duong Ward, Cam Pha City, Quang Ninh Province, Vietnam;
- » Phu My Thermal Power Company at Phu My 1 Industrial Zone, Phu My Ward, Phu My Town, Ba Ria-Vung Tau Province, Vietnam;
- » Vinh Tan Thermal Power Company at Vinh Tan 2 Thermal Power Plant, Vinh Phuc Village, Vinh Tan Commune, Tuy Phong District, Binh Thuan Province, Vietnam;

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 december 2022

Form B 09 – DN/HN

1 GENERAL INFORMATION (CONTINUED)

- » EVNGENCO3 Power Service Company at No. 332, Doc Lap Street (National Highway 51), Phu My Ward, Phu My Town, Ba Ria - Vung Tau Province, Vietnam;
- » Vinh Tan Thermal Power Project Management Board at Hung Vuong Avenue, Zone No.5, Phu Thuy Ward, Phan Thiet City, Binh Thuan Province, Vietnam;
- » Thermal Power 1 Project Management Board at Zone No. 8, Mong Duong Ward, Cam Pha City, Quang Ninh Province, Vietnam; and
- » Thai Binh Thermal Power Project Management Board at My Loc Commune, Thai Thuy District, Thai Binh Province, Vietnam.

As at 31 December 2022, the Corporation had 2 subsidiaries (as at 31 December 2021: 2 subsidiaries) as presented below:

		31.12.2022		31.12.2021	
	Place of incorporation and operation	Ownership ratio %	Voting ratio %	Ownership ratio %	Voting ratio %
Ba Ria Thermal Power Joint Stock Company (i)	Tỉnh Bà Rịa – Vũng Tàu	79.56	79.56	79.56	79.56
Ninh Binh Thermal Power Joint Stock Company (ii)	Tỉnh Ninh Bình	54.76	54.76	54.76	54.76

- (i) Ba Ria Thermal Power Joint Stock Company was transformed from a state-owned enterprise pursuant to the Decision No. 2744/QĐ-BCN dated 26 August 2005 of the Ministry of Industry and Trade and the Enterprise registration certificate No. 4903000451 on 1 November 2007 which was issued by the Department of Planning and Investment of Ba Ria - Vung Tau Province. The registered office of Ba Ria Thermal Power Joint Stock Company is at Huong Giang Quarter, Long Huong Ward, Ba Ria City, Ba Ria - Vung Tau Province, Vietnam. The principal activities of this company are to produce and trade electricity.
- (ii) Ninh Binh Thermal Power Joint Stock Company was established on the basis of equitisation of Ninh Binh Thermal Power Company pursuant to the Decision No. 3945/QĐ-BCN dated 29 December 2006 of the Ministry of Industry and Trade and the enterprise registration certificate No. 0903000161 on 31 December 2007 which was issued by the Department of Planning and Investment of Ninh Binh Province. The registered office of Ninh Binh Thermal Power Joint Stock Company is at No. 1, Hoang Dieu Street, Thanh Binh Ward, Ninh Binh City, Ninh Binh Province, Vietnam. The principal activities of this company are to produce and trade electricity.

As at 31 December 2022, the Group had 3 associates (as at 31 December 2021: 3 associates) as presented in Note 4(b), and had 2,698 employees (as at 31 December 2021: 2,730 employees).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements. The consolidated financial statements have been prepared under the historical cost convention, except for investments in associates as presented in Note 2.5.

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

The consolidated financial statements in the Vietnamese language are the official statutory consolidated financial statements of the Group. The consolidated financial statements in the English language have been translated from the Vietnamese version.

2.2 Fiscal year

The Group's fiscal year is from 1 January to 31 December.

2.3 Currency

The consolidated financial statements are measured and presented in Vietnamese Dong ("VND" or "Dong"), which is the Group's accounting currency.

2.4 Exchange rates

Transactions arising in foreign currencies are translated at exchange rates prevailing at the transaction dates. Foreign exchange differences arising from these transactions are recognised in the consolidated income statement.

Monetary assets and liabilities denominated in foreign currencies at the consolidated balance sheet date are respectively translated at the buying and selling exchange rates at the consolidated balance sheet date of the commercial bank with which the Group regularly transacts. Foreign currencies deposited in bank at the consolidated balance sheet date are translated at the buying exchange rate (by bank transfer) of the commercial bank where the Group opens its foreign currency accounts. Foreign exchange differences arising from these translations are recognised in the consolidated income statement.

Liabilities to Vietnam Electricity ("EVN") as at the consolidated balance sheet date are revaluated the year-end foreign currency balances by the Group at the selling exchange rate (by bank transfer) of Joint Stock Commercial Bank for Foreign Trade of Vietnam as at the time of preparing the consolidated financial statements under the guidance of Official Letter No. 5794/EVN-TCKT on 13 October 2022 of EVN.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 december 2022

Form B 09 – DN/HN

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Basis of consolidation

Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies in order to gain future benefits from their activities generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued, and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the consolidated income statement.

In a multi-phase acquisition, when determining goodwill or bargain purchase, the consideration is the sum of the total consideration on the date of acquiring control and previous considerations remeasured to fair value on the date of control acquisition.

Inter-company transactions, balances and unrealised gains and losses on transactions between group companies are eliminated.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The financial statements of the subsidiaries are prepared for the same accounting period of the Group for the consolidation purpose. If there are differences in end dates, the gap must not exceed 3 months. Adjustments are made to reflect impacts of significant transactions and events occurring between the end dates of the subsidiaries' accounting period and that of the Group's. The length of the reporting period and differences in reporting date must be consistent between years.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Basis of consolidation (continued)

Non-controlling transactions and interests

The Group applies a policy for transactions with non-controlling interests ("NCI") as transactions with external parties to the Group.

NCI are measured at their proportionate share of the acquiree's identifiable net assets at date of acquisition.

A divestment of the Group's interest in a subsidiary that does not result in a loss of control is accounted for as a transaction with owners. The difference between the change in the Group's share of net assets of the subsidiary and any consideration paid or received from divestment of the Group's interest in the subsidiary is recorded directly in the undistributed earnings under equity.

In a divestment of the Group's interest in a subsidiary that results in a loss of control, the difference between the Group's share in the net assets of the subsidiary and the net proceeds from divestment is recognised in the consolidated income statement. The retained interest in the entity will be accounted for as either an investment in another entity or an investment to be accounted for as equity since the divestment date.

Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss.

The Group's share of the post-acquisition profits or losses of its associates is recognised in the consolidated income statement. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Unrealised gains and losses on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates in accordance with current accounting regulation.

2.6 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in bank, demand deposits and other short-term investments with an original maturity of three months or less.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 december 2022

Form B 09 – DN/HN

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Receivables

Receivables represent trade receivables from customers arising from sales of goods and rendering of services or non-trade receivables from others and are stated at cost. Provision for doubtful debts is made for each outstanding amount based on overdue days in payment according to the initial payment commitment (exclusive of the payment rescheduling between parties), or based on the estimated loss that may arise. Bad debts are written off when identified as uncollectible.

Receivables are classified into short-term and long-term receivables on the consolidated balance sheet based on the remaining period from the consolidated balance sheet date to the maturity date.

2.8 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method and includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured products, cost includes all direct expenditure and production overheads based on normal levels of operating activity. Net realisable value is the estimated selling price in the normal course of business, less the estimated costs of completion and selling expenses.

The Group applies the perpetual method for inventories.

Provision for inventory is made when there is reliable evidence that the decrease in net realisable value against original value of inventory. The difference between the provision of this period and the provision of the previous period are recognised as an increase or decrease of cost of goods sold in the year.

2.9 Investments

(a) *Investments held to maturity*

Investments held to maturity are investments which the Group has a positive intention and ability to hold until maturity.

Investments held to maturity include bank term deposits and bonds. Those investments are initially accounted for at cost. Subsequently, the Board of Directors reviews all outstanding investments to determine the amount of provision to recognise at the year end.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Investments (continued)

(a) *Investments held to maturity (continued)*

Provision for diminution in value of investments held to maturity is made when there is evidence that the investment is uncollectible in whole or in part. Changes in the provision balance during the accounting period are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

Investments held to maturity are classified into short-term and long-term investments held to maturity on the consolidated balance sheet based on the remaining period from the consolidated balance sheet date to the maturity date.

(b) *Investments in associates*

Investments in associates are accounted for using the equity method when preparing the consolidated financial statements (Note 2.5).

(c) *Investments in other entities*

Investments in other entities are investments in equity instruments of other entities without controlling rights or co-controlling rights, or without significant influence over the investee. These investments are accounted for initially at cost. Subsequently, the Board of Directors reviews all outstanding investments to determine the amount of provision to recognise at the year end.

Provision for investments in other entities is made when there is a diminution in value of the investments at the year end. It is calculated based on market value if market value can be determined reliably. If market value can not be determined reliably, the provision for investments in other entities is calculated based on the loss of investees.

Changes in the provision balance during the fiscal year are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 december 2022

Form B 09 – DN/HN

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Fixed assets

Tangible and intangible fixed assets

Fixed assets are stated at historical cost less accumulated depreciation or amortisation. Historical cost includes expenditure that is directly attributable to the acquisition of the fixed assets bringing them to their suitable conditions for their intended use, in which the historical costs of purchased fixed assets comprise their purchase prices and any directly attributable costs of bringing the assets to their suitable conditions for their intended use.

In regard to fixed assets formed from construction investment by contractual method or self-construction or self-generating process, the historical costs are the settled costs of the invested construction projects in accordance with the prevailing State's regulations on investment and construction management, directly related expenses and registration fee (if any). In the event, the construction project has been completed and put into use, but the settled costs thereof have not been approved, the historical cost is recognized at the estimated cost based on the actual cost incurred. The estimated cost will be adjusted according to the settled costs approved by competent authorities.

Expenditure which is incurred subsequently and has resulted in an increase in the future economic benefits expected to be obtained from the use of fixed assets, can be capitalised as an additional historical cost. Otherwise, such expenditure is charged to the consolidated income statement when incurred in the year.

Depreciation and amortisation

Fixed assets are depreciated and amortised using the straight-line method so as to write off the depreciable amount of the fixed assets over their estimated useful lives. Depreciable amount equals to the historical cost of fixed assets recorded in the financial statements minus (-) the estimated disposal value of such assets. The estimated useful lives of each asset class are as follows:

» Plants, buildings and structures	10 - 50 years
» Machinery and equipment	5 - 20 years
» Motor vehicles	6 - 30 years
» Office equipment	3 - 10 years
» Other tangible fixed assets	5 - 10 years
» Computer software	3 - 10 years
» Technology transfer copyrights	10 years
» Other intangible fixed assets	3 - 10 years

Land use rights comprise land use rights granted by the State for which land use fees are collected and land use rights acquired in a legitimate transfer.

Definite land use rights are stated at costs less accumulated amortisation. Costs of land use rights consists of its purchase prices and any directly attributable costs in obtaining the land use rights. Land use rights are amortised using the straight-line method over the terms of the land use right certificates.

Indefinite land use rights are stated at costs and not amortised.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Fixed assets (continued)

Disposals

Gains or losses on disposals are determined by comparing net disposal proceeds with the carrying amount of the fixed assets and are recognised as income or expense in the consolidated income statement.

Construction in progress

Construction in progress represents the cost of assets in the course of installation or construction for production, which are recorded at cost and are comprised of such necessary costs to construct, repair and maintain, upgrade, renew or equip the projects with technologies in accordance with the Group's accounting policies. Depreciation of these assets, on the same basis as other fixed assets, commences when the assets are ready for their intended use.

2.11 Operating leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the consolidated income statement on a straight-line basis over the term of the lease.

2.12 Prepaid expenses

Prepaid expenses include short-term and long-term prepayments on the consolidated balance sheet. Short-term prepaid expenses reflect prepayments for services; or tools that do not meet the recognition criteria for fixed assets for a period not exceeding 12 months or a business cycle from the date of prepayments. Long-term prepaid expenses reflect prepayments for services; or tools that do not meet the recognition criteria for fixed assets for a period exceeding 12 months or more than one business cycle from the date of prepayments. Prepaid expenses are recorded at historical cost and allocated on a straight-line basis over their estimated useful lives.

2.13 Payables

Classifications of payables are based on their nature as follows:

- » Trade accounts payable are trade payables arising from purchase of goods and services; and
- » Other payables are non-trade payables and payables not relating to purchases of goods and services.

Payables are classified as short-term and long-term payables on the consolidated balance sheet based on remaining period from the consolidated balance sheet date to the maturity date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 december 2022

Form B 09 – DN/HN

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Borrowings

Borrowings include borrowings from banks and related parties.

Borrowings are classified into short-term and long-term borrowings on the consolidated balance sheet based on their remaining term from the consolidated balance sheet date to the maturity date.

Borrowing costs that are directly attributable to the construction or production of any qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are recognised in the consolidated income statement when incurred.

2.15 Accrued expenses

Accrued expenses include liabilities for goods and services received in the period but not yet paid for due to pending invoices or insufficient records and documents. Accrued expenses are recorded as expenses in the reporting year.

2.16 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provision is not recognised for future operating losses.

Provisions are measured at the expenditures expected to be required to settle the obligation. Changes in the provision balance during the fiscal year are recorded as an increase or decrease in operating expenses.

2.17 Unearned revenue

Unearned revenue mainly comprises the amounts that customers have paid in advance for one or many accounting periods for assets leases. The Group records unearned revenue for the future obligations that the Group has to fulfil. Unearned revenue is recognised as revenue in the consolidated income statement to the extent recognition criteria have been met.

2.18 Capital and reserves

Owners' capital is recorded according to the actual amounts contributed at the par value of the shares.

Share premium is the difference between the par value and the issue price of shares.

Owners' other capital represents other capital of the owners at the reporting date.

Undistributed earnings record the Group's accumulated results after CIT at the reporting date.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 Appropriation of profit

The Group distributes profits and dividends as follows:

- » Net profit after CIT could be distributed to shareholders after approval at the General Meeting of shareholders, and after appropriation to the funds in accordance with Vietnamese regulations and the Corporation's charter.
- » The investment and development fund is appropriated from the Group's profit after CIT of the Group and approved by shareholders at the General Meeting of shareholders.
- » Bonus and welfare fund is appropriated from the Group's profit after CIT and subject to shareholders' approval at the General Meeting of shareholders. This fund is presented as a liability on the consolidated balance sheet.
- » The Group's dividends are recognised as a liability in the Group's consolidated financial statements in the accounting period based on the date of record in accordance with the Resolution of the Board of Management after the dividend distribution plan are approved in the General Meeting of shareholders.

2.20 Revenue recognition

(a) Revenue from sales of goods

Revenue from sales of goods is recognised in the consolidated income statement when all five (5) of the following conditions are satisfied:

- » The Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- » The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- » The amount of revenue can be measured reliably;
- » It is probable that the economic benefits associated with the transaction will flow to the Group; and
- » The costs incurred or to be incurred in respect of the transaction can be measured reliably.

No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or the possible return of goods.

Revenue is recognised in accordance with the "substance over form" principle and allocated to each sales obligation. If the Group gives promotional goods to customers associated with their purchases, the Group allocates the total considerations received between goods sold and promotional goods. The cost of promotional goods is recognised as cost of goods sold in the consolidated income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 december 2022

Form B 09 – DN/HN

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.20 Revenue recognition (continued)

(b) *Revenue from rendering of services*

Revenue from rendering of services is recognised in the consolidated income statement when the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided. Revenue from rendering of services is only recognised when all four (4) of the following conditions are satisfied:

- » The amount of revenue can be measured reliably;
- » It is probable that the economic benefits associated with the transaction will flow to the Group;
- » The percentage of completion of the transaction at the consolidated balance sheet date can be measured reliably; and
- » The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

(c) *Interest income*

Interest income is recognised on a basis with reference to the principal balance and the corresponding applicable interest rate.

(d) *Dividend income*

Income from dividend is recognised when the Group has established receiving rights from investees.

2.21 Cost of goods sold and services rendered

Cost of goods sold and services rendered are cost of finished goods or services rendered during the year and recorded on the basis of matching with revenue and on a prudence basis.

2.22 Financial expenses

Financial expenses are expenses incurred in the year for financial activities including interest expense, losses from foreign exchange differences and provision for long-term investments in other entities.

2.23 Selling expenses

Selling expenses represent expenses that are incurred in the process of selling products, goods, providing services.

2.24 General and administration expenses

General and administration expenses represent expenses that are incurred for the Group's administrative purposes.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.25 Current and deferred income tax

Income tax includes all income tax which is based on taxable profits. Income tax expense comprises current income tax expense and deferred income tax expense.

Current income tax is the amount of income tax payable or recoverable in respect of the current period taxable profits at the current period tax rates. Current and deferred tax are recognised as an income or an expense and included in the profit or loss of the period, except to the extent that the income tax arises from a transaction or event which is recognised, in the same or a different period, directly in equity.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of occurrence affects neither the accounting nor the taxable profit or loss. Deferred income tax is determined at the tax rates that are expected to apply to the accounting period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the consolidated balance sheet date.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2.26 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with the Group, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Group. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the Group, key management personnel, including the Board of Management, Board of Directors and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering its relationship with each related party, the Group considers the substance of the relationships not merely the legal form.

2.27 Segment reporting

A segment is a component which can be consolidated by the Group engaged in sales of goods or rendering of services ("business segment"), or sales of goods or rendering of services within a particular economic environment ("geographical segment"). Each segment is subject to risks and returns that are different from those of other segments. A reportable segment is the Group's business segment or the Group's geographical segment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 december 2022

Form B 09 – DN/HN

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.28 Critical accounting estimates

The preparation of consolidated financial statements in conformity with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements requires the Board of Directors to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the financial year.

Such estimates and assumptions are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances by the Board of Directors.

3 CASH AND CASH EQUIVALENTS

	31.12.2022 VND	31.12.2021 VND
Cash on hand	2,962,084,245	3,657,700,509
Cash at bank	489,229,246,574	451,451,384,141
Cash equivalents (*)	1,235,500,000,000	1,938,000,000,000
	<u>1,727,691,330,819</u>	<u>2,393,109,084,650</u>

(*) Cash equivalents include term deposits at commercial banks with an original maturity of three months or less and earn interest rate specified in the deposit contracts.

4 INVESTMENTS

(a) Investments held to maturity

	31.12.2022		31.12.2021	
	Cost VND	Book value VND	Cost VND	Book value VND
i. Short-term				
- Term deposits (*)	3,829,650,000,000	3,829,650,000,000	4,104,650,000,000	4,104,650,000,000
- Current portion of long-term bonds (**)	8,000,000,000	8,000,000,000	8,000,000,000	8,000,000,000
	<u>3,837,650,000,000</u>	<u>3,837,650,000,000</u>	<u>4,112,650,000,000</u>	<u>4,112,650,000,000</u>
ii. Long-term				
- Bonds (**)	<u>58,000,000,000</u>	<u>58,000,000,000</u>	<u>184,000,000,000</u>	<u>184,000,000,000</u>

(*) Term deposits include term deposits at commercial banks with an original maturity from 6 months to 12 months and earn interest rate specified in the deposit contracts.

(**)The bonds investment in Vinh Son - Song Hinh Hydropower Joint Stock Company according to the Contract No. 01/2020/VCSH-HDMBTP dated 24 April 2020 and No. 02/2020/VCSH-HDMBTP dated 25 June 2020 with Vinh Son - Song Hinh Hydropower Joint Stock Company. The maturity of the bonds was 84 months from the date of issuance with the applicable interest rate of 10.5% per annum for the first 4 years of each issuance time, the interest rate of the Vietnamese Dong 12-month individual saving deposit (interest payment later) (or equivalent) announced on the website of Joint Stock Commercial Bank for Foreign Trade of Vietnam plus 3.6% per annum for the following years. These bonds were secured by the properties associated with the land, machineries and equipment, and vehicles of Vinh Son Hydropower Plant with the total value based on the Valuation Certificate No. 497/2019/CT-CIVS-BD issued by the Central Information and Valuation Joint Stock Company - Binh Dinh Branch dated 7 August 2019.

At as 31 December 2022, term deposits with the value of VND 336.7 billion have been used as collateral asset for the Credit Limit contract No. 01/2021/13553572/HDTD dated 8 June 2021 between the Corporation and The Joint Stock Commercial Bank for Investment and Development of Vietnam (as at 31 December 2021: VND 806.2 billion).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 december 2022

Form B 09 – DN/HN

4 INVESTMENTS (CONTINUED)

(b) Long-term investments

31.12.2022				
	Percentage of ownership interest %	Cost VND	Fair value (**) VND	Provision VND
Investments in associates				
Vinh Son - Song Hinh Hydropower Joint Stock Company (i)	30.55	1,535,556,161,954	2,280,984,348,400	-
Thac Ba Hydropower Joint Stock Company (ii)	30.00	329,276,001,764	561,975,000,000	-
Se San 3A Power Investment and Development Joint Stock Company (iii)	30.00	161,878,675,719	(*)	-
		2,026,710,839,437		-
Other long-term investments				
Quang Ninh Thermal Power Joint Stock Company (iv)	1.80	114,770,927,800	133,734,879,263	-
Hai Phong Thermal Power Joint Stock Company (v)	1.60	108,730,000,000	129,100,000,000	-
Buon Don Hydropower Joint Stock Company (vi)	19.89	83,750,000,000	269,757,380,053	-
Petro Vietnam Power Nhon Trach 2 JSC (vii)	2.47	83,094,784,000	205,467,392,000	-
GE PMTP Power Service Limited Liability Company (viii)	15.00	74,463,661,588	(*)	(5,397,645,540)
Phu Thanh My Joint Stock Company (ix)	6.43	50,000,000,000	(*)	-
Viet Lao Power Joint Stock Company (x)	0.45	19,600,000,000	(*)	-
Northern Thermal Power Repairing Service Joint Stock Company (xi)	1.10	2,500,000,000	(*)	-
		536,909,373,388	(5,397,645,540)	

(*) As at 31 December 2022 and 31 December 2021, the Group had not determined the fair value of these investments to disclose on the consolidated financial statements because these investments are not listed on the stock market. The fair value of these investments may be different from the carrying amount.

31.12.2021

Percentage of ownership interest %	Cost VND	Fair value (**) VND	Provision VND
------------------------------------	----------	------------------------	---------------

30.55	1,225,192,777,704	2,071,653,506,300	-
-------	-------------------	-------------------	---

30.00	309,653,880,130	573,405,000,000	-
-------	-----------------	-----------------	---

30.00	161,588,464,635	(*)	-
-------	-----------------	-----	---

	1,696,435,122,469		-
--	-------------------	--	---

1.80	114,770,927,800	180,336,845,187	-
------	-----------------	-----------------	---

1.60	108,730,000,000	187,866,666,667	-
------	-----------------	-----------------	---

19.89	83,750,000,000	264,213,697,800	-
-------	----------------	-----------------	---

2.47	83,094,784,000	187,306,496,000	-
------	----------------	-----------------	---

15.00	74,463,661,588	(*)	-
-------	----------------	-----	---

6.43	50,000,000,000	(*)	-
------	----------------	-----	---

0.48	19,600,000,000	(*)	-
------	----------------	-----	---

1.10	2,500,000,000	(*)	-
------	---------------	-----	---

	536,909,373,388		-
--	-----------------	--	---

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 december 2022

Form B 09 – DN/HN

4 INVESTMENTS (CONTINUED)

(b) Long-term investments (continued)

- (**) Fair value of the listed shares were determined based on the total shares hold by the Group and the closing price on the stock market at the end of financial year.
- (i) Vinh Son - Song Hinh Hydropower Joint Stock Company was transformed from the state owned enterprise - Vinh Son - Song Hinh Hydropower Plant, a dependent accounting unit of EVN. The plant was officially transformed to operate under the form of Vinh Son - Song Hinh Hydropower Joint Stock Company pursuant to the Enterprise registration certificate No. 3503000058 which was issued by the Department of Planning and Investment of Binh Dinh Province on 4 May 2005. The principal activities of this company are to produce and trade electricity.
- (ii) Thac Ba Hydropower Joint Stock Company established pursuant to the Enterprise registration certificate No. 1603000069 which was issued by the Department of Planning and Investment of Yen Bai Province on 31 March 2006. The principal activities of this company are to produce and trade electricity.
- (iii) Se San 3A Power Investment and Development Joint Stock Company officially started its operation on 1 November 2003 pursuant to the Official letter No. 1391/CP-CN which was issued by Prime Minister on 10 October 2003 and the Enterprise registration certificate No. 5900308540 which was issued by the Department of Planning and Investment of Gia Lai Province on 1 September 2003. The principal activities of this company are to construct civil works, invest and construct hydropower projects and industrial construction.
- (iv) Quang Ninh Thermal Power Joint Stock Company was established pursuant to the Enterprise registration certificate No. 700434869 which was issued by the Department of Planning and Investment of Quang Ninh Province on 16 December 2002. The principal activities of this company are to produce and trade electricity.
- (v) Hai Phong Thermal Power Joint Stock Company was established pursuant to the Enterprise registration certificate No. 0203000279 which was issued by the Department of Planning and Investment of Hai Phong City on 17 September 2002. The principal activities of this company are to produce and trade electricity.
- (vi) Buon Don Hydropower Joint Stock Company was established pursuant to the Enterprise registration certificate No. 6000884487 which was issued by the Department of Planning and Investment of Dak Lak Province on 20 May 2009. The principal activities of this company are to produce and trade electricity.
- (vii) Petrovietnam Power Nhon Trach 2 Joint Stock Company was established pursuant to the Enterprise registration certificate No. 4703000396 which was issued by the Department of Planning and Investment of Dong Nai Province on 20 June 2007. The principal activities of this company are to produce and trade electricity.

4 INVESTMENTS (CONTINUED)

(b) Long-term investments (continued)

- (viii) GE PMTP Energy Services Company Limited was established pursuant to the Enterprise registration certificate No. 3502208825 which was issued by the Department of Planning and Investment of Ba Ria - Vung Tau Province on 5 October 2012. The principal activities of this company are to repair machinery and equipment.
- (ix) Phu Thanh My Joint Stock Company was established pursuant to the Enterprise registration certificate No. 4000455251 which was issued by the Department of Planning and Investment of Quang Nam Province on 17 January 2007. The principal activities of this company are to produce and trade electricity.
- (x) Viet Lao Power Joint Stock Company was established pursuant to the Enterprise registration certificate No. 0101389382 which was issued by the Department of Planning and Investment of Ha Noi City on 11 July 2003. The principal activities of this company are to produce and trade electricity. According to the Viet Lao Power Joint Stock Company's Resolution of Shareholders about the capital increase and progress to contribute to Viet Lao Power Joint Stock Company, the charter capital of the company increased from VND4,065,732,920,909 as at 31 December 2021 to VND4,369,531,580,000 as at 31 December 2022. Accordingly, the percentage of ownership interest of the Corporation decreased from 0.48% to 0.45% because the Corporation did not register to buy additional new issued shares.
- (xi) Northern Thermal Power Repair Service Joint Stock Company was established pursuant to the Enterprise registration certificate No. 0800383471 which was issued by the Department of Planning and Investment of Hai Duong Province on 17 July 2007. The principal activities of this company are to repair, maintain, experiment, and calibrate power plant equipment and other equivalent industrial equipment.

Movements in investment in associates during the year are as follows:

	31.12.2022 VND	31.12.2021 VND
Beginning of year	1,696,435,122,469	1,537,704,041,091
Increase during the year (Note 33(a))	-	91,661,010,000
Profit sharing from associates	513,938,765,968	207,095,071,378
Dividend distribution	(183,663,049,000)	(140,025,000,000)
End of year	<u>2,026,710,839,437</u>	<u>1,696,435,122,469</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 december 2022

Form B 09 – DN/HN

5 SHORT-TERM TRADE ACCOUNTS RECEIVABLE

	31.12.2022 VND	31.12.2021 VND
Third parties	26,917,452,317	11,533,566,603
Related parties (Note 33(b))	11,683,564,126,395	8,616,799,479,447
	11,710,481,578,712	8,628,333,046,050

As at 31 December 2022 and 31 December 2021, the Group had no balance of short-term trade accounts receivable that was past due or not past due but doubtful.

6 OTHER SHORT-TERM RECEIVABLES

	31.12.2022 VND	31.12.2021 VND
VAT not yet declared	283,237,369,103	1,601,908,368
Receivables for payment on behalf and other receivables from related parties	148,879,081,794	157,410,685,332
Accrued term deposit interest receivables	70,458,551,140	30,553,551,236
Interest receivables from bonds	652,224,657	1,844,266,667
Distributed dividend receivables	-	83,700,000,000
Others	46,493,433,186	46,119,669,125
	549,720,659,880	321,230,080,728
In which:		
Third parties	398,998,081,063	77,754,509,169
Related parties (Note 33(b))	150,722,578,817	243,475,571,559
	549,720,659,880	321,230,080,728

As at 31 December 2022 and 31 December 2021, the Group had no balance of other short-term receivables that was past due or not past due but doubtful.

7 INVENTORIES

	31.12.2022		31.12.2021	
	Cost VND	Provision VND	Cost VND	Provision VND
Raw materials	1,760,743,932,957	(2,324,468,650)	2,884,214,014,253	(2,635,944,235)
Tools and supplies	137,457,580,099	-	167,443,353,901	-
Goods in transit	6,264,942,908	-	7,571,588,689	-
Work in progress	17,766,392,766	-	8,933,486,416	-
Finished goods	282,456,615	-	330,781,346	-
	1,922,515,305,345	(2,324,468,650)	3,068,493,224,605	(2,635,944,235)

7 INVENTORIES (CONTINUED)

Movements in provision for decline in value of inventories during the year are as follows:

	2022 VND	2021 VND
Beginning of year	2,635,944,235	2,219,048,101
Increase	580,371,221	955,223,048
Provisioned inventory write-off	-	(538,326,914)
Provisioned inventory disposal	(891,846,806)	-
End of year	2,324,468,650	2,635,944,235

8 PREPAID EXPENSES

(a) Short-term

	31.12.2022 VND	31.12.2021 VND
Insurance	42,036,987,947	38,539,763,163
Others	9,689,160,046	3,013,262,929
	51,726,147,993	41,553,026,092

(b) Long-term

	31.12.2022 VND	31.12.2021 VND
Expenses related to leased lands(*)	195,718,262,372	203,065,469,168
Others	70,966,383,306	53,255,444,980
	266,684,645,678	256,320,914,148

(*) Expenses related to leased lands include compensation expense, land clearance expenses which are allocated on a straight-line basis over the term of the lease.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 december 2022

Form B09 – DN/HN

9 FIXED ASSETS

(a) Tangible fixed assets

	Plants, building and structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Others VND	Total VND
Historical cost						
As at 1 January 2022	20,651,526,090,002	86,200,150,807,945	6,743,600,551,026	263,046,161,889	39,011,306,784	113,897,334,917,646
New purchases	6,923,048,281	137,706,318,690	10,545,135,274	63,811,450,440	-	218,985,952,685
Transfers from construction in progress (Note 10)	30,105,219,259	520,155,022,338	6,081,100,000	6,297,254,803	90,000,000	562,728,596,400
Disposals	-	(1,673,759,469)	(2,250,403,337)	(982,618,015)	-	(4,906,780,821)
Adjustment upon the approved finalisation	(48,164,910,251)	(3,099,662,252)	(2,631,545,042)	-	31,470,962	(53,864,646,583)
Reclassification from intangible fixed asset (Note 9(b))	-	-	-	11,480,197,460	-	11,480,197,460
Others	-	(468,290,000)	-	-	-	(468,290,000)
As at 31 December 2022	20,640,389,447,291	86,852,770,437,252	6,755,344,837,921	343,652,446,577	39,132,777,746	114,631,289,946,787
Accumulated depreciation						
As at 1 January 2022	8,446,306,620,643	57,451,722,554,172	3,900,534,491,670	193,417,537,171	13,105,528,192	70,005,086,731,848
Charge for the year	712,497,943,586	3,455,541,696,376	310,968,779,092	39,390,677,921	4,798,952,603	4,523,198,049,578
Disposals	-	(1,673,759,469)	(2,250,403,337)	(982,618,015)	-	(4,906,780,821)
Adjustment upon the approved finalisation	-	(4,137,816,693)	-	-	-	(4,137,816,693)
Reclassification from intangible fixed asset (Note 9(b))	-	-	-	4,425,430,949	-	4,425,430,949
As at 31 December 2022	9,158,804,564,229	60,901,452,674,386	4,209,252,867,425	236,251,028,026	17,904,480,795	74,523,665,614,861
Net book value						
As at 1 January 2022	12,205,219,469,359	28,748,428,253,773	2,843,066,059,356	69,628,624,718	25,905,778,592	43,892,248,185,798
As at 31 December 2022	11,481,584,883,062	25,951,317,762,866	2,546,091,970,496	107,401,418,551	21,228,296,951	40,107,624,331,926

As at 31 December 2022, tangible fixed assets of the Group with a total net book value of VND18,047 billion (as at 31 December 2021: VND19,770 billion) were pledged to banks as collateral for the Group's borrowings (Note 18).

The historical cost of tangible fixed assets of the Group which were fully depreciated but still in use as at 31 December 2022 was VND37,366 billion (as at 31 December 2021: VND36,310 billion).

9 FIXED ASSETS (CONTINUED)

(b) Intangible fixed assets

	Land use rights VND	Computer software VND	Technology transfer copyrights VND	Others VND	Total VND
Historical cost					
As at 1 January 2022	569,053,723,199	44,574,854,525	9,260,276,148	17,745,850,821	640,634,704,693
New purchases	-	22,953,828,009	8,158,210,000	471,200,000	31,583,238,009
Disposals	-	(756,528,281)	-	-	(756,528,281)
Reclassification to tangible fixed asset (Note 9(a))	-	-	-	(11,480,197,460)	(11,480,197,460)
As at 31 December 2022	569,053,723,199	66,772,154,253	17,418,486,148	6,736,853,361	659,981,216,961
Accumulated amortisation					
As at 1 January 2022	16,146,467,510	19,872,723,512	8,109,979,035	4,321,221,481	48,450,391,538
Charge for the year	1,336,517,124	10,439,742,903	3,521,257,802	1,714,137,334	17,011,655,163
Disposals	-	(756,528,281)	-	-	(756,528,281)
Reclassification to tangible fixed asset (Note 9(a))	-	-	-	(4,425,430,949)	(4,425,430,949)
As at 31 December 2022	17,482,984,634	29,555,938,134	11,631,236,837	1,609,927,866	60,280,087,471
Net book value					
As at 1 January 2022	552,907,255,689	24,702,131,013	1,150,297,113	13,424,629,340	592,184,313,155
As at 31 December 2022	551,570,738,565	37,216,216,119	5,787,249,311	5,126,925,495	599,701,129,490

The historical cost of intangible fixed assets of the Group which were fully amortised but still in use as at 31 December 2022 was VND17.2 billion (as at 31 December 2021: VND10.1 billion).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 december 2022

Form B 09 – DN/HN

10 CONSTRUCTION IN PROGRESS

Details of construction in progress are as follows:

	31.12.2022 VND	31.12.2021 VND
Major repair of fixed asset in progress	200,982,542,924	-
Purchases of fixed assets which have not been put into use yet	87,662,429,032	362,527,268,872
Others	54,069,785,760	32,921,489,084
	<u>342,714,757,716</u>	<u>395,448,757,956</u>

Movements in construction in progress during the year are as follows:

	31.12.2022 VND	31.12.2021 VND
Beginning of year	395,448,757,956	117,776,262,642
Purchase	509,994,596,160	872,900,307,589
Transfers to tangible fixed assets (Note 9(a))	(562,728,596,400)	(109,028,312,275)
Transfers to intangible fixed assets	-	(486,199,500,000)
End of year	<u>342,714,757,716</u>	<u>395,448,757,956</u>

11 LONG-TERM SPARE PARTS, SUPPLIES AND EQUIPMENT

Long-term spare parts, supplies and equipment represent the net value of equipment, materials and spare parts used for storage, replacement, preventing damage of assets and have storage time of more than one normal operating cycle.

12 SHORT-TERM TRADE ACCOUNTS PAYABLE

	31.12.2022 Value/Able-to-pay amount VND	31.12.2021 Value/Able-to-pay amount VND
Third parties		
Petrovietnam Gas South East Transmission Company	2,657,549,850,230	1,400,569,433,439
Dong Bac Corporation	867,883,019,531	81,349,570,092
Vietnam National Coal - Mineral Industries Holding Corporation Limited	760,335,977,572	413,553,873,402
General Electric	19,732,996,463	458,886,739,376
Others	734,966,733,304	1,375,196,734,107
	<u>5,040,468,577,100</u>	<u>3,729,556,350,416</u>
Related parties (Note 33(b))	<u>5,082,580,660</u>	<u>7,708,255,471</u>
	<u>5,045,551,157,760</u>	<u>3,737,264,605,887</u>

TAX AND OTHER PAYABLES TO/RECEIVABLES FROM THE STATE

Movements in tax and payables/receivables to the State are as follows:

	As at 1.1.2022 VND	Receivable/Payable during the year VND	Payment/refund during the year VND	Net-off during the year VND	Reclassification during the year VND	As at 31.12.2022 VND
(a) Payables						
VAT	70,640,473,609	4,095,395,045,425	(777,309,346,801)	(3,303,896,542,578)	(21,060,759,614)	63,768,870,041
Natural resource taxes	40,952,962,868	439,135,581,034	(442,651,998,181)	-	-	37,436,545,721
CIT	294,940,078,031	507,534,849,403	(577,463,723,938)	-	6,166,965,765	231,178,169,261
Forest environment services fee	41,831,310,440	118,105,152,696	(123,067,481,240)	-	-	36,868,981,896
Personal income tax	12,189,584,945	99,063,358,262	(99,984,546,971)	-	(1,108,286,015)	10,160,110,221
Other taxes	6,657,374,899	106,532,036,372	(106,460,933,493)	-	(4,132,093,515)	2,596,384,263
	467,211,784,792	5,365,766,023,192	(2,126,938,030,624)	(3,303,896,542,578)	(20,134,173,379)	382,009,061,403
(b) Receivables						
VAT to be reclaimed	36,090,153,662	3,554,197,024,982	-	(3,303,896,542,578)	-	286,390,636,066
Surplus VAT payment	21,127,889,580	-	(67,129,966)	-	(21,060,759,614)	-
Other taxes	9,153,196,824	-	(13,162,738)	-	926,586,235	10,066,620,321
	66,371,240,066	3,554,197,024,982	(80,292,704)	(3,303,896,542,578)	(20,134,173,379)	296,457,256,387

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 december 2022

Form B 09 – DN/HN

14 PAYABLES TO EMPLOYEES

At as 31 December 2022 and 31 December 2021, the balance represents the payable to employees according to the Group's policy.

15 SHORT-TERM ACCRUED EXPENSES

	31.12.2022 VND	31.12.2021 VND
Interest expense	18,439,068,960	16,903,947,245
Others	36,974,537,570	21,291,690,998
	<u>55,413,606,530</u>	<u>38,195,638,243</u>

16 UNEARNED REVENUE

As at 31 December 2022 and 31 December 2021, the unearned revenue is mainly revenue from leased assets received in advance from Vinh Tan 1 Power Company Limited.

17 OTHER SHORT-TERM PAYABLES

	31.12.2022 VND	31.12.2021 VND
Dividend payable (Note 22)	625,910,262,784	7,582,728,659
Payables to EVN (*)	606,234,490,707	346,768,343,073
Temporary VAT payable	282,742,457,619	133,688,560,354
Payables due to sales of shares	39,969,577,665	39,969,577,665
Others	30,295,453,993	47,322,954,127
	<u>1,585,152,242,768</u>	<u>575,332,163,878</u>
In which:		
Third parties	347,805,389,804	215,778,992,673
Related parties (Note 33(b))	1,237,346,852,964	359,553,171,205
	<u>1,585,152,242,768</u>	<u>575,332,163,878</u>

(*) As at 31 December 2022 and 31 December 2021, the payables to EVN mainly include interest expense, re-borrowing fees.

18 BORROWINGS**(a) Short-term**

	As at 1.1.2022 VND	Increase during the year VND	Decrease during the year VND	Reclassification during the year VND	Revaluation of foreign currency as at year end VND	As at 31.12.2022 VND
Borrowings from banks	-	119,500,000,000	(119,500,000,000)	-	-	-
Current portion of long-term bank borrowings (Note 18(b)(*))	369,491,279,424	-	(369,491,279,428)	700,002,305,488	-	700,002,305,484
Current portion of long-term related party borrowings (Note 18(b), 33(b)**))	4,528,946,165,517	-	(4,531,082,733,999)	4,605,699,927,402	76,945,733,023	4,680,509,091,943
	4,898,437,444,941	119,500,000,000	(5,020,074,013,427)	5,305,702,232,890	76,945,733,023	5,380,511,397,427

(b) Long-term

	As at 1.1.2022 VND	Increase during the year VND	Decrease during the year VND	Reclassification during the year VND	Revaluation of foreign currency as at year end VND	As at 31.12.2022 VND
Borrowings from banks (*)	1,734,923,193,446	-	(147,746,934,700)	(700,002,305,488)	-	887,173,953,258
Borrowings from related parties (Note 33(b)**))	38,022,219,406,486	-	-	(4,605,699,927,402)	814,693,559,310	34,231,213,038,394
	39,757,142,599,932	-	(147,746,934,700)	(5,305,702,232,890)	814,693,559,310	35,118,386,991,652

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 december 2022

Form B09 – DN/HN

18 BORROWINGS (CONTINUED)

(b) Long-term (continued)

(*) Details of bank loans are as follows:

	Currency	Maturity	31.12.2022 VND	31.12.2021 VND	Interest rate	Collateral assets
Bank borrowings						
Mong Duong 1 Thermal Power Plant Project						
Lien Viet Post Joint Stock Commercial Bank – Thang Long Branch	VND	2025	40,101,003,862	55,976,880,538	12-month deposit + 2.8% p.a.	(i)
Vinh Tan 2 Thermal Power Plant Project						
The Vietnam Development Bank – Operation Center I	VND	2024	470,000,000,000	470,000,000,000	Defined by the bank	(i)
Joint Stock Commercial Bank for Foreign Trade of Vietnam	VND	2025	617,912,751,456	842,608,297,440	12-month deposit + 2.8% p.a.	(i)
Buon Kuop Hydropower Plant Project						
Saigon – Hanoi Commercial Joint Stock Bank – Ha Noi Branch	VND	2025	90,000,000,000	130,000,000,000	12-month deposit + 2.8% p.a.	(i)
Vinh Tan Power Center's Infrastructure Project						
Saigon – Hanoi Commercial Joint Stock Bank – Ha Thanh Branch	VND	2022	-	193,235,908,648	12-month deposit + 2.8% p.a.	(i)
Vinh Tan 2 Solar Power Plant Project						
Saigon – Hanoi Commercial Joint Stock Bank – Ha Noi Branch	VND	2031	369,162,503,424	412,593,386,244	12-month deposit + 2.7% p.a.	(ii)
Current portion of long-term borrowings (Note 18(a))			1,587,176,258,742	2,104,414,472,870		
			(700,002,305,484)	(369,491,279,424)		
			887,173,953,258	1,734,923,193,446		

(i) All of the above borrowings are guaranteed for payment by EVN.

(ii) The collateral assets are the total value of construction of Vinh Tan 2 Solar Power Plant Project (Note 9(a)) and debts collection rights arising from the Power Purchase Contract of Vinh Tan 2 Solar Power Plant signed between the Group and EVN.

As at 31 December 2022, the applicable interest rate applied for the above bank borrowings is from 7.6% per annum to 10.26% per annum (as at 31 December 2021: from 7.6% per annum to 9.2% per annum).

18 BORROWINGS (CONTINUED)

(b) Long-term (continued)

(**) Details of re-borrowings from EVN are as follows:

	Currency	Maturity	31.12.2022 VND	31.12.2021 VND	Interest rate	Collateral assets
Re-borrowings from a related party (Note 33(b))						
Mong Duong 1 Thermal Power Plant Project						
Asian Development Bank ("ADB")	USD	2032	374,450,171,403	383,673,646,210	LIBOR 6 months + 1% p.a.	(iii)
ADB	USD	2034	17,120,997,292,319	17,227,531,267,362	LIBOR 6 months + 0.65% p.a.	(iii)
Korea Export Import Commercial Joint Stock Bank	USD	2028	5,319,073,212,262	6,071,605,004,087	LIBOR 6 months + 4.05% p.a.	(iii)
Vinh Tan 2 Thermal Power Plant Project						
The Export-Import Bank of China ("China Eximbank")	USD	2027	3,559,378,938,320	4,125,459,684,448	3.45% p.a.	(iv)
China Eximbank	CNY	2027	933,636,851,270	1,205,306,231,805	3.4% p.a.	(iv)
China Eximbank	USD	2028	9,023,238,663,512	10,167,779,239,327	LIBOR 6 months + 2.65% p.a.	(iv)
Buon Kuop Hydropower Plant Project						
Japan Bank for International Cooperation ("JBIC")	JPY	2026	38,582,084,753	53,555,196,233	2.75% p.a.	(iv)
JBIC	JPY	2028	33,633,098,653	44,139,098,681	2.55% p.a.	(iv)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 december 2022

Form B 09 – DN/HN

18 BORROWINGS (CONTINUED)

(b) Long-term (continued)

(**) Details of re-borrowings from EVN (continued) are as follows:

	Currency	Maturity	31.12.2022 VND	31.12.2021 VND	Interest rate	Collateral assets
Re-borrowings from a related party (Note 33(b))						
(continued)						
Phu My 1 Thermal Power Plant Project						
JBIC	JPY	2028	2,262,963,969,675	2,969,847,989,121	from 1.15% p.a. to 2.7% p.a.	(iv)
Ba Ria Steam Tail 306-2 Power Plant Project						
Ba Ria - Vung Tau Development Bank	KRW	2027	245,767,848,170	302,268,214,729	2.4% p.a.	(iv)
			38,911,722,130,337	42,551,165,572,003		
Current portion of long-term borrowings (Note 18(a))			(4,680,509,091,943)	(4,528,946,165,517)		
			34,231,213,038,394	38,022,219,406,486		

(iii) The collateral assets are the entire value of construction of Mong Duong 1 Thermal Power Plant Project (Note 9(a)).

(iv) The above borrowings did not have collateral assets.

As at 31 December 2022, the floating interest rate applied for the EVN's re-borrowings denominated in USD is from 0.89% per annum to 7.6% per annum (as at 31 December 2021: from 0.89% per annum to 4.3% per annum).

19 BONUS AND WELFARE FUND

	31.12.2022 VND	31.12.2021 VND
Beginning of year	235,724,153,191	151,637,057,334
Appropriation (Note 21)	209,892,140,413	175,431,780,792
Reclassification (Note 21)	178,809,276	-
Other increase	110,320,000	154,719,600
Utilise	(110,208,387,509)	(90,716,305,304)
Depreciation of fixed assets formed from the bonus and welfare fund	(782,192,810)	(783,099,231)
End of year	334,914,842,561	235,724,153,191

20 OWNERS' CAPITAL

(a) Number of shares

	31.12.2022		31.12.2021	
	Ordinary shares	Preference shares	Ordinary shares	Preference shares
Number of shares registered, issued and existing in circulation	1,123,468,046	-	1,123,468,046	-

(b) Details of owners' shareholding

	31.12.2022		31.12.2021	
	Ordinary shares	%	Ordinary shares	%
EVN	1,114,422,994	99.19	1,114,422,994	99.19
Others	9,045,052	0.81	9,045,052	0.81
Number of shares issued	1,123,468,046	100.00	1,123,468,046	100.00

(c) Movement of share capital

	Number of shares	Ordinary shares VND
As at 1 January 2021	1,069,969,577	10,699,695,770,000
New shares issued (Note 21)	53,498,469	534,984,690,000
As at 31 December 2021 and 31 December 2022	1,123,468,046	11,234,680,460,000

Par value: VND10,000 per share.

The Corporation has no preference shares.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 december 2022

Form B 09 – DN/HN

21 MOVEMENTS IN OWNERS' EQUITY

	Owners' capital VND	Share premium VND	Owners' other capital VND
As at 1 January 2021	10,699,695,770,000	6,014,917,945	46,494,391,137
Dividend paid in shares (Note 22)	534,984,690,000	-	-
Net profit for the year	-	-	-
Appropriation to investment and development fund	-	-	-
Appropriation to bonus and welfare fund	-	-	-
Dividends paid (Note 22)	-	-	-
Utilisation of investment and development fund	-	-	652,823,914
As at 31 December 2021	11,234,680,460,000	6,014,917,945	47,147,215,051
Net profit for the year	-	-	-
Appropriation to investment and development fund (*)	-	-	-
Appropriation to bonus and welfare fund (*)	-	-	-
Dividends paid (Note 22)(**)	-	-	-
Utilisation of investment and development fund	-	-	3,664,414,950
Reclassification (Note 19)	-	-	-
As at 31 December 2022	11,234,680,460,000	6,014,917,945	50,811,630,001

(*) Pursuant to the Resolution No. 81/NQ-DHDCD dated 14 June 2022 of the General Meeting of Shareholders of the Corporation; the Resolution No. 715/NQ-NDBR dated 1 June 2022 of the General Meeting of Shareholders of Ba Ria Thermal Power Joint Stock Company and the Resolution No. 348/NQ-DHDCD-NBTPC dated 28 June 2022 of the General Meeting of Shareholders of Ninh Binh Thermal Power Joint Stock Company.

(**) Pursuant to the Resolution No. 81/NQ-DHDCD dated 14 June 2022 of the General Meeting of Shareholders, the Corporation paid dividend in cash from the 2021 profit after tax at the rate of 13% of the charter capital, equivalent to the total amount of VND1,460,388,320,300. Accordingly, the Board of Management issued the Resolution No. 91/NQ-HDQT dated 5 July 2022 about the record date on 15 July 2022 and the dividend payment date on 29 July 2022.

Investment and development fund VND	Other funds VND	Undistributed earnings VND	Non-controlling interests VND	Total VND
184,357,112,169	15,890,285,682	3,641,098,585,198	370,434,090,122	14,963,985,152,253
-	-	(534,984,690,000)	-	-
-	-	3,141,048,822,276	37,869,659,944	3,178,918,482,220
514,017,158,580	-	(514,017,158,580)	-	-
-	-	(170,955,708,827)	(4,476,071,965)	(175,431,780,792)
-	-	(534,984,788,500)	(22,330,110,604)	(557,314,899,104)
(1,660,549,990)	-	-	-	(1,007,726,076)
696,713,720,759	15,890,285,682	5,027,205,061,567	381,497,567,497	17,409,149,228,501
-	-	2,524,379,473,241	25,436,939,224	2,549,816,412,465
623,345,602,464	-	(623,345,602,464)	-	-
-	-	(204,309,275,716)	(5,582,864,697)	(209,892,140,413)
-	-	(2,078,415,885,100)	(27,273,154,500)	(2,105,689,039,600)
(4,124,494,950)	-	-	-	(460,080,000)
-	(142,260,660)	-	(36,548,616)	(178,809,276)
1,315,934,828,273	15,748,025,022	4,645,513,771,528	374,041,938,908	17,642,745,571,677

Pursuant to the Resolution No. 155/NQ-HDQT dated 7 December 2022, the Corporation advanced the 2022 dividend in cash at the rate of 5.5% of the charter capital, equivalent to the total amount of VND617,907,425,300, the record date is 28 December 2022 and the dividend payment date is 10 February 2023.

Pursuant to the Resolution No. 348/NQ-DHDCD-NBTPC dated 28 June 2022 of the General Meeting of Shareholders, Ninh Binh Thermal Power Joint Stock Company paid the dividend in cash from the 2021 profit after tax at the rate of 15% of the charter capital, equivalent to the total amount of VND19,298,250,000.

Pursuant to the Resolution No. 715/NQ-NDBR dated 1 June 2022 of the General Meeting of Shareholders, Ba Ria Thermal Power Joint Stock Company paid the dividend in cash from the 2021 profit after tax at the rate of 15% of the charter capital, equivalent to the total amount of VND90,728,400,000.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 december 2022

Form B 09 – DN/HN

22 DIVIDENDS

	31.12.2022 VND	31.12.2021 VND
Beginning of year	7,582,728,659	7,205,964,234
Dividends payable during the year (Note 21)	2,105,689,039,600	1,092,299,589,104
Net-off (Note 33(a))	(1,448,749,892,200)	(530,677,616,500)
Dividends paid in shares (Note 21)	-	(534,984,690,000)
Dividends paid in cash	(38,611,613,275)	(26,260,518,179)
End of year	625,910,262,784	7,582,728,659

23 EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders after deducting the bonus and welfare fund by the weighted average number of ordinary shares outstanding during the year, excluding ordinary shares repurchased by the Corporation and held as treasury shares. Details are as follows:

	31.12.2022	31.12.2021 (As restated (**))
Net profit attributable to shareholders (VND)	2,524,379,473,241	3,141,048,822,276
Less amount allocated to bonus and welfare fund (VND)(*)	(*)	(204,309,275,716)
	2,524,379,473,241	2,936,739,546,560
Weighted average number of ordinary shares in circulation (shares)	1,123,468,046	1,123,468,046
Basic earnings per share (VND)	2,247	2,614

(*) As at 31 December 2022, the Group did not reliably estimate the amount of the bonus and welfare fund appropriated from the profits for year ended 31 December 2022 since the General Meeting of Shareholders has not determined profit distribution plan. Had the Group appropriated bonus and welfare fund, net profit attributable to shareholders and basic earnings per share would have decreased.

(**) Basic earnings per share of year ended 31 December 2021 were recomputed as per Circular No. 200/2014/TT-BTC issued by the Ministry of Finance on 22 December 2014 ("Circular 200") as follows:

For the year ended 31.12.2021			
	As previously reported VND	Adjustments VND	As restated VND
Net profit attributable to shareholders (VND)	3,141,048,822,276	-	3,141,048,822,276
Adjust amount allocated to bonus and welfare fund (VND)	-	(204,309,275,716)	(204,309,275,716)
	3,141,048,822,276	(204,309,275,716)	2,936,739,546,560
Weighted average number of existing shares in circulation (shares)	1,123,468,046	-	1,123,468,046
Basic earnings per share (VND)	2,796	(182)	2,614

23 EARNINGS PER SHARE (CONTINUED)

(b) Diluted earnings per share

The Corporation did not have any ordinary shares potentially diluted during the year and up to the date of these consolidated financial statements. Therefore, the diluted earnings per share is equal to the basic earnings per share.

24 OFF BALANCE SHEET ITEMS

(a) Foreign currency

As at 31 December 2022, included in cash and cash equivalents were balances held in foreign currency of USD3,046.4 (at as 31 December 2021: USD3,072.8).

(b) Commitments under operating leases

The future minimum lease payments under non-cancellable operating leases were presented in Note 34(a).

25 NET REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES

	2022 VND	2021 VND
Net revenue from sales of electricity	46,779,421,537,943	36,973,868,379,756
Net revenue from rendering of other business activities	507,826,445,748	783,555,339,041
	<u>47,287,247,983,691</u>	<u>37,757,423,718,797</u>

26 COST OF GOODS SOLD AND SERVICES RENDERED

	2022 VND	2021 VND
Cost of electricity sold	41,456,064,867,671	32,739,374,223,482
Cost of other business activities rendered	412,420,775,462	731,212,570,339
	<u>41,868,485,643,133</u>	<u>33,470,586,793,821</u>

27 FINANCIAL INCOME

	2022 VND	2021 VND
Interest income from deposits	195,145,189,215	194,166,870,904
Interest income from bonds	14,978,842,922	19,339,470,323
Dividend income, profit distribution	55,115,183,909	54,146,387,804
Realised foreign exchange gains	57,902,618,091	85,230,839,058
Net gain from foreign currency revaluation at year-end	-	907,924,555,568
	<u>323,141,834,137</u>	<u>1,260,808,123,657</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 december 2022

Form B 09 – DN/HN

28 FINANCIAL EXPENSES

	2022 VND	2021 VND
Interest expense	1,576,833,210,859	1,221,622,521,691
Realised foreign exchange losses	73,375,442,471	2,344,581,178
Reversal of provision for diminution in value of investments	-	(6,224,139,813)
Net loss from foreign currency revaluation at year-end	892,894,434,202	-
	<u>2,543,103,087,532</u>	<u>1,217,742,963,056</u>

29 GENERAL AND ADMINISTRATION EXPENSES

	2022 VND	2021 VND
Staff costs	319,558,926,968	321,828,640,704
External service expenses	38,339,892,267	36,462,393,200
Depreciation and amortisation	59,976,439,592	51,826,489,065
Tools and supplies	19,102,565,151	19,332,273,711
Others	237,302,202,406	185,919,532,790
	<u>674,280,026,384</u>	<u>615,369,329,470</u>

30 CORPORATE INCOME TAX ("CIT")

The Group is subject to CIT at a rate of 20% on taxable income.

The CIT tax on the Group's profit before tax differs from the theoretical amount that would arise using the applicable tax rate of 20% is as follows:

	2022 VND	2021 VND
Net accounting profit before tax	3,057,351,261,868	3,912,157,125,037
Tax calculated at a rate of 20%	611,470,252,374	782,431,425,007
Effect of:		
Income not subject to tax	(113,810,789,975)	(52,248,291,836)
Expenses not deductible for tax purposes	10,168,865,203	1,894,194,042
Under-provision in previous years	260,870,688	-
Tax losses for which no deferred income tax asset was recognised	-	1,161,315,604
Temporary differences for which no deferred income tax asset was recognised	(554,348,887)	-
CIT charge (*)	<u>507,534,849,403</u>	<u>733,238,642,817</u>
Charged to the consolidated income statement:		
CIT – current	<u>507,534,849,403</u>	<u>733,238,642,817</u>

(*) The CIT charge for the financial year is based on estimated taxable income and is subject to review and possible adjustments by the tax authorities.

31 COSTS OF OPERATION BY FACTOR

Costs of operation by factor represent all costs incurred during the year from the Group's operating activities, excluding cost of merchandises for trading activities. Details are as follows:

	2022 VND	2021 VND
Raw materials	34,752,905,406,542	25,354,051,792,589
Depreciation and amortisation	4,496,751,318,758	4,477,723,940,240
Major repair expenses	548,789,444,696	1,210,633,825,558
Staff costs	1,109,691,675,029	1,125,009,132,447
External service expenses	529,445,455,662	698,306,059,951
Others	1,105,427,466,599	1,220,456,300,868
	<u>42,543,010,767,286</u>	<u>34,086,181,051,653</u>

32 ADDITIONAL INFORMATION ON CERTAIN ITEMS OF THE CONSOLIDATED CASH FLOW STATEMENT

The major non-cash transactions affecting the consolidated cash flow statement are as follows:

	2022 VND	2021 VND
Offset borrowing principals against short-term trade accounts receivable (Note 33(a))	4,510,989,167,077	4,470,065,572,771
Offset dividend payable against short-term trade accounts receivable (Note 33(a))	1,448,749,892,200	530,677,616,500
Offset interest expense and borrowing fees against short-term trade accounts receivable (Note 33(a))	1,146,706,891,397	1,080,359,165,911
Offset other short-term payables and short-term trade accounts payable against short-term trade accounts receivable (Note 33(a))	115,747,320,596	231,385,659,974
Dividend declared but have been paid yet (Note 17)	625,910,262,784	7,582,728,659
Purchases of fixed assets and construction in progress that have not been settled	123,113,249,439	337,975,952,594
Increase of non-cash investment in other entities	-	14,614,784,000
Distributed dividend to be collected	-	83,700,000,000
Dividend paid in shares	-	534,984,690,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 december 2022

Form B 09 – DN/HN

33 RELATED PARTY DISCLOSURES

The Company is a joint stock company. Details of the shareholders are presented in Note 20(b).

The list of related parties that have transactions with the Group during the year are as follows:

Parent company

EVN

Associates

Thac Ba Hydropower Joint-Stock Company

Vinh Son – Song Hinh Hydropower Joint Stock Company

Se San 3A Power Investment and Development Joint-Stock Company

Other related parties

Uong Bi Thermal Power Company

Viet Lao Power Joint Stock Company

Pha Lai Thermal Power Joint Stock Company

Hai Phong Thermal Power Joint Stock Company

Ho Chi Minh City Electric Power College

Power Engineering Consulting Joint Stock Company 1

Power Engineering Consulting Joint Stock Company 2

Power Engineering Consulting Joint Stock Company 3

Power Engineering Consulting Joint Stock Company 4

Northern Electrical Testing One Member Company Limited

Central Electrical Testing One Member Company Limited

Petrovietnam Power Nhon Trach 2 Joint Stock Company

Thai Binh Thermal Power Project Management Board - Branch of EVN (“Thai Binh Thermal Power Project Management Board”)

Electric Power Trading Company – Branch of EVN (“Electric Power Trading Company”)

Nghi Son Thermal Power Company – Branch of Power Generation Corporation 1 (“Nghi Son Thermal Power Company”)

Duyen Hai Thermal Power Company – Branch of Power Generation Corporation 1 (“Duyen Hai Thermal Power Company”)

Information and Communications Technology Company of Vietnam Electricity – Branch of EVN (“Information and Communications Technology Company of Vietnam Electricity”)

Electricity Hotel – Tourism and Trading Service One Member Company Limited

EVN Construction and Technology Investment Management Board – Branch of EVN (“EVN Construction and Technology Investment Management Board”)

Power Transmission Company No.2 – Branch of Power Transmission Service Company (“Power Transmission Company No.2”)

Thai Binh Thermal Power Company – Branch of EVN (“Thai Binh Thermal Power Company”)

Quang Ninh Thermal Power Joint Stock Company – Branch of Power Generation Corporation 1 (“Quang Ninh Thermal Power Joint Stock Company”)

Quang Ninh Power Company – Branch of Northern Power Corporation (“Quang Ninh Power Company”)

Dac Lak Power Company – Branch of Central Power Corporation

Dac Nong Power Company – Branch of Central Power Corporation

Thu Thiem Power Company – Branch of Southern Power Corporation

Binh Thuan Power Company – Branch of Southern Power Corporation

Ba Ria – Vung Tau Power Company – Branch of Southern Power Corporation (“Ba Ria – Vung Tau Power Company”)

Vinh Tan Thermal Power Project Management Board (“Vinh Tan 4 and Vinh Tan 4 Extension Thermal Power Plant Project”)

Vinh Tan 4 Thermal Power Plant – Branch of Vietnam Electricity (“Vinh Tan 4 Thermal Power Plant”)

Branch of Southern Power Corporation – Southern Electrical Testing Company (“Southern Electrical Testing Company”)

33 RELATED PARTY DISCLOSURES (CONTINUED)

(a) Related party transactions

During the year, the following major transactions were carried out with related parties:

	2022 VND	2021 VND
i) Sales of goods and rendering of services		
Electricity Power Trading Company	46,801,867,997,743	36,970,872,194,934
Vinh Tan 4 Thermal Power Plant	381,179,420,233	612,692,676,766
Duyen Hai Thermal Power Company	-	79,609,825,318
Others	32,583,342,068	1,657,416,898
	<u>47,215,630,760,044</u>	<u>37,664,832,113,916</u>
ii) Purchases of goods and services		
EVN	118,422,082,499	137,661,724,695
Quang Ninh Power Company	7,413,123,438	6,928,106,507
Northern Electrical Testing One Member Company Limited	8,107,372,947	750,000,000
Southern Electrical Testing Company	2,738,066,206	2,598,932,749
Power Engineering Consulting Joint Stock Company 3	1,485,697,720	2,808,640,841
Power Engineering Consulting Joint Stock Company 2	1,403,824,500	1,450,052,273
Power Engineering Consulting Joint Stock Company 4	1,925,216,222	3,596,546,908
Information and Communications Technology Company of Vietnam Electricity	-	2,362,834,636
Others	13,762,725,476	8,144,829,216
	<u>155,258,109,008</u>	<u>166,301,667,825</u>
iii) Financing activities		
Dividend income, profit distribution		
Petrovietnam Power Nhon Trach 2 Joint Stock Company	11,751,168,000	14,243,840,000
Hai Phong Thermal Power Joint Stock Company	8,000,000,000	21,750,000,000
Others	35,364,015,909	18,152,547,804
	<u>55,115,183,909</u>	<u>54,146,387,804</u>
Bond interest		
Vinh Son - Song Dinh Hydropower Joint Stock Company	14,978,842,922	19,339,470,323
Collection of bonds		
Vinh Son - Song Dinh Hydropower Joint Stock Company	126,000,000,000	8,000,000,000
Interest expense		
EVN	1,412,400,303,940	1,013,673,019,580
Offset borrowing principals against short-term trade accounts receivable		
EVN	4,510,989,167,077	4,470,065,572,771
Offset interest expense and borrowing fees against short-term trade accounts receivable		
EVN	1,146,706,891,397	1,080,359,165,911
Repayment of borrowings		
EVN	50,378,035,822	50,128,144,770
Payment of interest expense		
EVN	6,298,164,077	8,237,073,736

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 december 2022

Form B 09 – DN/HN

33 RELATED PARTY DISCLOSURES (CONTINUED)

(a) Related party transactions (continued)

	2022 VND	2021 VND
iv) Investment activities		
Investments in associates (Note 4(b))		
Vinh Son – Song Hinh Hydropower Joint Stock Company	-	91,661,010,000
v) Other transactions		
Offset other short-term payables and short-term trade accounts payable against short-term trade accounts receivable		
EVN	115,747,320,596	231,385,659,974
Offset dividend payable against short-term trade accounts receivable		
EVN	1,448,749,892,200	530,677,616,500
vi) Compensation of key management		
Chairman	897,996,000	945,264,000
Member of the Board of Management cum President	870,792,000	916,620,000
Full-time member of the Board of Management (until 14 June 2022)	361,697,000	830,688,000
Independent member of the Board of Management	157,836,000	166,140,000
Part-time member of the Board of Management	157,836,000	166,140,000
Vice President (until 1 October 2021)	-	685,620,000
Vice President	789,156,000	900,248,000
Vice President	789,156,000	900,248,000
Vice President	789,156,000	830,688,000
Vice President (from 1 April 2021)	789,156,000	588,404,000
Chief Accountant	734,736,000	773,400,000
Full-time head of the Board of Supervisors	816,360,000	859,332,000
Part-time member of the Board of Supervisors	157,836,000	166,140,000
Part-time member of the Board of Supervisors	157,836,000	166,140,000
	<u>7,469,549,000</u>	<u>8,895,072,000</u>

33 RELATED PARTY DISCLOSURES (CONTINUED)

(b) Year-end balances with related parties

	31,12,2022 VND	31,12,2021 VND
i) Short-term trade accounts receivable (Note 5)		
Electricity Power Trading Company	10,823,439,654,821	7,636,241,034,912
Vinh Tan 4 Thermal Power Plant	814,059,611,377	902,526,554,588
Thai Binh Thermal Power Company	6,015,620,139	12,615,620,139
Duyen Hai Thermal Power Company	6,210,749,473	36,708,328,507
Others	33,838,490,585	28,707,941,301
	<u>11,683,564,126,395</u>	<u>8,616,799,479,447</u>
ii) Other short-term receivables (Note 6)		
EVN	15,256,171,287	15,256,171,287
EVN Construction and Technology Investment Management Board	67,966,368,944	67,966,368,944
Vinh Tan 4 and Vinh Tan 4 Extension Thermal Power Plant Project	65,091,830,980	69,982,724,313
Se San 3A Power Investment and Development Joint Stock Company	-	83,700,000,000
Others	2,408,207,606	6,570,307,015
	<u>150,722,578,817</u>	<u>243,475,571,559</u>
iii) Short-term trade accounts payable (Note 12)		
EVN	965,412,038	918,536,099
Power Engineering Consulting Joint Stock Company 3	1,026,188,000	612,178,000
Southern Electrical Testing Company	487,805,443	1,316,265,263
Others	2,603,175,179	4,861,276,109
	<u>5,082,580,660</u>	<u>7,708,255,471</u>
iv) Other short-term payables (Note 17)		
EVN	1,219,167,137,407	346,768,343,073
Others	18,179,715,557	12,784,828,132
	<u>1,237,346,852,964</u>	<u>359,553,171,205</u>
v) Short-term borrowings (Note 18(a))		
EVN	4,680,509,091,943	4,528,946,165,517
vi) Long-term borrowings (Note 18(b))		
EVN	<u>34,231,213,038,394</u>	<u>38,022,219,406,486</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 december 2022

Form B 09 – DN/HN

34 COMMITMENTS

(a) Commitments under operating leases

The future minimum lease payments under non-cancellable operating leases are as follows:

	31.12.2022 VND	31.12.2021 VND
Within one year	34,549,972,046	23,293,638,489
Between one and five years	116,285,505,127	105,874,012,122
Over five years	844,993,186,884	768,430,550,325
Total minimum payments	995,828,664,057	897,598,200,936

(b) Capital commitments

As at the consolidated balance sheet preparation date, the approved capital expenditure of the Group was as follows:

	31.12.2022 VND	31.12.2021 VND
Power plant and other constructions	277,999,936,000	514,455,000,000

35 SEGMENT REPORTING

The Group's principal activities are to produce and trade electricity. The risks and profitability of the Group would not be impacted by the differences in business segments provided by the Group or the geographic areas in which the Group operates. Therefore, the Board of Directors determines that the other business sectors of the Group would not significantly impact by the business segment or geographical segments. As a result, the segment reporting would not be necessary to present.

36 CONTINGENT LIABILITIES

In according with Circular No.200/2014/TT-BTC issued by Ministry of Finance on 22 December 2014, from 1 January 2015, the Group is required to make provisions for restoration costs incurred upon the return of land and leased land in accordance with the regulations and policies applicable to the business industry of the Group. Accordingly, the Group has the obligation to clear, restore and return the premises at the end of the lease term or the termination of the project. As at the date of these consolidated financial statements, the Group has not made such provision because there was no sufficient information to come up with a reliable estimation to be made.

37 EQUITISATION

Pursuant to the Decision No. 9494/QĐ-BCT dated 22 October 2014, the Ministry of Industry and Trade decided to equitise the Corporation. Pursuant to the Decision No. 2100/QĐ-TTg dated 27 December 2017 of the Prime Minister, the Prime Minister approved the equitisation plan of the Corporation. The Corporation completed the preparation of the financial statements at the time that the Corporation initially registered its joint stock form on 27 September 2018, including financial settlement at the time that the Corporation officially became a joint stock company, the independent audit of its financial statements, as well as the finalisation of tax and other payables to the State Budget with tax authorities.

On 11 November 2021, the Steering Committee for equitisation of Parent company - Power Generation Corporation 3 (established in accordance with the Decision No 110/QĐ-UBQLV dated 9 March 2020 issued by the Commission for the Management of State Capital at Enterprises) submitted the Report No. 6932/BC-EVN on the review of the finalisation documents of equitisation to the Commission for the Management of State Capital at Enterprises, requesting for the approval of the State's capital value at the time the entity officially becomes a joint stock company and the finalisation of the equitisation.

On 2 February 2023, pursuant to the Official Letter No. 402/ EVN-QLV, EVN has requested the Commission for the Management of State Capital at Enterprises to provide guidance, review and approve the finalisation of the equitisation.

As at the issuance date of these consolidated financial statements, the finalisation of the equitisation of the Corporation has not been approved. Accordingly, the financial effects (if any) to the consolidated financial statements may be further made upon the final approval of the relevant authorities on the finalisation of the equitisation.

38 EVENTS AFTER THE CONSOLIDATED BALANCE SHEET DATE

In accordance with the Resolution No. 155/NQ-HDQT dated 7 December 2022, the Corporation paid dividend in cash on 10 February 2023 with an amount of VND617,907,425,300.

The consolidated financial statements were approved by the Board of Directors on 13 March 2023.



Tran Nguyen Khanh Linh
Preparer



Vu Phuong Thao
Chief Accountant



Nguyen Thi Thanh Huong
Vice President

13 March 2023