

Audited Project Financial Statements

Project Number: 42182-013
Loan/Grant Number: 2517/0384
Period covered: 1/1/2016-31/12/2016

VIE: Renewable Energy Development and Network Expansion and Rehabilitation for Remote Communes Sector Project

Prepared by Southern Power Corporation

For the Asian Development Bank
Date received by ADB: 30 June 2017

The audited project financial statements are documents owned by the borrower. The views expressed herein do not necessarily represent those of ADB's Board of Directors, Management, or staff. These documents are made publicly available in accordance with ADB's Public Communications Policy 2011 and as agreed between ADB and the Central Power Corporation.



**SOUTHERN POWER CORPORATION
RENEWABLE ENERGY DEVELOPMENT AND
NETWORK EXPANSION AND REHABILITATION
FOR REMOTE COMMUNES SECTOR PROJECT**

Loan Agreement No. 2517-VIE (SF)
Grant Agreement No. 0384-VIE (EF)

**AUDITED FINANCIAL STATEMENTS
AND MANAGEMENT LETTER**

For the year ended 31 December 2016



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PART I
FINANCIAL STATEMENTS

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STATEMENT OF THE BOARD OF GENERAL DIRECTORS

The Board of General Directors of Southern Power Corporation ("SPC") presents this report together with the financial statements of the Renewable Energy Development and Network Expansion and Rehabilitation for Remote Communes Sector Project - Loan Agreement No. 2517-VIE (SF) and Grant Agreement No. 0384-VIE (EF) - Portion implemented by SPC (the "Project") for the year ended 31 December 2016.

Board of General Directors

The members of the Board of General Directors of SPC who held office during the year and at the date of this report are as follows:

Mr. Nguyen Van Hop	General Director
Mr. Pham Ngoc Le	Deputy General Director
Mr. Ho Quang Ai	Deputy General Director
Mr. Nguyen Phuoc Duc	Deputy General Director
Mr. Nguyen Cong Hau	Deputy General Director

Board of General Directors' Statement of Responsibility

The Board of General Directors of SPC is responsible for preparing the financial statements of the Project which comprise the balance sheet as at 31 December 2016, the statement of sources and uses of funds, statement of disbursements, statement of Project implementation by construction work/work item, statement of imprest account, statement of withdrawals for the year then ended and the notes to financial statement including a summary of significant accounting policies, which give a true and fair view of the financial position as at 31 December 2016, as well as the receipts, disbursements and expenditures of the Project for the year then ended, in accordance with the accounting convention and the accounting policies set out in Note 2 and Note 3 of the notes to the financial statements and the covenants contained in Loan Agreement No. 2517-VIE (SF) and Grant Agreement No. 0384-VIE (EF). In preparing these financial statements, the Board of General Directors is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting principles have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Project will continue in operation; and
- design and maintain effective internal control over compliance with requirements that could have a direct and material financial effect on the financial statements as well as over financial reporting for the purpose of properly preparing and presenting the financial statements so as to minimise errors and frauds; and take responsibility for its assertions as to the effectiveness of such internal control.

The Board of General Directors is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the financial position of the Project and that the financial statements in accordance with the accounting convention and the accounting policies set out in Note 2 and Note 3 of the notes to the financial statements. The Board of General Directors is responsible for using the Project's funds as intended for the Project and for complying with covenants contained in Loan Agreement No. 2517-VIE (SF) and Grant Agreement No. 0384-VIE (EF) as well as laws and regulations applicable to the Project. The Board of General Directors is also responsible for safeguarding the assets of the Project and hence for taking reasonable steps for the prevention and detection of frauds and other irregularities.

The Board of General Directors confirms that they have complied with the above requirements in preparing these financial statements.

For and on behalf of the Board of General Directors,


Pham Ngoc Le
Deputy General Director

16 June 2017

INDEPENDENT AUDITORS' REPORT

**To: The Board of General Directors of Southern Power Corporation
The Asian Development Bank**

Opinion

We have audited the financial statements of the Renewable Energy Development and Network Expansion and Rehabilitation for Remote Communes Sector Project - Loan Agreement No. 2517-VIE (SF) and Grant Agreement No. 0384-VIE (EF) - Portion implemented by Southern Power Corporation (the "Project"), which comprise the balance sheet as at 31 December 2016, statement of sources and uses of funds, statement of disbursements, statement of Project implementation by construction work/work item, statement of imprest account, statement of withdrawals for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- The accompanying financial statements, give a true and fair view of the financial position of the Project as at 31 December 2016, and of its receipts, disbursements and expenditures for the year then ended in accordance with the accounting convention and the accounting policies set out in Note 2 and Note 3 of the Notes to the financial statements.
- The statement of imprest account gives a true and fair view of the balance of the imprest account as at 31 December 2016 and the Project's receipts and disbursements via the imprest account for the year then ended in accordance with the relevant covenants of Loan Agreement No. 2517-VIE (SF) and Grant Agreement No. 0384-VIE (EF) and prevailing relevant regulations established by Asian Development Bank.
- The withdrawal applications were adequately reconciled to the statements of expenditures (SOEs) prepared by the Board of General Directors for the year ended 31 December 2016 and those SOEs were adequately supported.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Project in accordance with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 2 and Note 3 of the Notes to the financial statements, which describes the accounting convention and the summary of the significant accounting policies. The financial statements are prepared in accordance with the accounting convention and the accounting policies set out in Note 2 and Note 3 of the Notes to the financial statements and the requirements of the Asian Development Bank. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of Management and those charged with governance for the Financial Statements

Management is responsible for the preparation of the financial statements in accordance with the accounting convention and the accounting policies set out in Note 2 and Note 3 of the Notes to the financial statements, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Project's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Project or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Project's financial reporting process.

INDEPENDENT AUDITOR'S REPORT (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Project's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Project to cease to continue as a going concern.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by management.

We communicate with those charged with governance and the Board of General Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Dang Chi Dung
Deputy General Director
Audit Practising Registration Certificate
No. 0030-2013-001-1

Pham Ngoc Hai
Auditor
Audit Practising Registration Certificate
No. 2452-2013-001-1

DELOITTE VIETNAM COMPANY LIMITED

16 June 2017
Hanoi, S.R. Vietnam

SOUTHERN POWER CORPORATION

Renewable Energy Development and Network Expansion and Rehabilitation for Remote Communes Sector Project
 Loan Agreement No. 2517-VIE(SF)
 Grant Agreement No. 0384-VIE (EF)

Financial statements
 For the year ended
 31 December 2016

STATEMENT OF SOURCES AND USES OF FUNDS

For the year ended 31 December 2016

Unit: VND

Contents	2016			Accumulated to 31/12/2016		
	Loan from the Asian Development Bank	Counterpart fund	Total	Loan from the Asian Development Bank	Counterpart fund	Total
RECEIPTS	27,817,189,601	16,389,866,757	44,207,056,358	627,544,637,708	192,409,020,570	819,953,658,278
Loan from the Asian Development Bank	27,817,189,601	-	27,817,189,601	627,544,637,708	-	627,544,637,708
Counterpart fund	-	16,389,866,757	16,389,866,757	-	192,409,020,570	192,409,020,570
DISBURSEMENTS	76,792,736,875	16,389,866,757	93,182,603,632	619,724,961,935	192,409,020,570	812,133,982,505
Construction	52,648,764,275	-	52,648,764,275	388,101,465,963	9,092,817,531	397,194,283,494
Goods, equipment	22,906,780,170	-	22,906,780,170	232,611,368,499	3,089,445,269	235,700,813,768
Other expenses	-	16,389,866,757	16,389,866,757	200,000,000	180,226,757,770	180,426,757,770
Realised foreign exchange difference	1,237,192,430	-	1,237,192,430	(1,187,872,527)	-	(1,187,872,527)
DEFICIT/SURPLUS OF RECEIPTS OVER DISBURSEMENTS	(48,975,547,274)	-	(48,975,547,274)	7,819,675,773	-	7,819,675,773
OPENING BALANCE	57,130,327,334	-	57,130,327,334	-	-	-
Unrealised foreign exchange differences from revaluation of cash balance denominated in foreign currency at year end	132,464,824	-	132,464,824	467,569,111	-	467,569,111
CLOSING BALANCE	8,287,244,884	-	8,287,244,884	8,287,244,884	-	8,287,244,884
Represented by:						
- Cash in bank balance as at 31 December 2016	8,275,916,314	-	8,275,916,314	8,275,916,314	-	8,275,916,314
- Other receivables not relating to expenditures as at 31 December 2016	11,328,570	-	11,328,570	11,328,570	-	11,328,570

Cong Thi Thuy Van
 Preparer

16 June 2017

Thai Phong Linh
 Deputy Director of Finance and
 Accounting Department



Phạm Ngọc Le
 Deputy General Director

The accompanying notes are an integral part of these financial statements

STATEMENT OF DISBURSEMENTS

For the year ended 31 December 2016

Unit: VND

ITEMS	2016	Accumulated to 31/12/2016
Construction	52,648,764,275	397,194,283,494
Transmission lines and substation in Tra Vinh	27,337,687,682	179,601,321,040
Transmission lines and substation in Soc Trang	25,311,076,593	217,592,962,454
Equipment	22,906,780,170	235,700,813,768
Transmission lines and substation in Tra Vinh	11,373,171,609	113,254,917,612
Transmission lines and substation in Soc Trang	11,533,608,561	122,445,896,156
Others	16,389,866,757	180,426,757,770
Transmission lines and substation in Tra Vinh	9,452,637,664	82,554,906,257
Transmission lines and substation in Soc Trang	6,937,229,093	97,871,851,513
Realised foreign exchange differences	1,237,192,430	(1,187,872,527)
Total	93,182,603,632	812,133,982,505



Cong Thi Thuy Van
Preparer

16 June 2017



Thai Phong Linh
Deputy Director of
Finance and Accounting
Department




Pham Ngoc Le
Deputy General Director

SOUTHERN POWER CORPORATION**Renewable Energy Development and Network Expansion and Rehabilitation for Remote Communes Sector Project****Loan Agreement No. 2517-VIE (SF)****Grant Agreement No. 0384-VIE (EF)****Financial statements****For the year ended****31 December 2016****STATEMENT OF WITHDRAWALS***For the year ended 31 December 2016*

Withdrawal Applications			Amount claimed			Amount disbursed			Advance clearance			Difference	
No.	Date	Currency	Construction	Equipment	Total	Date	Currency	Amount	Date	Currency	Amount	Amount	Notes
Direct payment													
SPC-44	18/01/2016	USD	-	711,996	711,996	26/01/2016	USD	711,996				-	
Imprest account													
SPC-45	10/05/2016	USD	1,286,474	501,192	1,787,666	19/08/2016	USD	548,666	18/08/2016	USD	1,239,000	-	
Total					2,499,662			1,260,662			1,239,000	-	


Cong Thi Thuy Van
 Preparer

16 June 2017


Thai Phong Linh
 Deputy Director of Finance and
 Accounting Department


Pham Ngoc Le
 Deputy General Director
The accompanying notes are an integral part of these financial statements

BALANCE SHEET

As at 31 December 2016

ITEMS	Notes	31/12/2016 VND	31/12/2015 VND
ASSETS			
A. CURRENT ASSETS		9,540,450,866	70,261,168,500
I. Cash		8,275,916,314	55,881,806,334
Cash	5	8,275,916,314	55,881,806,334
II. Short-term receivables		1,264,534,552	14,379,362,166
Advances to suppliers	6	1,253,205,982	13,119,512,596
Other receivables		11,328,570	1,259,849,570
B. PROJECT IMPLEMENTING EXPENDITURES		824,067,947,401	760,155,148,021
Project implementing expenditures	7	824,067,947,401	760,155,148,021
TOTAL ASSETS		833,608,398,267	830,416,316,521
RESOURCES			
A. LIABILITIES		11,999,298,351	51,909,545,357
I. Current liabilities		11,999,298,351	51,909,545,357
Payables to suppliers	8	6,512,006,250	45,510,539,127
Other short-term payables	9	5,487,292,101	6,399,006,230
B. FUNDS		821,609,099,916	778,506,771,164
Loan from the Asian Development Bank	10	627,544,637,708	599,727,448,107
Counterpart fund		192,409,020,570	176,019,153,813
Foreign exchange reserve	11	1,655,441,638	2,760,169,244
TOTAL RESOURCES		833,608,398,267	830,416,316,521

OFF BALANCE SHEET ITEMS

	31/12/2016	31/12/2015
Foreign currencies		
- USD	364,257	2,489,167


Cong Thi Thuy Van
Preparer

16 June 2017


Thai Phong Linh
Deputy Director of Finance
and Accounting Department




Pham Ngoc Le
Deputy General Director


The accompanying notes are an integral part of these financial statements

STATEMENT OF PROJECT IMPLEMENTATION BY CONSTRUCTION WORK/WORK ITEM

For the year ended 31 December 2016

Unit: VND


No.	Construction works/ work items	Accumulated from the beginning to 31/12/2015	Implementation in the year				Accumulated from the beginning to 31/12/2016
			Construction	Equipment	Others	Total	
1.	Transmission lines and substation in Tra Vinh	336,437,731,598	20,829,699,979	888,398,699	4,312,622,337	26,030,721,015	362,468,452,613
2.	Transmission lines and substation in Soc Trang	423,717,416,423	27,490,957,395	3,453,891,877	6,937,229,093	37,882,078,365	461,599,494,788
	Total	760,155,148,021	48,320,657,374	4,342,290,576	11,249,851,430	63,912,799,380	824,067,947,401


Cong Thi Thuy Van
Preparer

16 June 2017


Thai Phong Linh
Deputy Director of Finance
and Accounting Department




Pham Ngoc Le
Deputy General Director

The accompanying notes are an integral part of these financial statements

STATEMENT OF IMPREST ACCOUNT

Period : From 01 January 2016 to 31 December 2016
Account number : 4520.520001515.840.9999
Bank name : Lien Viet Post Joint Stock Commercial Bank - Cho Lon branch
Address : 52-54-56 Hai Thuong Lan Ong, Ward 10, District 5, Ho Chi Minh City
Currency : USD

	<u>Amount</u>
PART A: ACCOUNT ACTIVITY	
Opening balance (as at 01/01/2016)	2,489,167
Add:	
Total amount deposited by the ADB to the Imprest account in the year	548,666
Deduct:	
Total amount withdrawn from the Imprest account in the year	2,673,576
Closing balance (as at 31/12/2016)	364,257
PART B: ACCOUNT RECONCILIATION	
1 Total amount advanced by the ADB	3,039,144
2 Deduct: Total amount claimed	1,239,000
3 Add: Total amount recovered by ADB for ineligible expenses	39,144
4 Total present outstanding amount advanced to the Imprest account as at 31/12/2016	1,761,000
5 Closing balance of the Imprest account as at 31/12/2016	364,257
6 Add: Amount claimed but not yet credited (under withdrawal Application No.SPC-46)	1,396,743
7 Total advance to the imprest account accounted for as at 31/12/2016	1,761,000



Cong Thi Thuy Van
Preparer

16 June 2017



Thai Phong Linh
Deputy Director of Finance
and Accounting Department



Pham Ngoc Le
Deputy General Director

NOTES TO THE FINANCIAL STATEMENTS

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

1. GENERAL INFORMATION

The Renewable Energy Development and Network Expansion and Rehabilitation for Remote Communes Sector Project operates under Loan Agreement No. 2517-VIE (SF) signed on 17 September 2009 and Grant Agreement No. 0384-VIE (EF) signed on 30 November 2015 between the Government of the Socialist Republic of Vietnam and the Asian Development Bank ("ADB").

The impact of the Renewable Energy Development and Network Expansion and Rehabilitation for Remote Communes Sector Project is expected to be to promote pro-poor and balanced economic development of remote mountainous communes and poor communes through the sustainable use of electricity and renewable energy in an affordable manner. The Project's outcome is provision of reliable and affordable supply of electricity to remote mountainous and poor communes and replacement of thermal power generation with renewable energy.

The scope of the Renewable Energy Development and Network Expansion and Rehabilitation for Remote Communes Sector Project comprises:

Component 1: Developing Mini Hydropower Plants

Carrying out subprojects to be selected in accordance with the procedures and criteria, comprising the following activities:

- Construction of mini hydropower plants;
- Connection of such mini hydropower plants to the national grid; and
- Extension of the low voltage network to supply the nearby un-electrified villages packaged as subprojects to be selected.

Component 2: Network Expansion and Rehabilitation for Poor Communes

Carrying out subprojects to be selected in accordance with the procedures and criteria, for the expansion of:

- Medium voltage network by about 800 - 1,000 kilometers (km);
- 2,000 - 2,500 medium to low voltage substations totaling 35 - 40 megavolt-ampere; and/or
- 2,500 - 3,000 km of low voltage distribution lines.

The fund of the Renewable Energy Development and Network Expansion and Rehabilitation for Remote Communes Sector Project includes of ADB fund and Grant from Clean Energy Fund ("CEF fund") with amount of SDR 102,161,000 and USD 3,000,000, respectively. In which, the fund allocated to the portion implemented by the Corporation is not over SDR 20,148,000 and USD 494,382, respectively. Up to 31 December 2016, the Corporation has not yet withdrawn CEF fund.

The Renewable Energy Development and Network Expansion and Rehabilitation for Remote Communes Sector Project was expected to be completed on 31 December 2015. The Project's duration is extended to 31 December 2017.

2. ACCOUNTING CONVENTION AND FINANCIAL YEAR

Accounting convention

The accompanying financial statements, prepared under the historical cost convention, are expressed in Vietnam Dong (VND) except for the statement of withdrawals and statement of imprest account which are expressed in original currencies. These financial statements are prepared in accordance with the accounting policies set out in Note 3 of the notes to the financial statements and the requirements of the Asian Development Bank.

Financial year

The Projects' financial year begins on 01 January and ends on 31 December.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies, which have been adopted by the Board of General Directors in the preparation of these financial statements, are as follows:

Recognition of funds and expenditures

The Project's funds and expenditures are recognized when incurred.

Foreign currency conversion

Transactions in foreign currencies are translated into Vietnam Dong (VND) at the exchange rate ruling at the transaction date. Closing balances of assets and liabilities denominated in foreign currencies are retranslated at the rate quoted by a commercial bank at the balance sheet date.

Foreign exchange differences are neither receipts nor disbursements. However, foreign exchange differences relating to cash are presented in a separate item on the statement of sources and uses of funds for the purpose of reconciling balances of assets and liabilities at the beginning and end of the financial year.

4. IMPREST ACCOUNT

Imprest account is a special deposit account in USD opened at Lien Viet Post Joint Stock Commercial Bank - Cho Lon branch for the implementation of the Project's activities. Payments out of the imprest account are for expenditures in accordance with the relevant covenants of Loan Agreement No. 2517-VIE (SF) and Grant Agreement No. 0384-VIE (EF) and relevant regulations established by the Asian Development Bank.

5. CASH

	31/12/2015		31/12/2015	
	USD	VND equivalent	USD	VND equivalent
Imprest account	364,257	8,275,916,314	2,489,167	55,881,806,334
	364,257	8,275,916,314	2,489,167	55,881,806,334

SOUTHERN POWER CORPORATION
Renewable Energy Development and Network Expansion and
Rehabilitation for Remote Communes Sector Project
Loan Agreement No. 2517-VIE (SF)
Grant Agreement No. 0384-VIE (EF)
NOTES TO THE FINANCIAL STATEMENTS (Continued)

Financial Statements
For the year ended
31 December 2016

6. PREPAYMENTS TO SUPPLIERS

	31/12/2016	31/12/2015
	VND	VND
An Nhon Construction JSC	771,684,848	920,593,563
Tra Vinh Power Company	117,978,824	3,500,319,995
Southern Electricity Consulting One-member Co., Ltd.	-	1,732,593,580
EE Engineering and trading Joint Stock Company	-	6,163,871,878
Soc Trang Power Company	-	117,624,486
Others	363,542,310	684,509,094
	1,253,205,982	13,119,512,596

7. PROJECT IMPLEMENTING EXPENDITURES

Reconciliation between Project implementing expenditures presented on Balance Sheet and Disbursements presented on Statement of Sources and Uses of Funds is as follows:

	31/12/2016	2016	31/12/2015
	VND	VND	VND
Balance sheet			
Project implementing expenditures [1]	824,067,947,401	63,912,799,380	760,155,148,021
Statement of Sources and Uses of Funds			
Disbursements [2]	812,133,982,505	93,182,603,632	718,951,378,873
Difference [3] = [1] - [2]	11,933,964,896	(29,269,804,252)	41,203,769,148
Presented by [4]			
- Advances to suppliers	1,253,205,982	(11,866,306,614)	13,119,512,596
- Other receivables relating to expenditures	-	(11,328,570)	11,328,570
- Payables to suppliers	(6,512,006,250)	38,998,532,877	(45,510,539,127)
- Other payables relating to expenditures	(5,487,292,101)	911,714,129	(6,399,006,230)
- Realised foreign exchange difference	(1,187,872,527)	1,237,192,430	(2,425,064,957)

8. PAYABLES TO SUPPLIERS

	31/12/2016	31/12/2015
	VND	VND
Dai Long Cable and Wire Co., Ltd.	2,974,739,896	-
Tra Vinh Power Company	951,596,225	3,710,183,193
Southern Power Corporation	883,692,281	2,644,814,977
An Nhon Construction JSC	718,241,349	2,308,109,703
Soc Trang Power Company	663,131,055	-
Southern Electricity Consulting One-member Co., Ltd.	13,229,999	1,868,773,757
Tan Nghe Nam Trading and Manufacturing Co., Ltd.	-	15,598,399,785
E.E Engineering-trading Joint Stock Company	-	6,150,781,626
Thuy Lam Vietnam Mechanical Electric Co., Ltd.	-	5,470,322,880
Thai Hai Private Enterprise	-	4,783,669,599
Nam Viet Electric Co., Ltd.	-	1,307,141,000
Quang Phuc Water Electric JSC	-	611,386,999
Others	307,375,445	1,056,955,608
	6,512,006,250	45,510,539,127

SOUTHERN POWER CORPORATION
Renewable Energy Development and Network Expansion and
Rehabilitation for Remote Communes Sector Project
Loan Agreement No. 2517-VIE (SF)
Grant Agreement No. 0384-VIE (EF)

Financial Statements
For the year ended
31 December 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. OTHER PAYABLES

	31/12/2016	31/12/2015
	VND	VND
Accrual for expenses incurred but not yet billed	5,487,292,101	6,385,508,490
Others	-	13,497,740
	5,487,292,101	6,399,006,230

10. LOAN FROM THE ASIAN DEVELOPMENT BANK

Currency	2016			Accumulated to 31/12/2016		
	Original Currency	USD equivalent	VND equivalent	Original Currency	USD equivalent	VND equivalent
USD	1,260,662	1,260,662	27,817,189,601	25,222,482	25,222,482	535,205,203,559
VND	-	-	-	92,339,434,149	5,775,384	92,339,434,149
		1,260,662	27,817,189,601		30,997,866	627,544,637,708

11. FOREIGN EXCHANGE RESERVE

	31/12/2016	31/12/2015
	VND	VND
Realised foreign exchange difference	1,187,872,527	2,425,064,957
Unrealised foreign exchange difference from revaluation of cash balance denominated in foreign currencies at year end	467,569,111	335,104,287
	1,655,441,638	2,760,169,244

12. COMMITMENTS

As at 31 December 2016, the outstanding value of contracts for construction and equipment signed with contractors was approximately VND 9.6 billion (at as 31 December 2015: VND 55.6 billion).

13. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related party transactions relate to activities which were financed by the counterpart fund.

List of related parties that the project has significant transactions and balances with during the year:

List of related parties	Relationship
Tra Vinh Power Company	Under SPC's management
Soc Trang Power Company	Under SPC's management
Southern Electricity Consulting Company	Under SPC's management
Southern Power Corporation	Corporation

NOTES TO THE FINANCIAL STATEMENTS (Continued)

During the year, the Project entered into the following counterpart funded transactions with its related parties:

	2016	2015
	VND	VND
Services/Construction		
Tra Vinh Power Company	13,234,795,078	10,614,819,820
Soc Trang Power Company	7,332,117,226	23,680,723,915
Southern Electricity Consulting One-member Co., Ltd	3,838,948,781	13,266,140,110
Southern Power Corporation	934,953,630	2,357,776,025

Significant related parties balance as at the balance sheet date were as followed:

	31/12/2016	31/12/2015
	VND	VND
Advances to suppliers		
Tra Vinh Power Company	117,978,824	3,500,319,995
Soc Trang Power Company	-	117,624,486
Southern Electricity Consulting One-member Co., Ltd	-	1,732,593,580
Payables to suppliers		
Tra Vinh Power Company	951,596,225	3,710,183,193
Southern Electricity Consulting One-member Co., Ltd	13,229,999	1,868,773,757
Southern Power Corporation	883,692,281	2,644,814,977
Soc Trang Power Company	663,131,055	-

14. COMPARATIVE FIGURES

Comparative figures are figures of the Project's audited financial statements for the year ended 31 December 2015.



Cong Thi Thuy Van
Preparer

16 June 2017



Thai Phong Linh
Deputy Director of
Finance and Accounting
Department




Pham Ngoc Le
Deputy General Director