

POWER GENERATION JOINT STOCK CORPORATION 3

SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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POWER GENERATION JOINT STOCK CORPORATION 3

CORPORATE INFORMATION

Establishment Decision	No. 3025/QD-BCT which was issued by the Ministry of Industry and Trade on 1 June 2012.	
Enterprise registration certificate	No. 3502208399 dated 26 November 2012 which was initially issued by the Department of Planning and Investment of Ba Ria – Vung Tau Province with the latest 9 th amendment dated 5 October 2021 issued by the Department of Planning and Investment of Ho Chi Minh City.	
Board of Management	Mr. Dinh Quoc Lam Mr. Truong Quoc Phuc Mr. Le Van Danh Mr. Nguyen Minh Khoa Mr. Do Mong Hung	Chairman Member (until 14 June 2022) Member Member Independent Member
Board of Supervisors	Mr. Pham Hung Minh Mr. Dau Duc Chien Ms. Vu Hai Ngoc	Head Member Member
Board of Directors	Mr. Le Van Danh Mr. Cao Minh Trung Mr. Nguyen Thanh Trung Duong Ms. Nguyen Thi Thanh Huong Mr. Vo Minh Thang	President Vice President Vice President Vice President Vice President
Legal representative	Mr. Le Van Danh	President
Registered office	No. 60-66 Nguyen Co Thach Street, Sala Urban Area, An Loi Dong Ward, Thu Duc City, Ho Chi Minh City, Vietnam.	
Auditor	PwC (Vietnam) Limited	

POWER GENERATION JOINT STOCK CORPORATION 3

STATEMENT OF THE BOARD OF DIRECTORS

Responsibility of the Board of Directors of the Company in respect of the separate financial statements

The Board of Directors of Power Generation Joint Stock Corporation 3 ("the Corporation") is responsible for preparing separate financial statements which give a true and fair view of the separate financial position of the Corporation as at 31 December 2022, and of the separate results of its operations and its separate cash flows for the year then ended. In preparing these separate financial statements, the Board of Directors is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the separate financial statements on a going concern basis unless it is inappropriate to presume that the Corporation will continue in business.

The Board of Directors of the Corporation is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the separate financial position of the Corporation and enable separate financial statements to be prepared which comply with the basis of accounting set out in Note 2 to the separate financial statements. The Board of Directors is also responsible for safeguarding the assets of the Corporation and hence for taking reasonable steps for the prevention and detection of fraud or error.

Approval of the separate financial statements

We hereby, approve the accompanying separate financial statements as set out on pages 5 to 49 which give a true and fair view of the separate financial position of the Corporation as at 31 December 2022, and of the separate results of its operations and its separate cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of separate financial statements.

Users of these separate financial statements of the Corporation should read them together with the consolidated financial statements of the Corporation and its subsidiaries (together, referred to as "the Group") for the year ended 31 December 2022 in order to obtain full information of the consolidated financial position and consolidated results of operations and consolidated cash flows of the Group.

On behalf of the Board of Directors



Nguyễn Thị Thanh Hương
Vice President
Authorised Legal Representative

Ho Chi Minh City, SR Vietnam
13 March 2023



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF POWER GENERATION JOINT STOCK CORPORATION 3

We have audited the accompanying separate financial statements of Power Generation Joint Stock Corporation 3 ("the Corporation") which were prepared on 31 December 2022 and approved by the Board of Directors of the Company on 13 March 2023. The separate financial statements comprise the separate balance sheet as at 31 December 2022, the separate income statement and the separate cash flow statement for the year then ended, and explanatory notes to the separate financial statements including significant accounting policies, as set out on pages 5 to 49.

The Board of Directors' Responsibility

The Board of Directors of the Company is responsible for the preparation and the true and fair presentation of these separate financial statements of the Corporation in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of separate financial statements and for such internal control which the Board of Directors determines is necessary to enable the preparation and presentation of the separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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



Auditor's Opinion

In our opinion, the separate financial statements present fairly, in all material respects, the separate financial position of the Corporation as at 31 December 2022, its separate financial performance and its separate cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of separate financial statements.

Emphasis of Matter

As presented in Note 36 - Equitisation of the Notes to the separate financial statements, as at the issuance date of these separate financial statements, the relevant authorities have not yet approved the finalisation of the equitisation at the time that the Corporation officially became a joint stock company. Accordingly, the financial effects (if any) to these separate financial statements may be further made upon the final approval of the relevant authority on the finalisation of the equitisation. Our audit opinion is not modified in respect of this matter.

Other Matter

The independent auditor's report is prepared in Vietnamese and English. Should there be any conflict between the Vietnamese and English versions, the Vietnamese versions shall take precedence.

For and on behalf of PwC (Vietnam) Limited



Mai Viet Hung Tran
Audit Practising Licence
No. 0048-2023-006-1
Authorised signatory

Thai Van Cuong
Audit Practising Licence
No. 3435-2020-006-1

Report reference number: HCM12971
Ho Chi Minh City, 13 March 2023

SEPARATE BALANCE SHEET

Code	ASSETS	Note	As at 31 December	
			2022 VND	2021 VND
100	CURRENT ASSETS		19,103,923,091,722	17,600,478,627,685
110	Cash and cash equivalents	3	1,579,074,678,623	2,231,883,028,729
111	Cash		479,074,678,623	431,883,028,729
112	Cash equivalents		1,100,000,000,000	1,800,000,000,000
120	Short-term investment		3,580,000,000,000	3,810,000,000,000
123	Investments held to maturity	4(a)	3,580,000,000,000	3,810,000,000,000
130	Short-term receivables		11,887,891,981,294	8,547,586,850,365
131	Short-term trade accounts receivable	5	11,169,606,409,289	8,050,500,946,570
132	Short-term prepayments to suppliers		181,336,561,642	189,206,393,326
136	Other short-term receivables	6	536,949,010,363	307,879,510,469
140	Inventories	7	1,747,875,798,243	2,908,279,111,292
141	Inventories		1,750,200,266,893	2,910,790,704,039
149	Provision for decline in value of inventories		(2,324,468,650)	(2,511,592,747)
150	Other current assets		309,080,633,562	102,729,637,299
151	Short-term prepaid expenses	8(a)	50,887,929,915	40,459,789,737
152	Value Added Tax ("VAT") to be reclaimed	13(b)	258,192,654,022	36,090,153,662
153	Tax and other receivables from the State	13(b)	49,625	26,179,693,900

The notes on pages 11 to 49 are an integral part of these separate financial statements.

SEPARATE BALANCE SHEET
(continued)

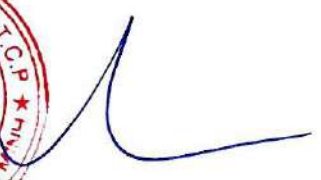
Code	ASSETS (continued)	Note	As at 31 December	
			2022 VND	2021 VND
200	LONG-TERM ASSETS		44,454,384,619,655	47,849,362,566,113
210	Long-term receivable		3,274,424,000	3,324,424,000
216	Other long-term receivables		3,274,424,000	3,324,424,000
220	Fixed assets		40,310,770,521,454	44,138,412,095,815
221	Tangible fixed assets	9(a)	39,714,282,736,022	43,548,599,893,583
222	Historical cost		111,316,568,700,336	110,691,093,920,205
223	Accumulated depreciation		(71,602,285,964,314)	(67,142,494,026,622)
227	Intangible fixed assets	9(b)	596,487,785,432	589,812,202,232
228	Historical cost		651,454,072,297	633,141,922,657
229	Accumulated amortisation		(54,966,286,865)	(43,329,720,425)
240	Long-term asset in progress		338,238,557,121	331,530,256,270
242	Construction in progress	10	338,238,557,121	331,530,256,270
250	Long-term investments		1,606,670,130,898	1,612,067,776,438
251	Investments in subsidiaries	4(b)	551,689,970,000	551,689,970,000
252	Investments in associates	4(b)	883,219,360,850	883,219,360,850
253	Investments in other entities	4(b)	177,158,445,588	177,158,445,588
254	Provision for long-term investments	4(b)	(5,397,645,540)	-
260	Other long-term assets		2,195,430,986,182	1,764,028,013,590
261	Long-term prepaid expenses	8(b)	250,732,004,593	244,903,968,293
263	Long-term spare parts, supplies and equipment	11	1,944,698,981,589	1,519,124,045,297
270	TOTAL ASSETS		63,558,307,711,377	65,449,841,193,798

The notes on pages 11 to 49 are an integral part of these separate financial statements.

SEPARATE BALANCE SHEET
(continued)

Code	RESOURCES	Note	As at 31 December	
			2022 VND	2021 VND
300	LIABILITIES		48,015,573,869,345	49,844,617,286,190
310	Short-term liabilities		12,775,454,035,820	10,008,016,611,641
311	Short-term trade accounts payable	12	4,807,101,203,105	3,408,643,820,968
312	Short-term advances from customers		-	1,617,000,000
313	Tax and other payables to the State	13(a)	380,126,457,321	455,643,775,011
314	Payables to employees	14	299,051,162,755	443,966,608,550
315	Short-term accrued expenses	15	54,430,023,998	37,043,414,329
318	Short-term unearned revenue	16	16,034,281,212	16,010,207,364
319	Other short-term payables	17	1,559,958,693,761	565,935,206,166
320	Short-term borrowings	18(a)	5,331,357,827,754	4,850,195,977,601
322	Bonus and welfare fund	19	327,394,385,914	228,960,601,652
330	Long-term liabilities		35,240,119,833,525	39,836,600,674,549
336	Long-term unearned revenue	16	318,322,507,370	333,480,722,006
337	Other long-term payables		24,613,000	4,100,000
338	Long-term borrowings	18(b)	34,921,772,713,155	39,503,115,852,543
400	OWNERS' EQUITY		15,542,733,842,032	15,605,223,907,608
410	Capital and reserves		15,542,733,842,032	15,605,223,907,608
411	Owners' capital	20, 21	11,234,680,460,000	11,234,680,460,000
411a	- Ordinary shares with voting rights		11,234,680,460,000	11,234,680,460,000
418	Investment and development funds	21	1,111,114,022,025	507,193,462,493
421	Undistributed earnings	21	3,196,939,360,007	3,863,349,985,115
421a	- Undistributed post-tax profits of previous years		1,607,560,371,134	841,446,787,457
421b	- Post-tax profit of current year		1,589,378,988,873	3,021,903,197,658
440	TOTAL RESOURCES		63,558,307,711,377	65,449,841,193,798


Tran Nguyen Khanh Linh
Preparer

Vu Phuong Thao
Chief Accountant

 Nguyen Thi Thanh Huong
Vice President
13 March 2023

The notes on pages 11 to 49 are an integral part of these separate financial statements.

SEPARATE INCOME STATEMENT

		Year ended 31 December		
Code	Note	2022 VND	2021 VND	
10	Net revenue from sales of goods and rendering of services	24	45,841,867,285,777	35,700,783,628,687
11	Cost of goods sold and services rendered	25	(40,517,948,968,353)	(31,544,179,260,785)
20	Gross profit from sales of goods and rendering of services		5,323,918,317,424	4,156,604,367,902
21	Financial income	26	509,535,328,942	1,342,533,762,419
22	Financial expenses	27	(2,542,924,841,520)	(1,215,693,153,279)
23	- Including: Interest expense	27	(1,570,532,634,110)	(1,213,348,572,101)
26	General and administration expenses	28	(608,088,881,213)	(547,371,772,525)
30	Net operating profit		2,682,439,923,633	3,736,073,204,517
31	Other income		30,721,961,877	29,125,804,034
32	Other expenses		(12,005,811,196)	(38,774,042,518)
40	Net other income/(expenses)		18,716,150,681	(9,648,238,484)
50	Net accounting profit before tax		2,701,156,074,314	3,726,424,966,033
51	Corporate income tax ("CIT") - current	29	(493,869,660,141)	(704,521,768,375)
60	Net profit after tax		2,207,286,414,173	3,021,903,197,658



Tran Nguyen Khanh Linh
Preparer



Vu Phuong Thao
Chief Accountant



Nguyen Thi Thanh Huong
Vice President
13 March 2023

The notes on pages 11 to 49 are an integral part of these separate financial statements.

SEPARATE CASH FLOW STATEMENT
(Indirect method)

Code	Note	Year ended 31 December	
		2022 VND	2021 VND
	CASH FLOWS FROM OPERATING ACTIVITIES		
01	Net accounting profit before tax	2,701,156,074,314	3,726,424,966,033
	Adjustments for:		
02	Depreciation and amortisation	4,468,322,254,954	4,448,678,454,222
03	Provisions	6,102,368,249	955,312,568
04	Unrealised foreign exchange losses/(gains)	899,016,764,939	(874,639,067,637)
05	Profits from investing activities	(457,146,768,620)	(388,463,149,296)
06	Interest expense	1,570,532,634,110	1,213,348,572,101
08	Operating profit before changes in working capital	9,187,983,327,946	8,126,305,087,991
09	Increase in receivables	(10,797,226,980,198)	(5,206,955,608,534)
10	Decrease in inventories	734,123,654,048	576,797,210,091
11	Increase/(decrease) in payables	1,778,138,726,370	(1,354,228,660,002)
12	Increase in prepaid expenses	(11,513,406,698)	(46,872,771,274)
14	Interest paid	(162,663,691,677)	(352,996,820,716)
15	CIT paid	(554,106,597,956)	(511,336,539,335)
16	Other receipts from operating activities	41,480,000	70,000,000
17	Other payments on operating activities	(91,726,017,577)	(70,048,613,690)
20	Net cash inflows from operating activities	83,050,494,258	1,160,733,284,531
	CASH FLOWS FROM INVESTING ACTIVITIES		
21	Purchases and constructs of fixed assets and other long-term assets	(935,281,590,865)	(966,319,495,195)
22	Proceeds from disposals fixed assets and other long-term assets	153,894,731	1,821,196
23	Term deposits with original maturity of more than three months	(4,880,000,000,000)	(500,000,000,000)
24	Collection of term deposits with an original maturity of more than three months	5,110,000,000,000	616,000,000,000
25	Investments in other entities	-	(91,661,010,000)
27	Interest from term deposit and distributed dividends received	498,201,846,582	325,894,952,246
30	Net cash outflows from investing activities	(206,925,849,552)	(616,083,731,753)

The notes on pages 11 to 49 are an integral part of these separate financial statements.

SEPARATE CASH FLOW STATEMENT
(Indirect method)
(continued)

		Year ended 31 December	
Code	Note	2022 VND	2021 VND
CASH FLOWS FROM FINANCING ACTIVITIES			
33	Proceeds from borrowings	-	66,369,417,592
34	Repayments of borrowings	(517,238,214,128)	(753,420,398,021)
36	Dividends paid to shareholders	(11,697,028,100)	(4,183,322,000)
40	Net cash outflows from financing activities	(528,935,242,228)	(691,234,302,429)
50	Net decrease in cash and cash equivalents	(652,810,597,522)	(146,584,749,651)
60	Cash and cash equivalents at beginning of year	3 2,231,883,028,729	2,378,468,854,788
61	Effect of foreign exchange differences	2,247,416	(1,076,408)
70	Cash and cash equivalents at end of year	3 1,579,074,678,623	2,231,883,028,729

Additional information relating to the separate cash flow statement is presented in Note 31.



Tran Nguyen Khanh Linh
Preparer



Vu Phuong Thao
Chief Accountant



Nguyen Thi Thanh Huong
Vice President
13 March 2023

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****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.

According to the Decision No. 731/QĐ-SGDHCM dated 29 December 2021 of the Ho Chi Minh City 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 Corporation's principal activities 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 Corporation is within 12 months.

As at 31 December 2022, the Corporation had 2 subsidiaries and 3 associates (as at 31 December 2021: 2 subsidiaries and 3 associates) as presented in Note 4(b), and had 2,071 employees (as at 31 December 2021: 2,058 employees).

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;

1 GENERAL INFORMATION (continued)

- 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;
- 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**2.1 Basis of preparation of separate financial statements**

The separate financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of separate financial statements. The separate financial statements have been prepared under the historical cost convention.

The accompanying separate financial statements are not intended to present the separate financial position and separate results of operations and separate 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.

Separately, the Corporation has also prepared consolidated financial statements of the Corporation and its subsidiaries (together, referred to as "the Group") in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements. In the consolidated financial statements, subsidiaries which are entities over which the Group has the power to govern the financial and operating policies, have been fully consolidated.

Users of these separate financial statements of the Corporation should read them together with the consolidated financial statements of the Group for the year ended 31 December 2022 in order to obtain full information of the consolidated financial position and consolidated results of operations and consolidated cash flows of the Group as a whole.

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

2.2 Fiscal year

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

2.3 Currency

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.4 Exchange rates**

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

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

Liabilities to Vietnam Electricity ("EVN") as at the separate balance sheet date are revaluated the year-end foreign currency balances by the Corporation 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 separate financial statements under the guidance of Official Letter No. 5794/EVN-TCKT on 13 October 2022 of EVN.

2.5 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.

2.6 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 separate balance sheet based on the remaining period from the separate balance sheet date to the maturity date.

2.7 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, cost 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 Corporation applies the perpetual method for inventories.

Provision 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.8 Investments****(a) Investments held to maturity**

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

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

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 per 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 separated balance sheet based on the remaining period from the separate balance sheet date to the remaining maturity date.

(b) Investments in subsidiaries

Subsidiaries are all entities over which the Corporation 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 Corporation controls another entity.

Investments in subsidiaries are initially recorded at cost of acquisition plus other expenditure directly attributable to the investment. The Board of Directors reviews all outstanding investments to determine the amount of provision to recognise at the year end.

(c) Investments in associates

Associates are investments that the Corporation has significant influence but not control over and the Corporation would generally have from 20% to less than 50% of the voting rights of the investee.

Investments in associates are initially recorded at cost of acquisition including purchase cost or capital contribution value plus other expenditure directly attributable to the investments. The Board of Directors reviews all outstanding investments to determine the amount of provision to recognise at the year end.

(d) 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. 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)**2.8 Investments (continued)****(e) Provision for investments in subsidiaries, associates, investments in other entities**

Provision for investments in subsidiaries, associates, other entities is made when there is a diminution in value of the investments at the year end.

Provision for investments in subsidiaries, associates is calculated based on the loss of investees.

Provision for investments in other entities is calculated based on market value if market value can be determined reliably. If market value can not be determined reliably, the provision is calculated similarly to provision for investments in subsidiaries, associates.

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.

2.9 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 separate income statement when incurred in the year.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.9 Fixed assets (continued)***Depreciation and amortisation*

Fixed assets are depreciated and amortised using the straight-line method so as to write off the historical cost of 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 separate 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.

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 separate 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 Corporation'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.

2.10 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 separate income statement on a straight-line basis over the term of the lease.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.11 Prepaid expenses**

Prepaid expenses include short-term and long-term prepayments on the separate balance sheet. Short-term prepaid expenses represent 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 prepayment. Long-term prepaid expenses represent prepayments for services; or tools, which 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 prepayment. Prepaid expenses are recorded at historical cost and allocated on a straight-line basis over their estimated useful lives.

2.12 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 separate balance sheet based on the remaining period from the separate balance sheet date to the maturity date.

2.13 Borrowings

Borrowings include borrowings from banks and related parties.

Borrowings are classified into short-term and long-term borrowings on the separate balance sheet based on their remaining term from the separate 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 separate income statement when incurred.

2.14 Accrued expenses

Accrued expenses include liabilities for goods and services received in the year 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.15 Provisions**

Provisions are recognised when the Corporation 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.

2.16 Unearned revenue

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

2.17 Capital and reserves

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

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

2.18 Appropriation of profit

The Corporation 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 other funds in accordance with Vietnamese regulations and the Corporation's charter.
- The investment and development fund is appropriated from the Corporation's profit after CIT and approved by shareholders at the General Meeting of shareholders.
- Bonus and welfare fund is appropriated from the Corporation's profit after CIT and subject to shareholders' approval at the General Meeting of shareholders. This fund is presented as a liability on the separate balance sheet.
- The Corporation's dividends are recognised as a liability in the Corporation's separate 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.19 Revenue recognition****(a) Revenue from sales of goods**

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

- The Corporation has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Corporation 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 Corporation; 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 sale obligation. If the Corporation gives promotional goods to customers associated with their purchases, the Corporation 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 separate income statement.

(b) Revenue from rendering of services

Revenue from rendering of services is recognised in the separate 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 Corporation;
- The percentage of completion of the transaction at the separate 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 Corporation has established the receiving rights from investees.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.20 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.

2.21 Financial expenses

Financial expenses are expenses incurred in the period for financial activities including interest expense and losses from foreign exchange differences.

2.22 General and administration expenses

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

2.23 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 separate 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 separate 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.

2.24 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 Corporation, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Corporation. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Corporation that gives them significant influence over the Corporation, key management personnel, including the Board of Management, Board of Directors of the Corporation 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 Corporation considers the substance of the relationship not merely the legal form.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.25 Segment reporting**

A segment is a component which can be separated by the Corporation 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 Corporation's business segment or the Corporation's geographical segment.

2.26 Critical accounting estimates

The preparation of separate financial statements in conformity with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of separate 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 separate 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 Corporation 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	1,451,150,959	2,707,606,713
Cash at bank	477,623,527,664	429,175,422,016
Cash equivalents (*)	1,100,000,000,000	1,800,000,000,000
	<u>1,579,074,678,623</u>	<u>2,231,883,028,729</u>

(*) Cash equivalents include term deposits at 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
Term deposits	<u>3,580,000,000,000</u>	<u>3,580,000,000,000</u>	<u>3,810,000,000,000</u>	<u>3,810,000,000,000</u>

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

At as 31 December 2022, term deposits with the value of VND336.7 billion have been used as the 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: VND806.2 billion).

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4 INVESTMENTS (continued)

(b) Long-term investments

	31.12.2022				31.12.2021			
	Percentage of ownership interest %	Cost VND	Fair value (***) VND	Provision VND	Percentage of ownership interest %	Cost VND	Fair value (***) VND	Provision VND
Investments in subsidiaries								
Ba Ria Thermal Power Joint Stock Company (i)	79.56	481,235,570,000	673,729,798,000	-	79.56	481,235,570,000	856,599,314,600	-
Ninh Binh Thermal Power Joint Stock Company (ii)	54.76	70,454,400,000	95,817,984,000	-	54.76	70,454,400,000	130,340,640,000	-
		551,689,970,000	769,547,782,000	-		551,689,970,000	986,939,954,600	-
Investments in associates								
Thac Ba Hydropower Joint Stock Company (iii)	30.00	190,500,000,000	561,975,000,000	-	30.00	190,500,000,000	573,405,000,000	-
Vinh Son - Song Chinh Hydropower Joint Stock Company (iv)	30.55	608,719,360,850	2,280,984,348,400	-	30.55	608,719,360,850	2,071,653,506,300	-
Se San 3A Power Investment and Development Joint Stock Company (v)	30.00	84,000,000,000	(*)	-	30.00	84,000,000,000	(*)	-
		883,219,360,850	-	-		883,219,360,850	-	-
Investments in other entities								
PetroVietnam Power Nhon Trach 2 Joint Stock Company (vi)	2.47	83,094,784,000	205,467,392,000	-	2.47	83,094,784,000	187,305,496,000	-
GE PMTP Power Service Liability Limited Company (vii)	15.00	74,463,661,588	(*)	(5,397,645,540)	15.00	74,463,661,588	(*)	-
Viet Lao Power Joint Stock Company (viii)	0.45	19,600,000,000	(*)	-	0.48	19,600,000,000	(*)	-
		177,158,445,588	-	(5,397,645,540)		177,158,445,588	-	-

(*) As at 31 December 2022 and 31 December 2021, the Corporation had not determine the fair value of these investments to disclose on the separate 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.

(**) Fair value of the listed shares were determined based on the total shares held by the Corporation and the closing price on the stock market at the end of financial year.

4 INVESTMENTS (continued)**(b) Long-term investments (continued)**

- (i) Ba Ria Thermal Power Joint Stock Company was transformed from a state-owned enterprise pursuant to the Decision No. 2744/QD-BCN dated 26 August 2005 of the Ministry of Industry and Trade and the Enterprise registration certificate No. 4903000451 which was issued by the Department of Planning and Investment of Ba Ria – Vung Tau Province on 1 November 2007. 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/QD-BCN dated 29 December 2006 of the Ministry of Industry and Trade and the Enterprise registration certificate No. 0903000161 which was issued by the Department of Planning and Investment of Ninh Binh Province on 31 December 2007. The principal activities of this company are to produce and trade electricity.
- (iii) 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.
- (iv) Vinh Son – Song Chinh Hydropower Joint Stock Company was transformed from the state-owned enterprise – Vinh Son - Song Chinh Hydropower Plant, a dependent accounting unit of EVN. The plant was officially transformed to operate under the form of Vinh Son – Song Chinh 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.
- (v) 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.
- (vi) 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.
- (vii) GE PMTP Power Service Liability Limited Company 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 machine and equipment.

4 INVESTMENTS (continued)**(b) Long-term investments (continued)**

- (viii) 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.

5 SHORT-TERM TRADE ACCOUNTS RECEIVABLE

	31.12.2022 VND	31.12.2021 VND
Third parties	26,251,791,216	11,052,145,733
Related parties (Note 32(b))	11,143,354,618,073	8,039,448,800,837
	<u>11,169,606,409,289</u>	<u>8,050,500,946,570</u>

As at 31 December 2022 and 31 December 2021, the Corporation 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	61,910,178,539	19,419,151,232
Distributed dividend receivables	-	83,700,000,000
Others	42,922,380,927	45,747,765,537
	<u>536,949,010,363</u>	<u>307,879,510,469</u>
In which		
Third parties	386,878,656,203	66,618,853,887
Related parties (Note 32(b))	150,070,354,160	241,260,656,582
	<u>536,949,010,363</u>	<u>307,879,510,469</u>

As at 31 December 2022 and 31 December 2021, the Corporation 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	1,589,047,149,556	(2,324,468,650)	2,727,278,722,068	(2,511,592,747)
Tools and supplies	137,150,941,301	-	167,151,195,662	-
Goods in transit	6,264,942,908	-	7,571,588,689	-
Work in progress	17,737,233,128	-	8,789,197,620	-
	<u>1,750,200,266,893</u>	<u>(2,324,468,650)</u>	<u>2,910,790,704,039</u>	<u>(2,511,592,747)</u>

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

	2022 VND	2021 VND
Beginning of year	2,511,592,747	2,094,607,093
Increase	704,722,709	955,312,568
Provisioned inventory write-off	-	(538,326,914)
Provisioned inventory disposal	(891,846,806)	-
End of year	<u>2,324,468,650</u>	<u>2,511,592,747</u>

8 PREPAID EXPENSES

(a) Short-term

	31.12.2022 VND	31.12.2021 VND
Insurance	41,836,030,656	38,328,765,909
Others	9,051,899,259	2,131,023,828
	<u>50,887,929,915</u>	<u>40,459,789,737</u>

(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	55,013,742,221	41,838,499,125
	<u>250,732,004,593</u>	<u>244,903,968,293</u>

(*) 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.

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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	20,467,469,304,800	83,295,543,597,984	6,689,620,915,531	200,308,949,896	38,151,151,994	110,691,093,920,205
New purchases	6,923,048,281	97,479,418,863	10,545,135,274	58,859,258,820	-	173,806,861,238
Transfers from construction in progress (Note 10)	30,105,219,259	454,443,022,338	6,081,100,000	6,297,254,803	-	496,926,596,400
Disposals	-	(322,107,640)	(1,846,566,289)	(705,554,455)	-	(2,874,228,384)
Adjustment upon the approved finalisation Reclassification from intangible fixed asset (Note 9(b))	(48,164,910,251)	(3,099,662,252)	(2,631,545,042)	-	31,470,962	(53,864,646,583)
	-	-	-	11,480,197,460	-	11,480,197,460
As at 31 December 2022	20,456,332,662,089	83,844,044,269,293	6,701,769,039,474	276,240,106,524	38,182,622,956	111,316,568,700,336
Accumulated depreciation						
As at 1 January 2022	8,284,975,249,016	54,856,774,950,394	3,852,847,710,438	135,650,743,372	12,245,373,402	67,142,494,026,622
Charge for the year	708,855,616,111	3,402,149,509,014	309,595,173,136	36,992,550,956	4,785,702,603	4,462,378,551,820
Disposals	-	(322,107,640)	(1,846,566,289)	(705,554,455)	-	(2,874,228,384)
Adjustment upon the approved finalisation Reclassification from intangible fixed asset (Note 9(b))	-	(4,137,816,693)	-	-	-	(4,137,816,693)
	-	-	-	4,425,430,949	-	4,425,430,949
As at 31 December 2022	8,993,830,865,127	58,254,464,535,075	4,160,596,317,285	176,363,170,822	17,031,076,005	71,602,285,964,314
Net book value						
As at 1 January 2022	12,182,494,055,784	28,438,768,647,590	2,836,773,205,093	64,658,206,524	25,905,778,592	43,548,599,893,583
As at 31 December 2022	11,462,501,796,962	25,589,579,734,218	2,541,172,722,189	99,876,935,702	21,151,546,951	39,714,282,736,022

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9 FIXED ASSETS (continued)

As at 31 December 2022, tangible fixed assets of the Corporation with a total net book value of VND18,047 billion (as at 31 December 2021: VND19,607 billion) were pledged as collateral for the Corporation's borrowings (Note 18).

The historical cost of tangible fixed assets of the Corporation which were fully depreciated but still in use as at 31 December 2022 was VND34,750 billion (as at 31 December 2021: VND34,128 billion).

(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	566,042,605,616	40,093,190,072	9,260,276,148	17,745,850,821	633,141,922,657
New purchases	-	21,162,937,100	8,158,210,000	471,200,000	29,792,347,100
Reclassification from intangible fixed asset (Note 9(a))	-	-	-	(11,480,197,460)	(11,480,197,460)
As at 31 December 2022	566,042,605,616	61,256,127,172	17,418,486,148	6,736,853,361	651,454,072,297
Accumulated amortisation					
As at 1 January 2022	13,135,349,927	17,763,169,982	8,109,979,035	4,321,221,481	43,329,720,425
Charge for the year	1,336,517,124	9,490,085,129	3,521,257,802	1,714,137,334	16,061,997,389
Reclassification from intangible fixed asset (Note 9(a))	-	-	-	(4,425,430,949)	(4,425,430,949)
As at 31 December 2022	14,471,867,051	27,253,255,111	11,631,236,837	1,609,927,866	54,966,286,865
Net book value					
As at 1 January 2022	552,907,255,689	22,330,020,090	1,150,297,113	13,424,629,340	589,812,202,232
As at 31 December 2022	551,570,738,565	34,002,872,061	5,787,249,311	5,126,925,495	596,487,785,432

9 FIXED ASSETS (continued)**(b) Intangible fixed assets (continued)**

The historical cost of intangible fixed assets of the Corporation which were fully amortised but still in use as at 31 December 2022 was VND13.12 billion (as at 31 December 2021: VND6.3 billion).

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 in use yet	87,662,429,032	303,042,349,781
Other	49,593,585,165	28,487,906,489
	<u>338,238,557,121</u>	<u>331,530,256,270</u>

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

	31.12.2022 VND	31.12.2021 VND
Beginning of year	331,530,256,270	113,337,580,047
New purchases	503,634,897,251	813,420,488,498
Transfers to tangible fixed assets (Note 9(a))	(496,926,596,400)	(109,028,312,275)
Transfers to intangible fixed assets	-	(486,199,500,000)
End of year	<u>338,238,557,121</u>	<u>331,530,256,270</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	749,534,789,971	55,629,646,841
Vietnam National Coal - Mineral Industries Holding Corporation Limited	735,931,401,264	413,553,873,402
General Electric	19,732,996,463	458,886,739,376
Others	641,537,453,810	1,073,187,348,538
Related parties (Note 32(b))	2,814,711,367	6,816,779,372
	<u>4,807,101,203,105</u>	<u>3,408,643,820,968</u>

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13 TAXES AND OTHER RECEIVABLES FROM/PAYABLES TO THE STATE

Movements in tax and other receivables from/payables to the State during the year were as follows:

	As at 1.1.2022 VND	Payable/receivable 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) Tax payables						
VAT	62,668,015,703	3,990,483,678,175	(769,336,883,141)	(3,198,985,181,082)	(21,060,759,614)	63,768,870,041
Natural resource taxes	40,638,268,238	435,337,937,074	(439,134,632,941)	-	-	36,841,572,371
Forest environment services fee	41,831,310,440	118,105,152,696	(123,067,481,240)	-	-	36,868,981,896
Personal income tax	12,169,550,445	95,091,230,052	(97,100,870,276)	-	-	10,160,110,221
CIT	291,679,255,286	493,869,660,141	(554,106,597,956)	-	(1,551,778,942)	229,890,538,529
Other taxes, fees and other charges	6,657,374,899	96,283,679,835	(96,857,857,456)	-	(3,486,813,015)	2,596,384,263
	<u>455,643,775,011</u>	<u>5,229,171,337,973</u>	<u>(2,079,604,123,010)</u>	<u>(3,198,985,181,082)</u>	<u>(26,099,351,571)</u>	<u>380,126,457,321</u>
(b) Tax receivables						
VAT to be reclaimed	36,090,153,662	3,421,087,681,442	-	(3,198,985,181,082)	-	258,192,654,022
Surplus VAT payment	21,127,889,580	-	(67,129,966)	-	(21,060,759,614)	-
Other taxes	5,051,804,320	-	(13,162,738)	-	(5,038,591,957)	49,625
	<u>62,269,847,562</u>	<u>3,421,087,681,442</u>	<u>(80,292,704)</u>	<u>(3,198,985,181,082)</u>	<u>(26,099,351,571)</u>	<u>258,192,703,647</u>

14 PAYABLES TO EMPLOYEES

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

15 SHORT-TERM ACCRUED EXPENSES

	31.12.2022 VND	31.12.2021 VND
Interest expense	17,600,555,645	15,904,652,243
Others	36,829,468,353	21,138,762,086
	<u>54,430,023,998</u>	<u>37,043,414,329</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 payables (Note 22)	618,092,814,800	123,850,000
Payables to EVN (*)	606,234,490,707	346,768,343,073
Temporary VAT payable	268,081,328,327	133,688,560,354
Payables due to sales of shares	39,969,577,665	39,969,577,665
Others	27,580,482,262	45,384,875,074
	<u>1,559,958,693,761</u>	<u>565,935,206,166</u>
In which:		
Third parties	330,429,288,781	213,840,913,620
Related parties (Note 32(b))	1,229,529,404,980	352,094,292,546
	<u>1,559,958,693,761</u>	<u>565,935,206,166</u>

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

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18 BORROWINGS

(a) Short-term

	As at 1.1.2022 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 (Note (18(b)(*))	369,491,279,424	(369,491,279,428)	700,002,305,488	-	700,002,305,484
Borrowings from related parties (Note 32(b)(**))	4,480,704,698,177	(4,480,704,698,177)	4,553,797,556,173	77,557,966,097	4,631,355,522,270
	<u>4,850,195,977,601</u>	<u>(4,850,195,977,605)</u>	<u>5,253,799,861,661</u>	<u>77,557,966,097</u>	<u>5,331,357,827,754</u>

(b) Long-term

	As at 1.1.2022 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 32(b)(**))	37,768,192,659,097	-	(4,553,797,556,173)	820,203,656,973	34,034,598,759,897
	<u>39,503,115,852,543</u>	<u>(147,746,934,700)</u>	<u>(5,253,799,861,661)</u>	<u>820,203,656,973</u>	<u>34,921,772,713,155</u>

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18 BORROWINGS (continued)

(b) Long-term (continued)

(*) Details of bank loans are as follows:

Bank borrowings	Currency	Maturity	31.12.2022 VND	31.12.2021 VND	Interest rate	Collateral assets
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 Corporation and EVN.

As at 31 December 2022, the 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).

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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 32(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 Hydrowpower 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)
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)
Current portion of long-term borrowings (Note 18(a))				38,665,954,282,167	42,248,897,357,274		
				(4,631,355,522,270)	(4,480,704,698,177)		
				34,034,598,759,897	37,768,192,659,097		

18 BORROWINGS (continued)**(b) Long-term (continued)**

(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 have no 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	228,960,601,652	138,120,782,717
Appropriation to funds (Note 21)	190,900,514,649	160,818,432,625
Other increase	41,480,000	70,000,000
Utilise	(91,726,017,577)	(69,265,514,459)
Depreciation of fixed assets formed from the bonus and welfare fund	(782,192,810)	(783,099,231)
End of year	<u>327,394,385,914</u>	<u>228,960,601,652</u>

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	<u>1,123,468,046</u>	<u>-</u>	<u>1,123,468,046</u>	<u>-</u>

(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	<u>1,123,468,046</u>	<u>100.00</u>	<u>1,123,468,046</u>	<u>100.00</u>

20 OWNERS' CAPITAL (continued)

(c) Movement of share capital

	Number of shares VND	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	<u>1,123,468,046</u>	<u>11,234,680,460,000</u>

Par value: VND10,000 per share.

The Corporation has no preference shares.

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21 MOVEMENTS IN OWNERS' EQUITY

	Owners' capital VND	Investment and development fund VND	Undistributed earnings VND	Total VND
As at 1 January 2021	10,699,695,770,000	-	2,580,435,887,151	13,280,131,657,151
Dividends paid in shares	534,984,690,000	-	(534,984,690,000)	-
Net profit for the year	-	-	3,021,903,197,658	3,021,903,197,658
Appropriation to investment and development fund	-	508,201,188,569	(508,201,188,569)	-
Appropriation to bonus and welfare fund	-	-	(160,818,432,625)	(160,818,432,625)
Dividends declared in cash	-	-	(534,984,788,500)	(534,984,788,500)
Utilisation of investment and development fund	-	(1,007,726,076)	-	(1,007,726,076)
As at 31 December 2021	11,234,680,460,000	507,193,462,493	3,863,349,985,115	15,605,223,907,608
Net profit for the year	-	-	2,207,286,414,173	2,207,286,414,173
Appropriation to investment and development fund (*)	-	604,380,639,532	(604,380,639,532)	-
Appropriation to bonus and welfare fund (*)	-	-	(190,900,514,649)	(190,900,514,649)
Dividends declared (**)	-	-	(2,078,415,885,100)	(2,078,415,885,100)
Utilisation investment and development fund	-	(460,080,000)	-	(460,080,000)
As at 31 December 2022	11,234,680,460,000	1,111,114,022,025	3,196,939,360,007	15,542,733,842,032

(*) Pursuant to the Resolution No. 81/NQ-DHDCD dated 14 June 2022 of the General Meeting of Shareholders.

(**) 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.

In accordance with 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.

22 DIVIDENDS

	31.12.2022 VND	31.12.2021 VND
Beginning of year	123,850,000	-
Dividends payable during the year (Note 21)	2,078,415,885,100	1,069,969,478,500
Net-off (Note 32(a))	(1,448,749,892,200)	(530,677,616,500)
Dividends paid in shares (Note 21)	-	(534,984,690,000)
Dividends paid in cash	(11,697,028,100)	(4,183,322,000)
End of year	<u>618,092,814,800</u>	<u>123,850,000</u>

23 OFF BALANCE SHEET ITEMS**(a) Foreign currency**

As at 31 December 2022, included in cash and cash equivalents were balances held in foreign currencies of USD3,046.4 (as at 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 33(a).

24 NET REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES

	2022 VND	2021 VND
Net revenue from sales of electricity	45,341,767,702,693	34,924,702,911,581
Net revenue from rendering of other business activities	500,099,583,084	776,080,717,106
	<u>45,841,867,285,777</u>	<u>35,700,783,628,687</u>

25 COST OF GOODS SOLD AND SERVICES RENDERED

	2022 VND	2021 VND
Cost of electricity sold	40,110,682,977,777	30,818,856,853,464
Cost of other business activities rendered	407,265,990,576	725,322,407,321
	<u>40,517,948,968,353</u>	<u>31,544,179,260,785</u>

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26 FINANCIAL INCOME

	2022 VND	2021 VND
Interest income from deposits	175,359,071,389	170,688,415,400
Dividend income, profit distribution	281,633,802,500	217,772,912,700
Realised foreign exchange gains	52,542,455,053	79,433,366,682
Net gain from foreign currency translation at year-end	-	874,639,067,637
	<u>509,535,328,942</u>	<u>1,342,533,762,419</u>

27 FINANCIAL EXPENSES

	2022 VND	2021 VND
Interest expense	1,570,532,634,110	1,213,348,572,101
Realised foreign exchange losses	73,375,442,471	2,344,581,178
Net loss from foreign currency revaluation at year-end	899,016,764,939	-
	<u>2,542,924,841,520</u>	<u>1,215,693,153,279</u>

28 GENERAL AND ADMINISTRATION EXPENSES

	2022 VND	2021 VND
Staff costs	290,178,681,596	287,233,575,976
External service expenses	36,002,616,017	33,423,671,153
Depreciation and amortisation	57,424,552,621	49,267,977,043
Tools and supplies	16,926,116,246	17,755,348,112
Others	207,556,914,733	159,691,200,241
	<u>608,088,881,213</u>	<u>547,371,772,525</u>

29 CORPORATION INCOME TAX (“CIT”)

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

The CIT tax on the Corporation's accounting 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	2,701,156,074,314	3,726,424,966,033
Tax calculated at a rate of 20%	540,231,214,863	745,284,993,207
Effect of:		
Income not subject to tax	(56,326,760,500)	(43,554,582,540)
Expenses not deductible for tax purposes	9,965,205,778	1,630,042,104
Tax losses for which no deferred income tax asset was recognised	-	1,161,315,604
CIT charge (*)	493,869,660,141	704,521,768,375
Charged to the separate income statement:		
CIT – current	493,869,660,141	704,521,768,375

(*) 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.

30 COSTS OF OPERATION BY FACTOR

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

	2022 VND	2021 VND
Raw materials	33,675,802,086,815	23,707,328,213,881
Depreciation and amortisation	4,434,982,163,226	4,423,189,334,751
Major repair expenses	486,187,162,212	1,177,745,403,167
Staff costs	961,556,121,521	963,075,402,865
External service expenses	512,634,834,210	651,185,685,188
Others	1,054,875,481,582	1,169,026,993,458
	41,126,037,849,566	32,091,551,033,310

31 ADDITIONAL INFORMATION ON CERTAIN ITEMS OF THE SEPARATE CASHFLOW STATEMENT

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

	2022 VND	2021 VND
Offset borrowing principals against short-term trade accounts receivable (Note 32(a))	4,510,989,167,077	4,470,065,572,771
Offset dividend payable against short-term trade accounts receivable (Note 32(a))	1,448,749,892,200	530,677,616,500
Offset interest expense and borrowing fees against short-term trade accounts receivable (Note 32(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 32(a))	115,747,320,596	231,385,659,974
Dividend declared but have been paid yet (Note 17)	618,092,814,800	123,850,000
Purchases of fixed assets and construction in progress that have not been settled	105,867,293,643	337,975,952,594
Distributed dividend to be collected (Note 6)	-	83,700,000,000
Dividend paid in shares (Note 21)	-	534,984,690,000

32 RELATED PARTY DISCLOSURES

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

32 RELATED PARTY DISCLOSURES (continued)

During the year, the Corporation had transactions and balances with the below related parties:

Parent company

EVN

Subsidiaries

Ba Ria Thermal Power Joint Stock Company
Ninh Binh Thermal Power Joint Stock Company

Associates

Thac Ba Hydropower Joint-Stock Company
Vinh Son - Song Ninh 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 Joint Stock Company – Branch of Power Generation Corporation 1
("Nghi Son Thermal Power Joint Stock Company")
Duyen Hai Thermal Power Company – Branch of Power Generation Corporation 1
("Duyen Hai Thermal Power Company")
Information Technology Centre of Vietnam Electricity - Branch of EVN
("Information Technology Centre 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 EVN
("Vinh Tan 4 Thermal Power Plant")
Branch of Southern Power Corporation - Southern Electrical Testing Company
("Southern Electrical Testing Company")

32 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		
Electric Power Trading Company	45,364,214,162,493	34,921,706,726,759
Vinh Tan 4 Thermal Power Plant	381,179,420,233	612,692,676,766
Duyen Hai Thermal Power Company	-	79,609,825,318
Other related parties	32,571,701,224	28,265,876,642
	<u>45,777,965,283,950</u>	<u>35,642,275,105,485</u>
ii) Purchases of goods and services		
EVN	106,995,133,373	125,903,124,867
Quang Ninh Power Company	7,413,123,438	6,928,106,507
Northern Electrical Testing One Member Company Limited	7,144,126,540	750,000,000
Southern Electrical Testing Company	2,245,439,634	2,598,932,749
Power Engineering Consulting Joint Stock Company 3	1,485,697,720	2,808,640,841
Other related parties	13,283,792,074	15,578,863,032
	<u>138,567,312,779</u>	<u>154,567,667,996</u>
iii) Financing activities		
Dividend income, profit distribution (Note 26)		
Ba Ria Thermal Power Joint Stock Company	72,185,335,500	52,935,912,700
Ninh Binh Thermal Power Joint Stock Company	10,568,160,000	10,568,160,000
Other related parties	198,880,307,000	154,268,840,000
	<u>281,633,802,500</u>	<u>217,772,912,700</u>
Interest expense		
EVN	<u>1,406,099,727,191</u>	<u>1,005,685,736,938</u>

32 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

	2022 VND	2021 VND
<i>iii) Financing activities (continued)</i>		
Offset borrowing principals against short-term trade accounts receivable		
EVN	<u>4,510,989,167,077</u>	<u>4,470,065,572,771</u>
Offset interest expense and borrowing fees against short-term trade accounts receivable		
EVN	<u>1,146,706,891,397</u>	<u>1,080,359,165,911</u>
<i>iv) Other transactions</i>		
Offset other short-term payables and short-term trade accounts payable against short-term trade accounts receivable		
EVN	<u>115,747,320,596</u>	<u>231,385,659,974</u>
Offset dividend payable against short-term trade accounts receivable		
EVN	<u>1,448,749,892,200</u>	<u>530,677,616,500</u>

32 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

	2022 VND	2021 VND
<i>v) Compensation of key management</i>		
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 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>

(b) Year-end balances with related parties

	31.12.2022 VND	31.12.2021 VND
<i>i) Short-term trade accounts receivable (Note 5)</i>		
Electric Power Trading Company	10,283,230,146,499	7,058,890,356,302
Vinh Tan 4 Thermal Power Plant	814,059,611,377	902,526,554,588
Quang Ninh Thermal Power Joint Stock Company	33,130,626,267	26,227,496,855
Duyen Hai Thermal Power Company	6,210,749,473	36,708,328,507
Thai Binh Thermal Power Company	6,015,620,139	12,615,620,139
Other related parties	707,864,318	2,480,444,446
	<u>11,143,354,618,073</u>	<u>8,039,448,800,837</u>

32 RELATED PARTY DISCLOSURES (continued)

(b) Year-end balances with related parties (continued)

	31.12.2022 VND	31.12.2021 VND
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	68,513,044,582
Se San 3A Power Investment and Development Joint Stock Company	-	83,700,000,000
Other related parties	1,755,982,949	5,825,071,769
	<u>150,070,354,160</u>	<u>241,260,656,582</u>
iii) Short-term trade accounts payable (Note 12)		
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
Se San 3A Power Investment and Development Joint-Stock Company	450,227,479	2,887,600,516
Ba Ria Thermal Power Joint Stock Company	-	27,060,000
Other related parties	850,490,445	1,973,675,593
	<u>2,814,711,367</u>	<u>6,816,779,372</u>
iv) Other short-term payables (Note 17)		
EVN	1,219,167,137,407	346,768,343,073
Other related parties	10,362,267,573	5,325,949,473
	<u>1,229,529,404,980</u>	<u>352,094,292,546</u>
v) Short-term borrowings (Note 18(a))		
EVN	<u>4,631,355,522,270</u>	<u>4,480,704,698,177</u>
vi) Long-term borrowings (Note 18(b))		
EVN	<u>34,034,598,759,897</u>	<u>37,768,192,659,097</u>

33 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	26,065,889,445	16,065,632,104
Between one and five years	82,349,174,723	76,961,986,584
Over five years	654,953,387,807	591,918,070,144
Total minimum payments	<u>763,368,451,975</u>	<u>684,945,688,832</u>

(b) Capital commitments

At the separate balance sheet date, the approved capital expenditure of the Corporation are as follows:

	31.12.2022 VND	31.12.2021 VND
Power plants and other constructions	<u>228,652,000,000</u>	<u>514,455,000,000</u>

34 SEGMENT REPORTING

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

35 CONTINGENT LIABILITIES

In accordance with Circular No. 200/2014/TT-BTC issued by the Ministry of Finance on 22 December 2014, from 1 January 2015, the Corporation 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 Corporation. Accordingly, the Corporation 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 separate financial statements, the Corporation has not made such provision because there was not sufficient information to come up which a reliable estimation to be made.

36 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 separate 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 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-UBND dated 9 March 2020 issued by the Commission for the Management of State Capital at Enterprises) submitted the Report No. 6932/BC-EVN 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 separate financial statements, the finalisation of the equitisation of the Corporation has not been approved. Accordingly, the financial effects (if any) to the separate financial statements may be further made upon the final approval of the relevant authorities on the finalisation of the equitisation.

37 EVENTS AFTER THE SEPARATE 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 separate 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