National Power Transmission Corporation
Trung Son Hydro Power Project

Loan Agreement No. 8041-VN

Audited financial statements
31 December 2017

2018-06-30
National Power Transmission Corporation  
Trung Son Hydro Power Project  
*Established under the Loan Agreement No.8041-VN between the International Bank for Reconstruction and Development and the Government of the Socialist Republic of Vietnam*

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PART I
FINANCIAL STATEMENTS
National Power Transmission Corporation
Trung Son Hydro Power Project

Established under the Loan Agreement No.8041-VN between the International Bank for Reconstruction and Development and the Government of the Socialist Republic of Vietnam

STATEMENT OF MANAGEMENT

Management of National Power Transmission Corporation ("The Corporation") presents this report together with the financial statements of Trung Son Hydro Power Project - Loan Agreement No. 8041-VN ("the Project") – Partially implemented by the Corporation for the year then ended 31 December 2017.

Management

The members of Management of the Corporation during the year and at the date of this report are as follows:

- Mr. Nguyen Tuan Tung General Director Appointed on 1 June 2018
- Mr. Vu Ngoc Minh General Director Resigned on 31 May 2018
- Mr. Vu Tran Nguyen Deputy General Director
- Mr. Tran Quoc Lam Deputy General Director
- Mr. Pham Le Phu Deputy General Director Appointed on 20 June 2017
- Mr. Nguyen Tuan Tung Deputy General Director Resigned on 1 June 2018

Management’s responsibility in respect of the financial statements

Management of the Corporation is responsible for preparing the financial statements of the Project, which comprise balance sheet as at 31 December 2017, statement of sources and uses of funds, statement of designated account and statement of withdrawals for the year then ended, and notes to the financial statements, which give a true and fair view of the financial position of the Project as at 31 December 2017 as well as its receipts, disbursements and expenditures for the year then ended, in accordance with the accounting policies described in Note 3 to the financial statements and the Project Operations Manual. In preparing these financial statements, management 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, 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.
Management's responsibility in respect of the financial statements (continued)

Management is also 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 comply with the accounting policies described in Note 3 to the financial statements;
- using the Project's funds as intended for the Project and for complying with the Project Financial Management Manual as well as laws and regulations applicable to the Project; and
- safeguarding the assets of the Project and hence for taking reasonable steps for the prevention and detection of frauds and other irregularities.

Management confirms that they have complied with the above requirements in preparing these financial statements.

For and on behalf of Management

Nguyen Tuan Tung
General Director

27 June 2018
INDEPENDENT AUDITORS' REPORT

To: The Management of National Power Transmission Corporation

Opinion

We have audited the accompanying financial statements of Trung Son Hydro Power Project - Loan Agreement No. 8041-VN ("the Project") - Portion implemented by National Power Transmission Corporation as set out from pages 6 to 14, which comprise the balance sheet as at 31 December 2017, the statement of sources and uses of funds, the statement of designated account and the statement of withdrawals for the year then ended and the notes thereto. The financial statements have been prepared by the management of National Power Transmission Corporation ("the Corporation") in accordance with the accounting policies as described in Note 3 to the financial statements and the Project Operations Manual.

In our opinion, the financial statements of the Project at 31 December 2017 and for the year then ended are prepared, in all material respects, in accordance with the accounting policies as described in Note 3 to the financial statements and the Project Operations Manual.

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Corporation in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Vietnam, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – Accounting policies

We draw attention to Note 3 to the financial statements which describe the accounting policies. Our opinion is not modified in respect of this matter.

Responsibilities of Management

Management is responsible for the preparation of the financial statements in accordance with the accounting policies as described in Note 3 to the financial statements and the Project Operations Manual 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.
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 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, but not for the purpose of expressing an opinion on the effectiveness of the Corporation’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

We communicate with the management 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.

For and on behalf of Ernst & Young Vietnam Limited:

Tran Phu Son
Deputy General Director
Audit Practising Registration
Certificate No. 0637-2016-004-1

Hanoi, Vietnam
27 June 2018
National Power Transmission Corporation  
Trung Son Hydro Power Project  
*Established under the Loan Agreement No.8041-VN between the International Bank for Reconstruction and Development and the Government of the Socialist Republic of Vietnam*

BALANCE SHEET  
as at 31 December 2017

<table>
<thead>
<tr>
<th>ITEMS</th>
<th>Notes</th>
<th>Ending balance</th>
<th>Beginning balance</th>
<th>Currency: VND</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td><strong>302,801,115,320</strong></td>
<td><strong>299,160,451,926</strong></td>
<td></td>
</tr>
<tr>
<td>NON-CURRENT ASSETS</td>
<td>5</td>
<td>302,801,115,320</td>
<td>299,160,451,926</td>
<td></td>
</tr>
<tr>
<td>Project implementing expenditures</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

|**CURRENT ASSET**            |       | -                  | 11,715,293,770     |               |
| Cash                        |       | -                  | 11,715,293,770     |               |

|**TOTAL ASSETS**             |       | **302,801,115,320** | **310,875,745,696** |               |
|**RESOURCES**                |       |                    |                    |               |
|**LIABILITIES**              |       | -                  | 5,792,388,316      |               |
| Trade payables              |       | -                  | 5,792,388,316      |               |

|**FUNDS**                    | 6     | **302,801,115,320** | **305,083,357,380** |               |
| IBRD fund                   |       | 261,088,252,421    | 269,346,579,552    |               |
| Counterpart fund            |       | 41,712,862,899     | 35,372,508,739     |               |
| Foreign exchange reserve    |       | -                  | 364,269,089        |               |

|**TOTAL RESOURCES**          |       | **302,801,115,320** | **310,875,745,696** |               |

Signed:  
Preparer: Cao Thi To Uyen  
Chief Accountant: Nguyen Nhu Thong  
General Director: Nguyen Tuan Tung  
27 June 2018
National Power Transmission Corporation  
Trung Son Hydro Power Project  
Established under the Loan Agreement No.8041 between the International Bank for Reconstruction and Development and the Government of the Socialist Republic of Vietnam  

STATEMENTS OF SOURCES AND USES OF FUNDS  
for the year ended 31 December 2017  

<table>
<thead>
<tr>
<th>Contents</th>
<th>IBRD Fund</th>
<th>Counterpart fund</th>
<th>Total</th>
<th>IBRD Fund</th>
<th>Counterpart fund</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>RECEIPTS</td>
<td>8,258,327,131</td>
<td>6,340,354,160</td>
<td>(1,917,972,971 )</td>
<td>261,088,252,421</td>
<td>41,712,862,899</td>
<td>302,801,115,320</td>
</tr>
<tr>
<td>IBRD Fund (*)</td>
<td>8,258,327,131</td>
<td>-</td>
<td>(8,258,327,131 )</td>
<td>261,088,252,421</td>
<td>-</td>
<td>261,088,252,421</td>
</tr>
<tr>
<td>Counterpart fund</td>
<td>-</td>
<td>6,340,354,160</td>
<td>6,340,354,160</td>
<td>-</td>
<td>41,712,862,899</td>
<td>41,712,862,899</td>
</tr>
<tr>
<td>DISBURSEMENTS</td>
<td>3,456,966,639</td>
<td>6,340,354,160</td>
<td>9,797,320,799</td>
<td>261,088,252,421</td>
<td>41,712,862,899</td>
<td>302,801,115,320</td>
</tr>
<tr>
<td>Construction</td>
<td>2,764,952,083</td>
<td>-</td>
<td>2,764,952,083</td>
<td>237,846,008,796</td>
<td>-</td>
<td>237,846,008,796</td>
</tr>
<tr>
<td>Value added tax</td>
<td>33,545,455</td>
<td>-</td>
<td>33,545,455</td>
<td>22,051,645,916</td>
<td>-</td>
<td>22,051,645,916</td>
</tr>
<tr>
<td>Others</td>
<td>669,027,317</td>
<td>6,340,354,160</td>
<td>7,009,381,477</td>
<td>1,539,859,729</td>
<td>41,712,862,899</td>
<td>43,252,722,628</td>
</tr>
<tr>
<td>Realised foreign exchange difference</td>
<td>10,558,216</td>
<td>-</td>
<td>10,558,216</td>
<td>(349,262,020)</td>
<td>-</td>
<td>(349,262,020)</td>
</tr>
<tr>
<td>DEFICIT OF RECEIPTS OVER DISBURSEMENTS</td>
<td>(11,715,293,770)</td>
<td>-</td>
<td>(11,715,293,770 )</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>OPENING BALANCE</td>
<td>11,715,293,770</td>
<td>-</td>
<td>11,715,293,770</td>
<td>11,715,293,770</td>
<td>-</td>
<td>11,715,293,770</td>
</tr>
<tr>
<td>CLOSING BALANCE</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

(*) Repayable of surplus IBRD Fund.

Cao Thi To Uyen  
Preparer  
27 June 2018  

Nguyen Nhu Thong  
Chief Accountant  

Nguyen Tuan Thoq  
General Director  

Currency: VND  

[Stamp]  
[Stamp]  
[Stamp]
National Power Transmission Corporation
Trung Son Hydro Power Project
Established under the Loan Agreement No. 8041-VN between the International Bank for
Reconstruction and Development and the Government of the Socialist Republic of Vietnam

STATEMENT OF DESIGNATED ACCOUNT
for the year ended 31 December 2017

Period: From 1 January 2017 to 31 December 2017
Account No.: 16010370006248
Depository Bank: Joint Stock Commercial Bank for Investment and Development of Vietnam, JSC - Transaction Center 3
Address: No. 20 Hang Tre, Hoan Kiem District, Hanoi
Currency: USD

<table>
<thead>
<tr>
<th>PART A - ACCOUNT ACTIVITY</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as at 1 January 2017</td>
<td>515,638</td>
</tr>
<tr>
<td>Add:</td>
<td></td>
</tr>
<tr>
<td>- Total amount deposited by the IBRD in the year</td>
<td>-</td>
</tr>
<tr>
<td>Deduct:</td>
<td></td>
</tr>
<tr>
<td>- Total amount withdrawn in the year</td>
<td>121,357</td>
</tr>
<tr>
<td>- The repayable amount of surplus IBRD Fund to World Bank</td>
<td>394,281</td>
</tr>
<tr>
<td>Closing balance as at 31 December 2017</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PART B - ACCOUNT RECONCILIATION</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Total amount advanced by IBRD</td>
<td>-</td>
</tr>
<tr>
<td>2. Deduct: Total amount recovered by IBRD</td>
<td>-</td>
</tr>
<tr>
<td>3. <strong>Outstanding amount advanced to designated account as at 31 December 2017</strong></td>
<td>-</td>
</tr>
<tr>
<td>4. Balance as at 31 December 2017</td>
<td>-</td>
</tr>
<tr>
<td>5. Add: Amount withdrawn but not yet claimed</td>
<td>-</td>
</tr>
<tr>
<td>6. <strong>Total advance to designated account as at 31 December 2017</strong></td>
<td>-</td>
</tr>
</tbody>
</table>

Cao Thi To Uyen
Preparer

Nguyen Nhu Thong
Chief Accountant

Nguyen Tuan Tung
General Director

27 June 2018
National Power Transmission Corporation
Trung Son Hydro Power Project
Established under the Loan Agreement No. 8041-VN between the International Bank for
Reconstruction and Development and the Government of the Socialist Republic of Vietnam

STATEMENT OF WITHDRAWALS
for the year ended 31 December 2017

During the year ended 31 December 2017, the Corporation did not submit any withdrawal application for the Project.

Cao Thi To Uyen
Preparer

Nguyen Nhu Thong
Chief Accountant

Nguyen Tuan Tung
General Director

27 June 2018
NOTES TO THE FINANCIAL STATEMENTS
as at 31 December 2017 and for the year then ended

1. GENERAL INFORMATION

Trung Son Hydro Power Project ("the Project") operates under the Credit Agreement No. 8041-VN signed on 28 June 2011 between the Government of the Socialist Republic of Vietnam and the International Bank for Reconstruction and Development ("IBRD"). The total credit facility to be financed by IBRD for the Project is of USD 330,000,000.

Under the Credit Agreement No.8041-VN, portion of the loan shall be used to fund for Part 2 of Trung Son Hydro Power Project and implemented by National Power Transmission Corporation ("the Corporation") which is in accordance with the Subsidiary Loan Agreement dated 8 September 2011 and signed between the Corporation and the Ministry of Finance. Accordingly, the Ministry of Finance agrees to lend the Corporation an amount within USD 24,009,875 to implement Part 2 of Trung Son Hydro Power Project. The remaining loan shall be financed for Part 1, 3 and 4 of the Project and implemented by Trung Son Hydro Power Company Limited.

The objective of the Project is to supply least-cost electric power in a safe and environmentally and socially sustainable way.

Trung Son Hydro Power Project consists of the following parts:

1. Part 1: Dam and Ancillary Construction
   (a) Dam and Appurtenant Structures

   Construction and operation of Trung Son Hydropower Plant on the Ma River near Co Me Village with an installed capacity of 260 megawatts and a dam of 84.5 of meters high and 535 meters long at the crest which is expected to create a reservoir 38.5 kilometers long in an area of approximately 13.13 square kilometers, including: (i) construction of the dam and related facilities including intake structure, forebay. Penstocks, turbine and control buildings, discharge canal, electrical switchyard and emergency fuse-gate and spillway; (ii) acquisition and installation of hydraulic-mechanical and electro-mechanical equipment; and (iii) construction of site facilities and infrastructure, including material quarries, borrow pits, workers' camp, office and living facilities, hydrological and water quality measuring stations, water and sanitation facilities, roads within the site, as well as environmental management and mitigation measures relating directly to construction activities.

   (b) Access Road and Bridges

   Construction of an access road and bridges including: (i) construction of an approximately 20.4 kilometers of access road between Co Luong Village and the dam site; and (ii) construction of bridges on the access road between Co Luong Village and the dam site, as well as environmental management and mitigation measures relating directly to construction activities.

   (c) Power Supply Lines

   Extension of an existing 35 kilovolt power line from its termination at Co Me Village to the dam construction site, and upgrading of the supply as load demand grows as well as construction of substations.

   (d) Project Management

   Provision of support for the implementation of the above activities, including the acquisition of services, and support for design, supervision and management, quality assurance, and environmental monitoring, including independent environmental and social monitoring.
National Power Transmission Corporation
Trung Son Hydro Power Project
Established under the Loan Agreement No. 8041-VN between the International Bank for
Reconstruction and Development and the Government of the Socialist Republic of Vietnam

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2017 and for the year then ended

1. GENERAL INFORMATION (continued)

Part 2: Transmission Line

Construction of a double circuit 220 kilovolt power line to transmit the power generated from
Trung Son Hydropower Plant to the national power grid connection point in Tan Lac District,
including construction of transmission lines; acquisition and installation of equipment,
including towers, insulators, conductors, optical ground wire and accessories, as well as
 carrying of an independent environmental and social monitoring of these activities.

Part 3: Social and Environmental Impact Management

1. Resettlement, Livelihoods and Ethnic Minorities Development (RLDP)

Provision of support for the implementation of the RLDP including resettlement, rehabilitation,
compensation and livelihoods development measures that will improve, or at least maintain,
the living standards and income earning capacity of people impacted by the Project, including
ethnic minorities (excluding land acquisition and resettlement and rehabilitation payments to
Affected Persons).

2. Health Support

Provision of support for the implementation of the first phase of the Public Health Action Plan
(PHAP), including upgrading and construction of public health infrastructure, as well as the
 provision of training, monitoring and surveillance.

3. Environment Management

Provision of support for the management of biodiversity, protected areas and physical cultural
 resources; carrying out of studies on water quality, maintaining a part of the Ma River intact,
and cumulative environment impacts in the river basin; and provision of training and capacity
building.

Part 4: Capacity Development and Scale-Up

Provision of support to strengthen capacity to bring hydropower projects up to international
standards, including carrying out of studies on planning and implementation for social
development, environment and health management, basin management plans integrated with
other water uses, studies of cumulative impacts of projects, consideration of alternatives and
mitigation measures, hydrology and dam safety, project preparation and management, and
preparation of financial and economic documents.

In accordance with the Loan Agreement, the loan closing date was 31 December 2017.

2. BASIS OF PREPARATION

The Project’s financial statements, except for the statement of designated account and the
statement of withdrawals, are expressed in Vietnamese Dong ("VND"). The statement of
designated account and the statement of withdrawals are expressed in United States Dollars
("USD").

The Project’s financial statements are prepared in accordance with the accounting policies
described in Note 3, present receipts from IBRD and Counterpart funds, disbursements made
by the Corporation for the Part 2 of the Project only.
3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

**Contribution from IBRD**

Contributions from IBRD are recognized when IBRD fund is deposited to the Project's designated account which is managed by the Corporation.

**Contribution from Counterpart funds**

Receipts of Counterpart funds are recognized when disbursements are made through the bank accounts of the Corporation and its project management units for the Project activities.

**Disbursements**

Disbursements are recognized when advances or payments are made by the Project to contractors, suppliers or beneficiaries for relevant project activities.

**Project implementing expenditure**

The Project implementing expenditure is recognized for amounts paid and to be paid in the future for goods and services received, whether or not billed to the Project.

**Cash**

Cash includes cash at the designated bank account.

**Advances to suppliers**

Advances to suppliers are carried at the disbursed amount and recognised in the balance sheet until subsequent liquidation or realization is made and approved.

**Trade payables to suppliers**

Payables to suppliers represent the amounts are to be paid to suppliers for goods and service received but remain unpaid by the Project as at balance sheet date.

**Foreign currency translation**

Transactions in foreign currencies are translated into Vietnam Dong (VND) at the exchange rate ruling on the transaction date. Monetary items included in the fund balance, which are denominated in foreign currencies, are retranslated at the rate of Joint Stock Commercial Bank for Foreign Trade of Vietnam at balance sheet date.

Foreign exchange differences are presented separately in the statement of sources and uses of funds for the reporting year.
National Power Transmission Corporation  
Trung Son Hydro Power Project  
Established under the Loan Agreement No.8041-VN between the International Bank for Reconstruction and Development and the Government of the Socialist Republic of Vietnam

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2017 and for the year then ended

4. DESIGNATED ACCOUNT

Designated account is a deposit in USD which was opened at Joint Stock Commercial Bank for Investment and Development of Vietnam - Transaction Center 3 for the implementation of the Project's activities. Payments out of the designated account are for expenditures in accordance with the Loan Agreement No. 8041-VN and relevant regulations established by the IBRD.

5. PROJECT IMPLEMENTING EXPENDITURES

<table>
<thead>
<tr>
<th>Description</th>
<th>Ending balance</th>
<th>Beginning balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction expenses</td>
<td>237,846,008,796</td>
<td>239,786,569,591</td>
</tr>
<tr>
<td>Value added tax deductible from disbursements</td>
<td>22,051,645,916</td>
<td>22,018,100,462</td>
</tr>
<tr>
<td>Interest expenses</td>
<td>6,774,677,976</td>
<td>5,116,418,773</td>
</tr>
<tr>
<td>Other expenses (i)</td>
<td>36,128,782,632</td>
<td>32,239,363,100</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>302,801,115,320</strong></td>
<td><strong>299,160,451,926</strong></td>
</tr>
</tbody>
</table>

(i) Other expenses mainly include expenses for survey and preparation of construction investment reports, technical design, front-end fee and project management costs.

6. IBDR FUND

<table>
<thead>
<tr>
<th>Currency</th>
<th>Original currency</th>
<th>VND equivalent</th>
<th>Original currency</th>
<th>VND equivalent</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD</td>
<td>(394,281)</td>
<td>(8,258,327,131)</td>
<td>11,860,441</td>
<td>261,088,252,421</td>
</tr>
</tbody>
</table>

(*) Repayable of surplus IBRD Fund.
### 7. RELATED PARTY TRANSACTIONS AND BALANCES

Related party transactions only relate to activities which were financed by the counterpart fund. During the year, the Project entered into the following significant transactions with related parties:

<table>
<thead>
<tr>
<th>Related party</th>
<th>Relationship</th>
<th>Transaction</th>
<th>Current year</th>
<th>Previous year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power Engineering Consulting No. 4 JSC</td>
<td>Under common owner</td>
<td>Consulting service</td>
<td>590,012,292</td>
<td>8,930,801,713</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Payment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Power Construction Installation Limited Company No 4</td>
<td>Under common owner</td>
<td>Construction service</td>
<td>798,695,008</td>
<td>35,999,647,758</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Payment</td>
<td>798,695,008</td>
<td>35,999,647,758</td>
</tr>
<tr>
<td>Thang Long Power Construction Installation Joint stock Company No 1</td>
<td>Under common owner</td>
<td>Construction service</td>
<td>-</td>
<td>10,811,779,747</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Payment</td>
<td>315,569,500</td>
<td>10,496,210,247</td>
</tr>
</tbody>
</table>

### 8. EVENTS AFTER THE BALANCE SHEET DATE

There is no matter or circumstance that has arisen since the balance date that requires adjustment or disclosure in the financial statements of the Project.

Cao Thi To Uyen  
Preparer

Nguyen Nhu Thong  
Chief Accountant

Nguyen Tuan Tung  
General Director

27 June 2018
PART II

INDEPENDENT ASSURANCE REPORT ON THE EFFECTIVENESS OF INTERNAL CONTROL
INDEPENDENT ASSURANCE REPORT ON THE EFFECTIVENESS OF INTERNAL CONTROL

To: The Management of National Power Transmission Corporation

We have audited the design and operating effectiveness of the internal control of Trung Son Hydro Power Project - Loan Agreement No. 8041-VN – Portion implemented by National Power Transmission Corporation (“the Project”) for the year ended 31 December 2017. The internal control was set up for the purpose of managing risks to the achievement of the Project’s objectives, including the reasonable prevention and detection of errors, irregularities and fraud. The internal control is the responsibility of the management of National Power Transmission Corporation (“the Corporation”).

Auditors’ responsibility

Our responsibility is to express an opinion, based on our audit, on the effectiveness of the internal control that could have a direct and material financial effect to the financial statements of the Project for the year ended 31 December 2017. We conducted our audit in accordance with the principles of International Standard on Assurance Engagements 3000 - Assurance Engagements other than Audits or Reviews of Historical Financial Information (“ISAE 3000”) insofar this standard could be usefully applied in this audit and in its specific compliance context. This standard requires that we comply with ethical requirements and that we plan and perform the audit to obtain reasonable assurance about whether the internal control for the Project is adequately designed for the purpose of the Project and was operating effectively during the period covered by the audit.

Our audit included obtaining a sufficient understanding of the Project and the internal control for the Project; assessing the risk that a material weakness exists that could have a direct and material financial effect to the financial statements of the Project; testing and evaluating, on a sample basis, the design and operating effectiveness of internal control based on the assessed risk; and performing such other procedures as we considered necessary in the circumstances.

We considered the following criteria in evaluating the effectiveness of the internal control:

- the requirement for design and implementation of the internal control in the Project Operations Manual (“POM”);
- the appropriateness of the internal control for the Project’s activities and objectives;
- the implementation of the internal control by the Corporation to achieve its objective of prevention and detection of errors, irregularities and fraud that could have a direct and material financial effect to the financial statements of the Project;
- the significance to the financial statements where one control or several controls did not operate as designed, if any; and
- that a weakness or a deficiency existed where a control or several controls did not reasonably prevent or detect risks that could have an adverse impact on the objectives of those internal controls which are to provide reasonable assurance that the financial statements are prepared, in all material respects, in accordance with the adopted accounting policies and POM, that the funds are utilized for the purposes defined in the Loan Agreement No. 8041-VN and that the Project complies with the Loan Agreement, POM and other laws and regulations applicable to the Project.

We believe that our audit provides a reasonable basis for our opinion.
Opinion

In our opinion, the Project’s internal control which existed during the year ended 31 December 2017, in all material respects, was adequately designed for the purpose of the Project and operated in an effective manner, based on the evaluating criteria above.

Other matters

This audit involved a historic evaluation of the effectiveness of internal control at a specific point of time. Thus this audit does not provide assurance for future periods due to the risk that internal control may become inappropriate because of changes in conditions, or that the degree of compliance with policies or procedures may deteriorate.

For and on behalf of Ernst & Young Vietnam Limited:

Tran Phu Son
Deputy General Director
Audit Practising Registration
Certificate No. 0637-2018-004-1

Hanoi, Vietnam
27 June 2018
PART III

INDEPENDENT ASSURANCE REPORT ON COMPLIANCE
INDEPENDENT ASSURANCE REPORT ON COMPLIANCE

To: The Management of National Power Transmission Corporation

We have examined the compliance of the management of National Power Transmission Corporation ("the Corporation") in relation to the implementation of the Trung Son Hydro Power Project - Loan Agreement No. 8041-VN - Portion implemented by National Power Transmission Corporation ("the Project") with the applicable laws, regulations, procurement procedures and other provisions of the Loan Agreement between the Government of the Socialist Republic of Vietnam and the International Bank for Reconstruction and Development ("IBRD") ("Loan Agreement") for the year ended 31 December 2017. The management of the Corporation is responsible for the compliance with the Loan Agreement, the Project Operations Manual ("POM") and other laws and regulations applicable to the Project (collectively referred to as "the Project's regulations").

Auditors' responsibility

Our responsibility is to express an opinion, based on our examination, on the compliance of the management with the Project's regulations that could have a direct and material financial effect to the financial statements of the Project for the year ended 31 December 2017. We conducted our examination in accordance with the principles of International Standard on Assurance Engagements 3000 "Assurance Engagements other than Audits or Reviews of Historical Financial Information" ("ISAE 3000") in so far this standard could be usefully applied in this examination and in its specific compliance context. This standard requires that we comply with ethical requirements and that we plan and perform the examination to obtain reasonable assurance about whether the management complies with the Project's regulations that could have a direct and material financial effect to the financial statements during the year.

Our examination included obtaining a sufficient understanding of the Project, and the Project's regulations; assessing the risk on non-compliance exists that could have a direct and material financial effect to the financial statements of the Project testing and evaluation on a sample basis, the compliance of the management with the Project's regulations based on the assessed risk; and performing such other procedures as we considered necessary in the circumstances.

We considered the following criteria in evaluating the compliance of the Corporation's management with the Project's regulations:

- the Corporation's management awareness of the Project's regulations;
- the implementation of the Project's regulations by the management;
- the significance to the financial statements where the management fails to comply with one requirement or several requirements in the Project's regulations, if any; and
- that a weakness or a deficiency existed where the management fails to comply with one or several requirements in the Project's regulations that could have a direct and material financial effect to the financial statements.

We believe that our examination provides a reasonable basis for our opinion.
Opinion

In our opinion, the management of the Corporation complies, in all material respects, with the Project’s regulations that could have a direct and material financial effect to the financial statements of the Project for the year ended 31 December 2017 based on the evaluating criteria above.

Other matters

This examination involved a historic evaluation of the compliance of the management with the Project’s regulations at a specific point of time. Thus, this examination does not provide assurance for future periods due to the risk of changes in the Project’s regulations, or that the degree of compliance with the Project’s regulations, may deteriorate.

For and on behalf of Ernst & Young Vietnam Limited:

Tran Phu Son
Deputy General Director
Audit Practising Registration
Certificate No. 0637-2018-004-1

Hanoi, Vietnam

27 June 2018
APPENDIX
National Power Transmission Corporation
Trung Son Hydro Power Project
Established under the Loan Agreement No.8041 between the World Bank and the Government of the Socialist Republic of Vietnam

APPENDIX I: PROJECT IMPLEMENTATION AND WITHDRAWAL PROGRESS
for the year ended 31 December 2017

I. PROJECT IMPLEMENTATION PROGRESS

The Project implementation progress is as follows:

Trung Son Hydro Power Project has been completed since December 2016.

II. WITHDRAWALS PROGRESS

The Project's accumulated withdrawal as at 31 December 2017 is USD 11,860,441 after deducting the repayable of surplus IBRD fund during the year.