

POWER GENERATION JOINT STOCK CORPORATION 3

SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021



POWER GENERATION JOINT STOCK CORPORATION 3

**SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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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 9th 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 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. Phan Thanh Xuan Mr. Cao Minh Trung Mr. Nguyen Thanh Trung Duong Ms. Nguyen Thi Thanh Huong Mr. Vo Minh Thang	President Vice President (to 1 October 2021) Vice President Vice President Vice President Vice President (from 14 April 2021)
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 CORPORATION 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 2021, 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:

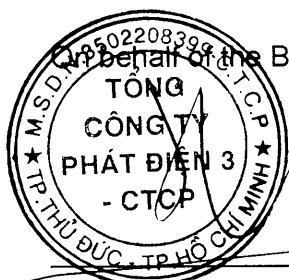
- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the separate financial statements on a going concern basis unless it is inappropriate to presume that the Corporation will continue in business.

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 errors.

APPROVAL OF THE SEPARATE FINANCIAL STATEMENTS

We hereby, approve the accompanying separate financial statements as set out on pages 5 to 48 which give a true and fair view of the separate financial position of the Corporation as at 31 December 2021, 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 2021 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 *Ute*

Nguyen Thi Thanh Huong
Vice President
Authorised Legal Representative

Ho Chi Minh City, SR Vietnam
30 March 2022

**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 2021 and approved by the Board of Directors of the Corporation on 30 March 2022. The separate financial statements comprise the separate balance sheet as at 31 December 2021, 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 48.

Responsibility of the Board of Directors

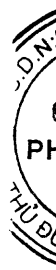
The Board of Directors of the Corporation is responsible for the preparation and the true and fair presentation of these separate financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of separate financial statements and for such internal control which the Board of Directors determines as necessary to enable the preparation and fair 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 2021, its separate financial performance and separate cash flows of the Corporation 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.

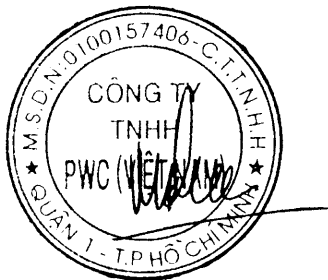
Emphasis of Matter

As presented in Note 34 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 by the time that the Corporation officially became a joint stock company. Accordingly, the financial effects (if any) to the separate financial statements will be made upon the final approval of the relevant authority on the finalisation of the equitization by the Corporation. 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. 0048-2018-006-1
Authorised signatory

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

Report reference number: HCM12180
Ho Chi Minh City, 30 March 2022

POWER GENERATION JOINT STOCK CORPORATION 3

Form B 01 – DN

SEPARATE BALANCE SHEET

Code	ASSETS	Note	As at 31 December	
			2021 VND	2020 VND
100	CURRENT ASSETS		17,600,478,627,685	20,110,108,552,025
110	Cash and cash equivalents	3	2,231,883,028,729	2,378,468,854,788
111	Cash		431,883,028,729	428,468,854,788
112	Cash equivalents		1,800,000,000,000	1,950,000,000,000
120	Short-term investment		3,810,000,000,000	3,926,000,000,000
123	Investments held to maturity	4(a)	3,810,000,000,000	3,926,000,000,000
130	Short-term receivables		8,547,586,850,365	9,582,574,077,820
131	Short-term trade accounts receivable	5	8,050,500,946,570	9,138,957,373,657
132	Short-term prepayments to suppliers		189,206,393,326	147,036,036,771
136	Other short-term receivables	6	307,879,510,469	296,580,667,392
140	Inventories	7	2,908,279,111,292	4,136,722,224,450
141	Inventories		2,910,790,704,039	4,138,816,831,543
149	Provision for decline in value of inventories		(2,511,592,747)	(2,094,607,093)
150	Other current assets		102,729,637,299	86,343,394,967
151	Short-term prepaid expenses	8(a)	40,459,789,737	16,094,744,092
152	Value Added Tax ("VAT") to be reclaimed	13(b)	36,090,153,662	70,148,061,228
153	Tax and other receivables from the State	13(b)	26,179,693,900	100,589,647

The notes on pages 11 to 48 are an integral part of these separate financial statements.

SEPARATE BALANCE SHEET
(continued)

Code	ASSETS (continued)	Note	As at 31 December	
			2021 VND	2020 VND
200	LONG-TERM ASSETS		47,849,362,566,113	50,548,026,069,445
210	Long-term receivable		3,324,424,000	3,324,424,000
216	Other long-term receivables		3,324,424,000	3,324,424,000
220	Fixed assets		44,138,412,095,815	47,839,180,151,604
221	Tangible fixed assets	9(a)	43,548,599,893,583	47,737,313,063,160
222	Historical cost		110,691,093,920,205	110,436,235,176,520
223	Accumulated depreciation		(67,142,494,026,622)	(62,698,922,113,360)
227	Intangible fixed assets	9(b)	589,812,202,232	101,867,088,444
228	Historical cost		633,141,922,657	134,025,944,282
229	Accumulated amortisation		(43,329,720,425)	(32,158,855,838)
240	Long-term asset in progress		331,530,256,270	113,337,580,047
242	Construction in progress	10	331,530,256,270	113,337,580,047
250	Long-term investments		1,612,067,776,438	1,505,791,982,438
251	Investments in subsidiaries	4(b)	551,689,970,000	551,689,970,000
252	Investments in associates	4(b)	883,219,360,850	791,558,350,850
253	Investments in other entities	4(b)	177,158,445,588	162,543,661,588
260	Other long-term assets		1,764,028,013,590	1,086,391,931,356
261	Long-term prepaid expenses	8(b)	244,903,968,293	217,958,476,558
263	Long-term spare parts, supplies and equipment	11	1,519,124,045,297	868,433,454,798
270	TOTAL ASSETS		65,449,841,193,798	70,658,134,621,470

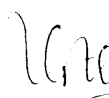

The notes on pages 11 to 48 are an integral part of these separate financial statements.

POWER GENERATION JOINT STOCK CORPORATION 3

Form B 01 – DN

SEPARATE BALANCE SHEET
(continued)

Code	RESOURCES	Note	As at 31 December	
			2021 VND	2020 VND
300	LIABILITIES		49,844,617,286,190	57,378,002,964,319
310	Short-term liabilities		10,008,016,611,641	11,518,769,975,382
311	Short-term trade accounts payable	12	3,408,643,820,968	4,751,532,981,834
312	Short-term advances from customers		1,617,000,000	10,314,848,007
313	Tax and other payables to the State	13(a)	455,643,775,011	267,832,032,252
314	Payables to employees	14	443,966,608,550	383,618,372,420
315	Short-term accrued expenses	15	37,043,414,329	208,722,942,401
318	Short-term unearned revenue	16	16,010,207,364	16,010,207,364
319	Other short-term payables	17	565,935,206,166	855,074,635,394
320	Short-term borrowings	18(a)	4,850,195,977,601	4,887,543,172,993
322	Bonus and welfare fund		228,960,601,652	138,120,782,717
330	Long-term liabilities		39,836,600,674,549	45,859,232,988,937
336	Long-term unearned revenue	16	333,480,722,006	348,638,936,642
337	Other long-term payables		4,100,000	-
338	Long-term borrowings	18(b)	39,503,115,852,543	45,510,594,052,295
400	OWNERS' EQUITY		15,605,223,907,608	13,280,131,657,151
410	Capital and reserves		15,605,223,907,608	13,280,131,657,151
411	Owners' capital	19, 20	11,234,680,460,000	10,699,695,770,000
411a	- Ordinary shares with voting rights		11,234,680,460,000	10,699,695,770,000
418	Investment and development funds	20	507,193,462,493	-
421	Undistributed earnings	20	3,863,349,985,115	2,580,435,887,151
421a	- Undistributed post-tax profits of previous years		841,446,787,457	886,431,925,256
421b	- Post-tax profits of current year		3,021,903,197,658	1,694,003,961,895
440	TOTAL RESOURCES		65,449,841,193,798	70,658,134,621,470


Tran Nguyen Khanh Linh
Preparer

Vu Phuong Thao
Chief Accountant


Nguyen Thi Thanh Huong
Vice President
30 March 2022

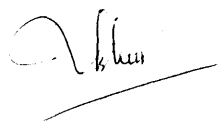
The notes on pages 11 to 48 are an integral part of these separate financial statements.

POWER GENERATION JOINT STOCK CORPORATION 3

Form B 02 – DN

SEPARATE INCOME STATEMENT

Code	Note	Year ended 31 December		
		2021 VND	2020 VND	
10	Net revenue from sales of goods and rendering of services	22	35,700,783,628,687	38,580,961,667,916
11	Cost of goods sold and services rendered	23	(31,544,179,260,785)	(33,982,271,383,212)
20	Gross profit from sales of goods and rendering of services		4,156,604,367,902	4,598,690,284,704
21	Financial income	24	1,342,533,762,419	331,808,954,528
22	Financial expenses	25	(1,215,693,153,279)	(2,237,609,054,005)
23	- Including: Interest expense	25	(1,213,348,572,101)	(1,859,245,138,965)
26	General and administration expenses	26	(547,371,772,525)	(543,087,632,663)
30	Net operating profit		3,736,073,204,517	2,149,802,552,564
31	Other income		29,125,804,034	37,136,118,116
32	Other expenses		(38,774,042,518)	(38,721,042,865)
40	Net other expenses		(9,648,238,484)	(1,584,924,749)
50	Net accounting profit before tax		3,726,424,966,033	2,148,217,627,815
51	Corporate income tax ("CIT") - current	27	(704,521,768,375)	(454,213,665,920)
60	Net profit after tax		3,021,903,197,658	1,694,003,961,895



Tran Nguyen Khanh Linh
Preparer



Vu Phuong Thao
Chief Accountant



Nguyen Thi Thanh Huong
Vice President
30 March 2022

The notes on pages 11 to 48 are an integral part of these separate financial statements.

SEPARATE CASH FLOW STATEMENT
(Indirect method)

Code	Note	Year ended 31 December	
		2021 VND	2020 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
01	Net accounting profit before tax	3,726,424,966,033	2,148,217,627,815
	Adjustments for:		
02	Depreciation and amortisation	4,448,678,454,222	4,603,086,371,227
03	Provisions	955,312,568	67,980,030
04	Unrealised foreign exchange (gains)/losses	(874,639,067,637)	356,321,856,062
05	Profits from investing activities	(388,463,149,296)	(316,927,690,712)
06	Interest expense	1,213,348,572,101	1,859,245,138,965
08	Operating profit before changes in working capital	8,126,305,087,991	8,650,011,283,387
09	Increase in receivables	(5,206,955,608,534)	(6,911,182,735,115)
10	Decrease/(increase) in inventories	576,797,210,091	(1,294,646,084,255)
11	(Decrease)/increase in payables	(1,354,228,660,002)	947,953,066,369
12	(Increase)/decrease in prepaid expenses	(46,872,771,274)	170,416,380,798
14	Interest paid	(352,996,820,716)	(523,233,814,254)
15	CIT paid	(511,336,539,335)	(234,914,411,588)
16	Other receipts from operating activities	70,000,000	1,716,980,000
17	Other payments on operating activities	(70,048,613,690)	(41,602,811,442)
20	Net cash inflows from operating activities	1,160,733,284,531	764,517,853,900
CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases and constructs of fixed assets	(966,319,495,195)	(347,218,081,820)
22	Proceeds from disposals fixed assets	1,821,196	4,972,356
23	Term deposits with original maturity of more than three months	(500,000,000,000)	(1,766,000,000,000)
24	Collection of term deposits with original maturity of more than three months	616,000,000,000	1,666,000,000,000
25	Investments in other entities	(91,661,010,000)	-
27	Dividends and interest received	325,894,952,246	364,393,237,756
30	Net cash outflows from investing activities	(616,083,731,753)	(82,819,871,708)

The notes on pages 11 to 48 are an integral part of these separate financial statements.

SEPARATE CASH FLOW STATEMENT
(Indirect method)
(continued)

Code	Note	Year ended 31 December	
		2021 VND	2020 VND
CASH FLOWS FROM FINANCING ACTIVITIES			
33	Proceeds from borrowings	66,369,417,592	36,824,841,483
34	Repayments of borrowings	(753,420,398,021)	(1,145,270,077,464)
36	Dividends paid	(4,183,322,000)	-
40	Net cash outflows from financing activities	(691,234,302,429)	(1,108,445,235,981)
50	Net decrease in cash and cash equivalents	(146,584,749,651)	(426,747,253,789)
60	Cash and cash equivalents at beginning of year	2,378,468,854,788	2,805,216,688,122
61	Effect of foreign exchange differences	(1,076,408)	(579,545)
70	Cash and cash equivalents at end of year	2,231,883,028,729	2,378,468,854,788

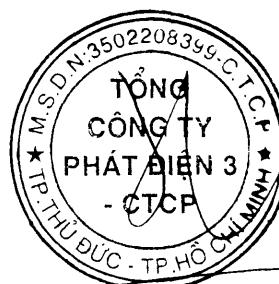
Additional information relating to the separate cash flow statement is presented in Note 29.



Tran Nguyen Khanh Linh
Preparer



Vu Phuong Thao
Chief Accountant



Nguyen Thi Thanh Huong
Vice President
30 March 2022

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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/QD-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/QD-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/QD-SGDHN issued by the Hanoi Stock Exchange on 14 March 2018.

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

According to the Decision No. 731/QD-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 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 12 months.

As at 31 December 2021, the Corporation had 2 subsidiaries and 3 associates (as at 31 December 2020: 2 subsidiaries and 3 associates) as presented in Note 4(b), and had 2,058 employees (as at 31 December 2020: 2,099 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 2021, the Corporation had 8 branches (as at 31 December 2020: 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;

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, 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 2021 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 Company’s accounting currency. The Corporation determines its accounting currency based on the currency which is mainly used in sales of goods and rendering of services, which has a significant impact on selling prices of goods and services, which is normally used for list selling prices and receive payments; which is mainly used in purchases of goods or services, which has a significant impact on operating costs and normally used as payments of those costs.

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.

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.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.8 Investments (continued)****(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.

(e) Provision for investments in subsidiaries, associates and other investments

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 fixed assets over their estimated useful lives. The estimated useful lives of each asset class are as follows:

Buildings and structures	10 - 50 years
Machinery and equipment	5 - 20 years
Motor vehicles, transmissions	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. 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 year 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 period.

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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**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. Once recognition criteria have been satisfied, 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 in 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.

2.19 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Revenue recognition (continued)

(a) Revenue from sales of goods (continued)

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.

2.20 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.22 General and administration expenses

General and administration expenses represent expenses that are incurred for 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 tax expense and deferred 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

	31.12.2021 VND	31.12.2020 VND
Cash on hand	2,707,606,713	1,398,772,574
Cash at bank	429,175,422,016	427,070,082,214
Cash equivalents (*)	1,800,000,000,000	1,950,000,000,000
	<u>2,231,883,028,729</u>	<u>2,378,468,854,788</u>

(*) Cash equivalents include term deposits at banks with an original maturity of three months or less and earn interest at the rate at 0.2% per annum for deposits at banks with an original maturity of 1 week and from 3.0% per annum to 3.3% per annum for term deposits at banks with an original maturity from 1 month to 3 months (as at 31 December 2020: from 3.2% per annum to 3.5% per annum for term deposits at banks with an original maturity from 1 month to 3 months).

4 INVESTMENTS

(a) Investments held to maturity

	31.12.2021		31.12.2020	
	Cost VND	Book value VND	Cost VND	Book value VND
Term deposits	<u>3,810,000,000,000</u>	<u>3,810,000,000,000</u>	<u>3,926,000,000,000</u>	<u>3,926,000,000,000</u>

Term deposits include term deposits at commercial banks and credit institutions with an original maturity of 6 months and earn interest at the rates from 3.7% per annum to 5.5% per annum (as at 31 December 2020: from 3.7% per annum to 6.5% per annum for term deposits at banks with an original maturity from 6 months to 12 months).

At as 31 December 2021, term deposits with the value of VND806.2 billion have been used as the collateral asset for 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.

4 INVESTMENTS (continued)

(b) Long-term investments

	31.12.2021				31.12.2020			
	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	856,599,314,600	-	79.56	481,235,570,000	700,197,754,350	-
Ninh Binh Thermal Power Joint Stock Company (ii)	54.76	70,454,400,000	130,340,640,000	-	54.76	70,454,400,000	94,408,896,000	-
		<u>551,689,970,000</u>	<u>986,939,954,600</u>	<u>-</u>		<u>551,689,970,000</u>	<u>794,606,650,350</u>	<u>-</u>
Investments in associates								
Thac Ba Hydropower Joint Stock Company (iii)	30.00	190,500,000,000	573,405,000,000	-	30.00	190,500,000,000	478,155,000,000	-
Vinh Son - Song Hinh Hydropower Joint Stock Company (iv)	30.55	608,719,360,850	2,071,653,506,300	-	30.55	517,058,350,850	1,184,718,622,400	-
Se San 3A Power Investment and Development Joint Stock Company (v)	30.00	84,000,000,000	(*)	-	30.00	84,000,000,000	(*)	-
		<u>883,219,360,850</u>	<u>-</u>	<u>-</u>		<u>791,558,350,850</u>	<u>-</u>	<u>-</u>
Investments in other entities								
Petrovietnam Power Nhon Trach 2 Joint Stock Company (vi)	2.47	83,094,784,000	187,306,496,000	-	2.47	68,480,000,000	175,199,232,000	-
GE PMTP Power Service Liability Limited Company (vii)	15.00	74,463,661,588	(*)	-	15.00	74,463,661,588	(*)	-
Viet Lao Power Joint Stock Company (viii)	0.48	19,600,000,000	(*)	-	0.63	19,600,000,000	(*)	-
		<u>177,158,445,588</u>	<u>-</u>	<u>-</u>		<u>162,543,661,588</u>	<u>-</u>	<u>-</u>

(*) As at 31 December 2021 and 31 December 2020, 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.

(**) Fair value of the listed shares were determined based on the total shares hold 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 a state-owned enterprise 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 Hinh Hydropower Joint Stock Company was transformed from the state-owned enterprise – Vinh Son - Song Hinh Hydropower Plant, a dependent accounting unit of EVN. On 4 May 2005, the company was officially transformed into a 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. The principal activities of this company are to produce and trade electricity. In 2021, the Corporation purchased an additional 9,166,101 shares, equivalent to VND91,661,010,000 and the percentage of ownership interest still remains unchanged compared to that at 31 December 2020.
- (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. In 2021, according to the Resolution of a General Meeting of Shareholders, Viet Lao Power Joint Stock Company increased their charter capital from VND3,126,534,050,000 to VND4,065,732,920,909. Therefore, the percentage of ownership interest of the Corporation decreased from 0.63% to 0.48% because the Corporation did not register to buy additional issued shares.

5 SHORT-TERM TRADE ACCOUNTS RECEIVABLE

	31.12.2021 VND	31.12.2020 VND
Third parties	11,052,145,733	8,805,092,617
Related parties (Note 30(b))	8,039,448,800,837	9,130,152,281,040
	<u>8,050,500,946,570</u>	<u>9,138,957,373,657</u>

As at 31 December 2021 and 31 December 2020, 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

	31.12.2021 VND	31.12.2020 VND
Receivables for payment on behalf and other receivables from related parties	157,410,685,332	153,219,998,605
Dividend receivables	83,700,000,000	15,000,000,000
Interest receivables from term deposits	19,419,151,232	25,552,775,378
Others	47,349,673,905	102,807,893,409
	<u>307,879,510,469</u>	<u>296,580,667,392</u>
In which		
Third parties	66,618,853,887	124,988,510,855
Related parties (Note 30(b))	241,260,656,582	171,592,156,537
	<u>307,879,510,469</u>	<u>296,580,667,392</u>

As at 31 December 2021 and 31 December 2020, the Corporation had no balance of other short-term receivables that was past due or not past due but doubtful.

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7 INVENTORIES

	31.12.2021		31.12.2020	
	Cost VND	Provision VND	Cost VND	Provision VND
Raw materials	2,727,278,722,068	(2,511,592,747)	3,351,335,544,493	(2,094,607,093)
Tools and supplies	167,151,195,662	-	133,574,309,462	-
Goods in transit	7,571,588,689	-	636,074,396,134	-
Work in progress	8,789,197,620	-	17,832,581,454	-
	<u>2,910,790,704,039</u>	<u>(2,511,592,747)</u>	<u>4,138,816,831,543</u>	<u>(2,094,607,093)</u>

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

	2021 VND	2020 VND
Beginning of year	2,094,607,093	2,026,627,063
Increase	955,312,568	67,980,030
Written off	(538,326,914)	-
End of year	<u>2,511,592,747</u>	<u>2,094,607,093</u>

8 PREPAID EXPENSES

(a) Short-term

	31.12.2021 VND	31.12.2020 VND
Insurance	38,328,765,909	14,460,215,069
Others	2,131,023,828	1,634,529,023
	<u>40,459,789,737</u>	<u>16,094,744,092</u>

(b) Long-term

	31.12.2021 VND	31.12.2020 VND
Expenses related to leased lands (*)	203,065,469,168	167,556,843,730
Others	41,838,499,125	50,401,632,828
	<u>244,903,968,293</u>	<u>217,958,476,558</u>

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

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9 FIXED ASSETS

(a) Tangible fixed assets

	Building and structures VND	Machinery and equipment VND	Motor vehicles, transmissions VND	Office equipment VND	Others VND	Total VND
Historical cost						
As at 1 January 2021	20,441,379,114,859	83,101,768,273,276	6,683,759,241,225	180,263,521,241	29,065,025,919	110,436,235,176,520
New purchases	24,394,818,194	100,468,908,962	7,582,849,753	16,203,304,796	-	148,649,881,705
Transfers from construction in progress (Note 10)	1,695,371,747	94,124,724,453	-	4,122,090,000	9,086,126,075	109,028,312,275
Disposals	-	(818,308,707)	(1,721,175,447)	(279,966,141)	-	(2,819,450,295)
As at 31 December 2021	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
Accumulated depreciation						
As at 1 January 2021	7,569,953,800,926	51,471,426,419,048	3,543,107,181,112	106,426,632,992	8,008,079,282	62,698,922,113,360
Charge for the year	715,021,448,090	3,386,166,840,053	311,461,704,773	29,504,076,521	4,237,294,120	4,446,391,363,557
Disposals	-	(818,308,707)	(1,721,175,447)	(279,966,141)	-	(2,819,450,295)
As at 31 December 2021	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
Net book value						
As at 1 January 2021	12,871,425,313,933	31,630,341,854,228	3,140,652,060,113	73,836,888,249	21,056,946,637	47,737,313,063,160
As at 31 December 2021	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 2021, tangible fixed assets of the Corporation with a total net book value of VND19,607 billion (as at 31 December 2020: VND21,654 billion) were pledged as collateral for the Corporation's borrowings (Note 18).

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9 FIXED ASSETS (continued)

The historical cost of tangible fixed assets of the Corporation which were fully depreciated but still in use as at 31 December 2021 was VND34,128 billion (as at 31 December 2020: VND33,471 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 2021	76,969,094,699	33,734,692,614	8,854,276,148	14,467,880,821	134,025,944,282
New purchases	2,874,010,917	6,358,497,458	406,000,000	3,277,970,000	12,916,478,375
Transfers from construction in progress (Note 10)	486,199,500,000	-	-	-	486,199,500,000
As at 31 December 2021	<u>566,042,605,616</u>	<u>40,093,190,072</u>	<u>9,260,276,148</u>	<u>17,745,850,821</u>	<u>633,141,922,657</u>
Accumulated amortisation					
As at 1 January 2021	11,807,092,284	11,165,546,138	6,394,079,039	2,792,138,377	32,158,855,838
Charge for the year	1,328,257,643	6,597,623,844	1,715,899,996	1,529,083,104	11,170,864,587
As at 31 December 2021	<u>13,135,349,927</u>	<u>17,763,169,982</u>	<u>8,109,979,035</u>	<u>4,321,221,481</u>	<u>43,329,720,425</u>
Net book value					
As at 1 January 2021	<u>65,162,002,415</u>	<u>22,569,146,476</u>	<u>2,460,197,109</u>	<u>11,675,742,444</u>	<u>101,867,088,444</u>
As at 31 December 2021	<u>552,907,255,689</u>	<u>22,330,020,090</u>	<u>1,150,297,113</u>	<u>13,424,629,340</u>	<u>589,812,202,232</u>

The historical cost of intangible fixed assets of the Corporation which were fully amortised but still in use as at 31 December 2021 was VND6.3 billion (as at 31 December 2020: VND4.42 billion).

10 CONSTRUCTION IN PROGRESS

Details of construction in progress by projects are as follows:

	2021 VND	2020 VND
Purchases of fixed assets which have not been put in use yet	303,042,349,781	96,020,064,204
Other	28,487,906,489	17,317,515,843
	<u>331,530,256,270</u>	<u>113,337,580,047</u>

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

	2021 VND	2020 VND
Beginning of year	113,337,580,047	140,525,401,110
New purchases	813,420,488,498	390,194,819,418
Transfers to tangible fixed assets (Note 9(a))	(109,028,312,275)	(351,707,952,010)
Transfers to intangible fixed assets (Note 9(b))	(486,199,500,000)	(4,039,422,610)
Others	-	(61,635,265,861)
End of year	<u>331,530,256,270</u>	<u>113,337,580,047</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.

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12 SHORT-TERM TRADE ACCOUNTS PAYABLE

	31.12.2021 VND	31.12.2020 VND
Third parties		
Petrovietnam Gas South East Transmission Company	1,400,569,433,439	2,239,680,268,404
Vietnam National Coal - Mineral Industries Holding Corporation Limited	413,553,873,402	567,308,055,578
Dong Bac Corporation	55,629,646,841	141,417,595,819
General Electric	458,886,739,376	881,015,236,722
Others	1,073,187,348,538	906,421,748,991
Related parties (Note 30(b))	6,816,779,372	15,690,076,320
	<u>3,408,643,820,968</u>	<u>4,751,532,981,834</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 were as follows:

	As at 1.1.2021 VND	Payable/receivable during the year VND	Payment during the year VND	Net-off during the year VND	Reclassification during the year VND	As at 31.12.2021 VND
(a) Tax payables						
VAT	64,111,624,583	4,042,522,544,668	(1,108,484,970,127)	(2,956,599,520,177)	21,118,336,756	62,668,015,703
Natural resource taxes	52,506,453,337	376,886,393,532	(388,754,578,631)	-	-	40,638,268,238
Forest environment services fee	41,680,097,640	94,796,432,214	(94,645,219,414)	-	-	41,831,310,440
Personal income tax	7,007,545,310	59,851,535,909	(54,689,530,774)	-	-	12,169,550,445
CIT	96,942,247,304	704,521,768,375	(511,336,539,335)	-	1,551,778,942	291,679,255,286
Others	5,584,064,078	217,911,134,910	(220,246,812,644)	-	3,408,988,555	6,657,374,899
	<u>267,832,032,252</u>	<u>5,496,489,809,608</u>	<u>(2,378,157,650,925)</u>	<u>(2,956,599,520,177)</u>	<u>26,079,104,253</u>	<u>455,643,775,011</u>
(b) Tax receivables						
VAT to be reclaimed	70,148,061,228	2,922,541,612,611	-	(2,956,599,520,177)	-	36,090,153,662
Surplus payment VAT	9,552,824	-	-	-	21,118,336,756	21,127,889,580
Other taxes	91,036,823	-	-	-	4,960,767,497	5,051,804,320
	<u>70,248,650,875</u>	<u>2,922,541,612,611</u>	<u>-</u>	<u>(2,956,599,520,177)</u>	<u>26,079,104,253</u>	<u>62,269,847,562</u>

14 PAYABLES TO EMPLOYEES

At as 31 December 2021 and 31 December 2020, the balance represents the payable to employees according to the Corporation's policy.

15 SHORT-TERM ACCRUED EXPENSES

	31.12.2021 VND	31.12.2020 VND
Interest expense	15,904,652,243	21,968,316,062
Purchases of materials	-	169,791,359,389
Others	21,138,762,086	16,963,266,950
	<u>37,043,414,329</u>	<u>208,722,942,401</u>

16 UNEARNED REVENUE

As at 31 December 2021 and 31 December 2020, the unearned revenue is mainly revenue from leased assets received in advance from Vinh Tan 1 Power Company Limited.

17 OTHER SHORT-TERM PAYABLES

	31.12.2021 VND	31.12.2020 VND
Payables to EVN (*)	346,768,343,073	514,333,994,661
Provisions of VAT payable	133,688,560,354	267,879,755,704
Payables due to sales of shares	39,969,577,665	25,354,793,665
Others	45,508,725,074	47,506,091,364
	<u>565,935,206,166</u>	<u>855,074,635,394</u>
In which:		
Third parties	213,964,763,620	335,538,541,260
Related parties (Note 30(b))	351,970,442,546	519,536,094,134
	<u>565,935,206,166</u>	<u>855,074,635,394</u>

(*) As at 31 December 2021 and 31 December 2020, the payables to EVN mainly include interest expense, re-borrowing fees and foreign contractor tax noticed by EVN.

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18 BORROWINGS

(a) Short-term

	As at 1.1.2021 VND	Increase during the year VND	Decrease during the year VND	Reclassification during the year VND	Foreign Exchange Differences as at year end VND	As at 31.12.2021 VND
Current portion of long-term borrowings						
Borrowings from banks (*)	371,099,501,104	-	(371,099,501,104)	369,491,279,424	-	369,491,279,424
Borrowings from related parties (Note 30(b)(**))	4,516,443,671,889	-	(4,516,443,671,890)	4,583,552,571,038	(102,847,872,860)	4,480,704,698,177
	<u>4,887,543,172,993</u>	<u>-</u>	<u>(4,887,543,172,994)</u>	<u>4,953,043,850,462</u>	<u>(102,847,872,860)</u>	<u>4,850,195,977,601</u>

(b) Long-term

	As at 1.1.2021 VND	Increase during the year VND	Decrease during the year VND	Reclassification during the year VND	Foreign Exchange Differences as at year end VND	As at 31.12.2021 VND
Borrowings from banks (*)	2,420,365,952,195	66,369,417,592	(382,320,896,917)	(369,491,279,424)	-	1,734,923,193,446
Borrowings from related parties (Note 30(b)(**))	43,090,228,100,100	-	-	(4,583,552,571,038)	(738,482,869,965)	37,768,192,659,097
	<u>45,510,594,052,295</u>	<u>66,369,417,592</u>	<u>(382,320,896,917)</u>	<u>(4,953,043,850,462)</u>	<u>(738,482,869,965)</u>	<u>39,503,115,852,543</u>

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18 BORROWINGS (continued)

(*) Details of bank loans are as follows:

	Currency	Maturity	31.12.2021 VND	31.12.2020 VND	Interest rate	Collateral assets
Mong Duong 1 Thermal Power Plant Project						
Lien Viet Post Joint Stock Commercial Bank – Thang Long Branch	VND	2025	55,976,880,538	71,852,757,214	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	846,000,000,000	Defined by the bank	(i)
Joint Stock Commercial Bank for Foreign Trade of Vietnam	VND	2025	842,608,297,440	1,067,303,843,424	12-month deposit + 2% p.a.	(i)
Buon Kuop Hydropower Plant Project						
Saigon - Hanoi Commercial Joint Stock Bank – Ha Noi Branch	VND	2025	130,000,000,000	170,000,000,000	12-month deposit + 2.8% p.a.	(i)
Military Commercial Joint Stock Bank - Hai Ba Trung Branch	VND	2021	-	7,929,118,612	12-month deposit + 2.2% p.a.	(i)
Vinh Tan Power Center's Infrastructure Project						
Saigon - Hanoi Commercial Joint Stock Bank – Ha Thanh Branch	VND	2026	193,235,908,648	238,724,882,596	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	412,593,386,244	389,654,851,453	12-month deposit + 2.7% p.a.	(ii)
			<u>2,104,414,472,870</u>	<u>2,791,465,453,299</u>		
Current portion of long-term borrowings (Note 18(a))			<u>(369,491,279,424)</u>	<u>(371,099,501,104)</u>		
			<u>1,734,923,193,446</u>	<u>2,420,365,952,195</u>		

(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.

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18 BORROWINGS (continued)

As at 31 December 2021, the interest rate applied for the above bank borrowing is from 7.6% per annum to 9.2% per annum (as at 31 December 2020: from 7.7% per annum to 9.8% per annum).

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

	Currency	Maturity	31.12.2021 VND	31.12.2020 VND	Interest rate	Collateral assets
Re-borrowing from a related party (Note 30(b))						
Mong Duong 1 Thermal Power Plant Project						
Asian Development Bank ("ADB")	USD	2032	383,673,646,210	408,855,249,399	LIBOR 6 months + 1% p.a.	(iii)
ADB	USD	2034	17,227,531,267,362	18,084,035,458,704	LIBOR 6 months + 0.65% p.a.	(iii)
Korea Export Import Commercial Joint Stock Bank ("KEXIM")	USD	2028	6,071,605,004,087	7,095,867,406,503	LIBOR 1 year + 4.05% p.a.	(iii)
Vinh Tan 2 Thermal Power Plant Project						
The Export-import Bank of China ("China Eximbank")	USD	2027	4,125,459,684,448	4,874,984,191,273	3.45% p.a.	(iv)
China Eximbank	CNY	2027	1,205,306,231,805	1,406,265,195,714	3.4% p.a.	(iv)
China Eximbank	USD	2028	10,167,779,239,327	11,769,882,556,197	LIBOR 6 months + 2.65% p.a.	(iv)
Buon Kuop Hydropower Plant Project						
Japan Bank for International Cooperation ("JBIC")	JPY	2026	53,555,196,233	71,974,642,230	2.75% p.a.	(iv)
JBIC	JPY	2028	44,139,098,681	57,038,490,260	2.55% p.a.	(iv)
Phu My 1 Thermal Power Plant Project						
JBIC	JPY	2028	2,969,847,989,121	3,837,768,581,709	from 1.15% p.a. to 2.7% p.a.	(iv)
			42,248,897,357,274	47,606,671,771,989		
Current portion of long-term borrowings (Note 18(a))			(4,480,704,698,177)	(4,516,443,671,889)		
			37,768,192,659,097	43,090,228,100,100		

18 BORROWINGS (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 2021, the floating interest rate applied for the EVN's re-borrowing denominated in USD is from 0.89% per annum to 4.3% per annum (as at 31 December 2020: from 1.31% per annum to 4.6% per annum).

19 OWNERS' CAPITAL**(a) Number of shares**

	2021		2020	
	Ordinary shares	Preference shares	Ordinary shares	Preference shares
Number of shares registered, issued and existing in circulation (*)	1,123,468,046	-	1,069,969,577	-

(*) During the year, the Corporation has issued an additional 53,498,469 shares (Note 20).

(b) Details of owners' shareholding

	31.12.2021		31.12.2020	
	Ordinary shares	%	Ordinary shares	%
EVN	1,114,422,994	99.19	1,061,355,233	99.19
Others	9,045,052	0.81	8,614,344	0.81
Number of issued shares	1,123,468,046	100.00	1,069,969,577	100.00

(c) Movement of share capital

	Number of shares	Ordinary shares VND
As at 1 January 2020 and 31 December 2020	1,069,969,577	10,699,695,770,000
New shares issued	53,498,469	534,984,690,000
As at 31 December 2021	1,123,468,046	11,234,680,460,000

Par value per share: VND10,000

The Corporation has no preference shares.

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20 MOVEMENTS IN OWNERS' EQUITY

	Owners' capital VND	Investment and development funds VND	Undistributed earnings VND	Total VND
As at 1 January 2020	10,699,695,770,000	-	886,431,925,256	11,586,127,695,256
Net profit for the year	-	-	1,694,003,961,895	1,694,003,961,895
As at 31 December 2020	10,699,695,770,000	-	2,580,435,887,151	13,280,131,657,151
Capital increased during the year (**)	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 paid (**)	-	-	(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	<u>11,234,680,460,000</u>	<u>507,193,462,493</u>	<u>3,863,349,985,115</u>	<u>15,605,223,907,608</u>

(*) Pursuant to the Resolution No. 52/NQ-DHDCD dated 27 May 2021 of the General Meeting of Shareholders.

(**) Pursuant to the Resolution No. 61/NQ-HDQT dated 11 June 2021, the Corporation has implemented 2020 dividend payment as follows:

- Paying dividend in cash at the rate of 5%, equivalent to the total amount of VND534,984,788,500 from the accumulated undistributed earnings as of 31 December 2020.
- Paying dividend in shares with the number of additional issued shares of 53,498,469, equivalent to VND534,984,690,000 from the accumulated undistributed earnings as of 31 December 2020, lower than the plan of 9 shares due to the cancellation of odd shares.

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

As at 31 December 2021, included in cash and cash equivalents were balances held in foreign currencies of USD3,072.8 (as at 31 December 2020: USD3,596).

(b) Commitments under operating leases

The future minimum lease payments under non-cancellable operating leases were presented in Note 31(a).

22 NET REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES

	2021 VND	2020 VND
Net revenue from sales of electricity	34,924,702,911,581	38,118,542,251,655
Net revenue from rendering of other business activities	776,080,717,106	462,419,416,261
	<u>35,700,783,628,687</u>	<u>38,580,961,667,916</u>

23 COST OF GOODS SOLD AND SERVICES RENDERED

	2021 VND	2020 VND
Cost of electricity sold	30,818,856,853,464	33,562,957,769,267
Cost of other business activities rendered	725,322,407,321	419,313,613,945
	<u>31,544,179,260,785</u>	<u>33,982,271,383,212</u>

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24 FINANCIAL INCOME

	2021 VND	2020 VND
Interest income from deposits	170,688,415,400	224,553,116,973
Dividend income, profit distribution	217,772,912,700	87,220,062,700
Realised foreign exchange gains	79,433,366,682	20,035,774,855
Net gain from foreign currency revaluation at year-end	874,639,067,637	-
	<u>1,342,533,762,419</u>	<u>331,808,954,528</u>

25 FINANCIAL EXPENSES

	2021 VND	2020 VND
Interest expense	1,213,348,572,101	1,859,245,138,965
Realised foreign exchange losses	2,344,581,178	22,042,058,978
Net loss from foreign currency revaluation at year-end	-	356,321,856,062
	<u>1,215,693,153,279</u>	<u>2,237,609,054,005</u>

26 GENERAL AND ADMINISTRATION EXPENSES

	2021 VND	2020 VND
Staff costs	287,233,575,976	241,168,849,530
External service expenses	33,423,671,153	85,864,641,623
Depreciation and amortisation	49,267,977,043	39,122,495,282
Tools and supplies	17,755,348,112	11,480,551,295
Others	159,691,200,241	165,451,094,933
	<u>547,371,772,525</u>	<u>543,087,632,663</u>

27 CORPORATION INCOME TAX

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:

	2021 VND	2020 VND
Net accounting profit before tax	3,726,424,966,033	2,148,217,627,815
Tax calculated at a rate of 20%	745,284,993,207	429,643,525,563
Effect of:		
Income not subject to tax	(43,554,582,540)	(17,444,012,540)
Income from restatements	-	184,775,958,411
Expenses not deductible for tax purposes	1,630,042,104	8,817,928,983
Tax losses for which no deferred income tax asset was recognised	1,161,315,604	-
Tax reduction	-	(145,942,155,687)
Deductible interest expense from previous year	-	(5,745,536,424)
Under-provision in previous years	-	107,957,614
CIT charge (*)	<u>704,521,768,375</u>	<u>454,213,665,920</u>
Charged to the separate income statement:		
CIT – current	<u>704,521,768,375</u>	<u>454,213,665,920</u>

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

28 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:

	2021 VND	2020 VND
Raw materials	23,707,328,213,881	26,646,040,310,701
Depreciation and amortisation	4,423,189,334,751	4,584,377,676,951
Major repair expenses	1,177,745,403,167	738,427,621,178
Staff costs	963,075,402,865	842,173,125,542
External service expenses	651,185,685,188	577,641,662,926
Others	1,169,026,993,458	1,136,698,618,577
	<u>32,091,551,033,310</u>	<u>34,525,359,015,875</u>

29 ADDITIONAL INFORMATION ON CERTAIN ITEMS OF THE SEPARATE CASH FLOW STATEMENT

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

	2021 VND	2020 VND
Purchases of fixed assets and construction in progress that have not been settled	337,975,952,594	331,877,172,226
Offset borrowings from EVN against short-term trade account receivables from Electric Power Trading Company	4,470,065,572,771	4,528,347,031,195
Offset interest expense, re-borrowing fees and foreign contractor tax payable to EVN against short-term trade account receivables from Electric Power Trading Company	1,080,359,165,911	1,795,430,225,397
Offset short-term trade accounts receivable from Electric Power Trading Company against the dividend payable to EVN	530,677,616,500	-
Offset short-term trade account receivables from Electric Power Trading Company against the short-term trade account payables and other short-term payables to EVN	231,385,659,974	125,593,958,918
Appropriated dividend to be collected	83,700,000,000	15,000,000,000
Dividend paid in shares	534,984,690,000	-
Unpaid declared dividend	123,850,000	-
Increase/(decrease) of non-cash investment in other entities	14,614,784,000	(14,614,784,000)
	<u>7,283,887,291,750</u>	<u>6,781,633,603,736</u>

30 RELATED PARTY DISCLOSURES

The Corporation is a joint stock company. Details of the shareholders are presented in Note 19(b).

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 Hinh Hydropower Joint Stock Company

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

Other related parties

Hai Phong Thermal Power Joint Stock Company

Electric Power Trading Company

Duyen Hai Thermal Power Company

Quang Ninh Power Company – Branch of Northern Power Corporation

Northern Electrical Testing One Member Company Limited

Power Engineering Consulting Joint Stock Company 2

Power Engineering Consulting Joint Stock Company 3

Power Engineering Consulting Joint Stock Company 4

Information Technology Centre of Vietnam Electricity - Branch of EVN

Pha Lai Thermal Power Joint Stock Company

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

Power Transmission Company No. 2

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

Thai Binh Thermal Power Company

EVN Construction and Technology Investment Management Board

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

PetroVietnam Power Nhon Trach 2 Joint Stock Company

Viet Lao Power Joint Stock Company

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

Vinh Tan 4 and Expanded Vinh Tan 4 Thermal Power Plant Project

Hydropower 5 Project Management Board - Branch of EVN

Thai Binh Thermal Power Project Management Board - Branch of EVN

Uong Bi Thermal Power Company

Binh Thuan Power Company

Dac Nong Power Company

Dac Lac Power Company

Ba Ria – Vung Tau Power Company

Ho Chi Minh City Electric Power College

Thu Thiem Power Company

Electricity Hotel - Tourism and Trading Service One Member Company Limited

Central Electrical Testing One Member Company Limited

Power Transmission Company No. 1

Power Engineering Consulting Joint Stock Company 1

Can Tho Thermal Power Company

30 RELATED PARTY DISCLOSURES

(a) Related party transactions

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

	2021 VND	2020 VND
<i>i) Sales of goods and rendering of services</i>		
Electric Power Trading Company	34,921,706,726,759	38,118,407,900,835
Vinh Tan 4 Thermal Power Plant	612,692,676,766	297,764,455,928
Duyen Hai Thermal Power Company	79,609,825,318	-
Thai Binh Thermal Power Company	-	87,213,943,169
Other related parties	28,265,876,642	15,941,622,350
	<u>35,642,275,105,485</u>	<u>38,519,327,922,282</u>
<i>ii) Purchases of goods and services</i>		
EVN	125,903,124,867	92,938,516,341
Power Engineering Consulting Joint Stock Company 3	2,808,640,841	6,212,541,289
Quang Ninh Power Company	6,928,106,507	8,846,018,803
Southern Electrical Testing Company	2,598,932,749	4,892,050,387
Other related parties	16,328,863,032	12,502,913,201
	<u>154,567,667,996</u>	<u>144,107,494,511</u>
<i>iii) Financing activities</i>		
Dividend income, profit distribution		
Ba Ria Thermal Power Joint Stock Company	52,935,912,700	52,935,912,700
Ninh Binh Thermal Power Joint Stock Company	10,568,160,000	7,045,440,000
Other related parties	154,268,840,000	27,238,710,000
	<u>217,772,912,700</u>	<u>87,220,062,700</u>
Offset borrowings against short- term trade accounts receivable		
EVN	<u>4,470,065,572,771</u>	<u>4,528,347,031,195</u>
Offset interest expense, re-borrowing fees against short-term trade accounts receivable		
EVN	<u>1,080,359,165,911</u>	<u>1,795,430,225,397</u>

30 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

	2021 VND	2020 VND
<i>iii) Financing activities (continued)</i>		
Interest expense		
EVN	<u>1,005,685,736,938</u>	<u>1,531,345,945,738</u>
<i>iv) Other transactions</i>		
Offset short-term trade accounts receivable against short-term trade accounts payable and other short-term payables		
EVN	<u>762,063,276,474</u>	<u>125,593,958,918</u>
<i>v) Compensation of key management</i>		
Chairman (1 person)	945,264,000	544,500,000
Members of the Board of Management cum President (1 person)	916,620,000	576,000,000
Full-time members of the Board of Management (1 person)	830,688,000	522,000,000
Independent members of the Board of Management (1 people)	166,140,000	100,050,000
Part-time of member of the Board of Management (1 people)	166,140,000	100,050,000
Vice President (1 person)	685,620,000	532,875,000
Vice President (1 person)	900,248,000	532,875,000
Vice President (1 person)	900,248,000	532,875,000
Vice President (1 person)	830,688,000	532,875,000
Vice President (1 person, from April 2021)	588,404,000	-
Chief Accountant (1 person)	773,400,000	404,294,000
Full-time head of the Board of Supervisors (1 person)	859,332,000	540,000,000
Part-time member of the Board of Supervisors (1 person)	166,140,000	104,000,000
Part-time member of the Board of Supervisors (1 person)	166,140,000	104,000,000
	<u>8,895,072,000</u>	<u>5,126,394,000</u>

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30 RELATED PARTY DISCLOSURES (continued)

(b) Year-end balances with related parties

	31.12.2021 VND	31.12.2020 VND
i) Short-term trade accounts receivable (Note 5)		
Electric Power Trading Company	7,058,890,356,302	8,585,466,004,443
Vinh Tan 4 Thermal Power Plant	902,526,554,588	469,595,450,049
Duyen Hai Thermal Power Company	36,708,328,507	-
Thai Binh Thermal Power Company	12,615,620,139	55,839,091,635
Quang Ninh Thermal Power Joint Stock Company	26,227,496,855	15,495,913,825
Other related parties	2,480,444,446	3,755,821,088
	<u>8,039,448,800,837</u>	<u>9,130,152,281,040</u>
ii) Short-term prepayments to suppliers		
Power Engineering Consulting Joint Stock Company 3	-	225,060,000
Power Engineering Consulting Joint Stock Company 4	-	643,272,655
Other related parties	-	1,096,743,841
	<u>-</u>	<u>1,965,076,496</u>
iii) Other short-term receivables (Note 6)		
EVN Construction and Technology Investment Management Board	67,966,368,944	67,966,368,944
Vinh Tan 4 and Vinh Tan 4 Expansion Thermal Power Plant Project	68,513,044,582	66,557,084,850
EVN	15,256,171,287	15,256,171,287
Se San 3A Power Investment and Development Joint Stock Company	83,700,000,000	15,000,000,000
Other related parties	5,825,071,769	6,812,531,456
	<u>241,260,656,582</u>	<u>171,592,156,537</u>
iv) Short-term trade accounts payable (Note 12)		
Se San 3A Power Investment and Development Joint-Stock Company	2,887,600,516	-
Southern Electrical Testing Company	1,316,265,263	2,208,950,828
Power Engineering Consulting Joint Stock Company 3	612,178,000	4,051,004,884
Ba Ria Thermal Power Joint Stock Company	27,060,000	1,331,275,000
Power Engineering Consulting Joint Stock Company 2	-	808,322,334
Other related parties	1,973,675,593	7,290,523,274
	<u>6,816,779,372</u>	<u>15,690,076,320</u>

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30 RELATED PARTY DISCLOSURES (continued)

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

	31.12.2021 VND	31.12.2020 VND
<i>v) Short-term advances from customers</i> Duyen Hai Thermal Power Company	-	10,149,848,007
<i>vi) Other short-term payables (Note 17)</i> EVN	346,768,343,073	514,333,994,661
Other related parties	5,202,099,473	5,202,099,473
	<u>351,970,442,546</u>	<u>519,536,094,134</u>
<i>vii) Short-term borrowings (Note 18(a))</i> EVN	<u>4,480,704,698,177</u>	<u>4,516,443,671,889</u>
<i>viii) Long-term borrowings (Note 18(b))</i> EVN	<u>37,768,192,659,097</u>	<u>43,090,228,100,100</u>

31 COMMITMENTS

(a) Commitments under operating leases

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

	31.12.2021 VND	31.12.2020 VND
Within one year	16,065,632,104	20,159,778,925
Between one and five years	76,961,986,584	60,645,408,222
Over five years	591,918,070,144	371,974,680,244
Total minimum payments	<u>684,945,688,832</u>	<u>452,779,867,391</u>

30 COMMITMENTS (continued)**(b) Capital commitments**

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

	31.12.2021 VND	31.12.2020 VND
Power plants and other constructions	514,455,000,000	769,844,000,000

31 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.

32 CONTINGENT LIABILITIES

In accordance with Circular 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.

33 EQUITISATION

Pursuant to the Decision No. 9494/QD-BCT dated 22 October 2014, the Ministry of Industry and Trade decided to equitise the Corporation. Pursuant to the Decision No. 2100/QD-TTg dated 27 December 2017 of the Prime Minister, the Prime Minister approved the equitisation plan of the Corporation. Accordingly, the Corporation completed the preparation of separate financial statements by the time that the Corporation became a joint stock company on 27 September 2018, as well as the audit of its financial statements, the finalisation of tax and other payables to the state budget with tax authorities. On 11 November 2021, the Steering Committee for equitisation of Power Generation Corporation 3 (established in accordance with the Decision No 110/Qd-UBQLV dated 9 March 2020 issued by the Commission for the Management of State Capital at Enterprises) submitted the finalisation documents of the equitization No. 6932/BC-EVN to the Commission for the Management of State Capital at Enterprises to request for the approval of the state capital value at the time of equitisation and the finalisation of the equitisation. Accordingly, the remaining amount to be paid to the Fund for Support of Arrangement and Development of Enterprises is VND39,953,410,753.

As at the issuance date of the separate financial statements, the Corporation has not received the approval of the finalisation of the equitisation. The financial effects (if any) to the separate financial statements will be made upon the final approval of the relevant authority on the finalisation of the equitisation by the Corporation.

34 COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year presentation of the separate financial statements. Details are as follow:

Separate balance sheet statement (extracted):

Code	ASSETS	As at 31 December 2020		
		As previously reported VND	Reclassification VND	Reclassified VND
131	Short-term trade accounts receivable	8,821,814,429,122	317,142,944,535	9,138,957,373,657
136	Other short-term receivables	613,723,611,927	(317,142,944,535)	296,580,667,392

The separate financial statements were approved by the Board of Directors on 30 March 2022.



Tran Nguyen Khanh Linh
Preparer



Vu Phuong Thao
Chief Accountant



Nguyen Thi Thanh Huong
Vice President