

**THE EQUITIZATION STEERING COMMITTEE OF EVNGENCO 2 RECOMMENDS THAT INVESTORS SHOULD CAREFULLY STUDY THIS PROSPECTUS AND THE AUCTION REGULATION BEFORE MAKING DECISION TO INVEST.**

**PROSPECTUS  
INITIAL PUBLIC OFFERING  
POWER GENERATION CORPORATION 2**

**THE AUCTIONEER**



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THE INFORMATION PROSPECTUS AND DOCUMENTATION WILL BE AVAILABLE AT THE ISSUER, THE AUCTION ADVISORY ORGANIZATION AND AUCTION AGENCY UNDER THE AUCTION REGULATIONS.

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## **PART I: FOREWORD**

This Prospectus is for the purposes to disclose information for the initial public offering in the form of a public auction, which is a content of the equitization process of Power Generation Corporation 2 – One Member Limited Liability Company (EVNGENCO 2).

As a Prospectus Issuer, EVNGENCO 2 asks investors based on the information presented in (i) this Prospectus, (ii) the Bidding Form and (iii) the Auction Regulations issued by the Auctioneer to make their investment decisions. EVNGENCO 2 has not authorized any organization/individual to provide investors with the information presented in this Prospectus. Investors should not rely on any information or statements not presented in the documents listed above. In addition, if investors have doubts about any content or information presented in this Prospectus, they are advised to consult EVNGENCO 2 and independent consulting organizations.

EVNGENCO 2 is an enterprise whose 100% chartered capital is owned by EVN (EVN is a 100% state-owned enterprise) and is in the process of equitization in the form of selling a part of the capital of Vietnam Electricity holding at EVNGENCO 2 and remaining the chartered capital.

Being established after equitization, Power Generation Corporation 2 – Joint Stock Company shall inherit the rights, obligations and legitimate interests of the current Power Generation Corporation 2 – One Member Limited Liability Company in accordance with the laws. Power Generation Corporation 2 – Joint Stock Company shall have the legal status according to the laws of Vietnam (EVN) from the date of issuance of the business registration certificate and an own seal, and be entitled to open accounts according to the laws, duly organized and operated in accordance with the Charter of the company and current legislative system.

The offering of shares being held by EVN in the form of the initial public offering according to this Prospectus is part of the equitization process of Power Generation Corporation 2 – One-Member Limited Liability Company, contributing to the formation of Power Generation Corporation 2 - Joint-stock Company. Investors who purchase shares according to this Prospectus shall become the shareholders of Power Generation Corporation 2 - Joint-stock Company and have full rights and obligations of shareholders in accordance with the company's Charter of Organization and Operation and the current legislative system.

The Vietnamese version will be prioritized in use if there is any differences between English prospectus version and Vietnamese prospectus version.

## **PART II: SUMMARY OF INFORMATION FOR THE IPO OF POWER GENERATION CORPORATION 2**

### **1. LEGAL BASIS OF THE AUCTION**

#### **1.1. Legal basis for State-owned enterprise equitization**

- Enterprise Law No. 68/2014/QH13 issued by the National Assembly on November 26, 2014;
- Securities Act No. 70/2006/QH11 issued by the National Assembly on June 29<sup>th</sup>, 2006;
- Law on amending and supplementing some provisions of Securities Act No. 62/2010/QH12 issued by the National Assembly on November 24, 2010;
- Decree No. 126/2017/ND-CP issued by the Government on November 16, 2017 with regard to transforming 100% State-owned enterprises into joint-stock companies;
- Decree No. 87/2017/ND-CP issued by the Government on July 26, 2017 with regard to regulating functions, tasks, powers and organizational mechanism of the Ministry of Finance;
- Decree No. 58/2012/ND-CP issued by the Government on July 20, 2012 with regard to detailed regulations and guidelines on enforcement of some articles of the Securities Act and Law on amending and supplementing some provisions of the Securities Act;
- Decree No. 60/2015/ND-CP issued by the Government on June 26, 2015 with regard to amending and supplementing some provisions of Decree No. 58/2012/ND-CP issued by the Government on July 20, 2012 with regard to detailed regulations and guidelines on enforcement of some articles of the Securities Act and Law on amending and supplementing some provisions of the Securities Act;
- Circular No. 07/2018/TT-BLDTBXH issued by the Ministry of Labour, War Invalids and Social Affairs on August 1, 2018 with regard to guiding the preparation of laborer employment plans and implementing policies for employees during the equitization as stipulated in Decree No. 126/2017/ND-CP issued by the Government on November 16, 2017 with regard to transforming State-owned enterprises and one-member limited liability companies with 100% chartered capital invested in by State-owned enterprises into joint-stock companies;
- Circular No. 21/2019/TT-BTC issued by the Ministry of Finance on April 11, 2019 with regard to guiding the initial sales of shares and transfer of State-owned capital using the Book Building method;
- Circular No. 30/2018/TT-NHNN issued by the State Bank of Vietnam on December 12, 2018 with regard to issuing the guidelines on determining State-owned capital of equitized enterprises being credit organizations;
- Circular No. 40/2018/TT-BTC issued by the Ministry of Finance on May 4, 2018 with regard to guiding the initial sales of shares and management and use of money

received from the equitization of State-owned enterprises and one-member limited liability companies with 100% chartered capital invested in by the State and transformation into joint-stock companies;

- Circular No. 34/2019/TT-BTC amending Circular No. 40/2018/TT-BTC issued by the Ministry of Finance on June 11, 2019 with regard to guiding the initial sales of shares and management and use of money received from the equitization of State-owned enterprises and one-member limited liability companies with 100% chartered capital invested in by the State and transformation into joint-stock companies;
- Circular No. 41/2018/TT-BTC issued by the Ministry of Finance on May 4, 2018 with regard to guiding the financial disposition and enterprise valuation when transforming State-owned enterprises and one-member limited liability companies with 100% chartered capital invested in by the State into joint-stock companies;
- Circular No. 69/2018/TT-BTC issued by the Ministry of Finance on August 8, 2018 with regard to guiding the implementation of restructuring State-owned enterprises not qualified for equitization as stipulated in Decree No. 126/2017/ND-CP with regard to transforming State-owned enterprises and one-member limited liability companies with 100% chartered capital invested in by the State into joint-stock companies;
- Circular No. 30/2018/TT-NHNN issued by the State Bank of Vietnam on December 12, 2018 with regard to guiding the determination of State-owned capital of equitized enterprises being credit organizations;
- Decree 140/2020 / ND-CP dated November 30, 2020 of the Government amending and supplementing a number of articles of the Government's Decree No. 126/2017 / ND-CP dated November 16, 2017 on State enterprises and single-member limited liability companies with 100% of their charter capital invested by state enterprises into joint stock companies; Decree No. 91/2015 / ND-CP dated October 13, 2015 of the Government on investment of state capital in enterprises and management and use of capital and assets in enterprises and Decree No. 32/2018 / ND -CP dated March 8, 2018 of the Government amending and supplementing a number of articles of the Decree No. 91/2015 / ND-CP.

## **1.2. Legal basis for equitizing Power Generation Corporation 2**

- Decision No. 168/QĐ-TTg by the Prime Minister on February 7, 2017 with regard to approving the project for restructuring the power sector in the period of 2016-2020 and with orientations up to 2025 and the related adjustment decisions and notices;
- Decision No. 852/2017/QĐ-TTg by the Prime Minister on June 14, 2017 with regard to approving the general project for arranging and restructuring enterprises of Vietnam Electricity in the period of 2017-2020;
- Decision No. 26/2019/QĐ-TTg by the Prime Minister on August 15, 2019 with regard to approving the List of enterprises under equitization by the end of 2020;

- Decision No. 428/QĐ-TTg by the Prime Minister on March 18, 2016 with regard to approving the adjustments to the National Power Development Master-plan for the period of 2011-2020 with considerations up to 2030;
- Decision No. 282/QĐ-UBND dated December 28, 2018 by the Commission for the Management of State Capital (EVN capital) at Enterprises with regard to equitizing the parent company – Power Generation Corporation 2; the enterprise valuation time is 0 o'clock, January 1, 2019;
- Decision No. 150/QĐ-UBND dated March 30, 2020 by the Commission for the Management of State Capital at Enterprises with regard to determining the value of the parent company – Power Generation Corporation 2 under Vietnam Electricity for equitization;
- Decision No 2229/QĐ-TTg dated December 26, 2020 by the Prime Minister on approving the Plan of equitizing Power Generation Corporation 2 – One-Member Limited Liability Company (under Vietnam Electricity);
- Pursuant to Decision No. 609 / QĐ-UBND dated December 29, 2020 of the State Capital Management Committee in enterprises on the implementation of a number of contents related to the equitization of the Parent Company - General Corporation Power Generation Company 2 under the direction of the Prime Minister in Decision No. 2229 / QĐ-TTg dated December 26, 2020
- Official Letter No.10 / UBND-VN dated 6 January 2021 on the addition of the number of shares to be auctioned by the public auction. Initial public declaration from the number of shares of employees and the trade union refused to buy under the equitization plan.
- Official Dispatch No.82 / EVN-QLV dated January 6, 2021 regarding the addition of the number of IPO shares from the number of shares of employees and the trade union's refusal to purchase under the approved equitization plan.

## **2. THE INFORMATION OF THE AUCTION FOR THE INITIAL PUBLIC OFFERING**

Number of shares offered in the IPO	580,120,840 shares
Share type	Ordinary share
Face value	VND 10,000/share
Starting price	VND 24,520/share
Minimum number of shares which one investor is entitled to bid	100 shares
Maximum number of shares which one investor is entitled to bid	580,120,840 shares

Auctioning method

Public Auction at Ho Chi Minh Stock Exchange

Participants

Domestic and foreign investors including organizations and individuals (including employees of the equitized enterprise) according to the laws

Place of supplying the Prospectus of Auction Information

At the auction agents disclosed in the Auction Regulations. The Prospectus is uploaded on the websites <http://www.hsx.vn>, <http://www.hsx.vn>; <http://cmssc.gov.vn>; <http://evn.com.vn>; <http://bsc.com.vn>; <http://evnfc.vn>; <http://evngenco2.vn> and websites of the auction agents.

Place of registering the participation in the auction

At the auction agents disclosed in the Auction Regulations

Place of submitting the participation registration forms, paying deposits and receiving auction forms

As specified in the Regulations on initially auctioning shares of Power Generation Corporation 2

Rule on paying deposits

Depositing 10% of the value of the total number of subscribed shares calculated by the starting price

Time at which agents receive auction participation forms

As specified in the Regulations on initially auctioning shares of Power Generation Corporation 2

Place of auction

Ho Chi Minh Stock Exchange, 16 Vo Van Kiet, District 1, Ho Chi Minh City

Method of payment; time of paying share-buying amounts and taking back deposits due to failure to buy shares

As specified in the Regulations on initially auctioning shares of Power Generation Corporation 2

### 3. RELATED PARTIES OF THE AUCTION

#### 3.1. The Auctioneer

Name in Vietnamese:

Sở giao dịch Chứng khoán Thành phố Hồ Chí Minh

Name in English:

Ho Chi Minh Stock Exchange



Headquarters: 16 Vo Van Kiet, Nguyen Thai Binh Ward, District 1, Ho Chi Minh City

Tel: (84.28) 38217713

Fax: (84.28) 38217452

Website: [www.hsx.vn](http://www.hsx.vn)

**3.2. The Issuer**

Name in Vietnamese: Tổng công ty phát điện 2 – Công ty cổ phần

Name in English: Power Generation Joint Stock Corporation 2

Abbreviated name: EVNGENCO 2

Address: 01 Le Hong Phong, Tra Noc Ward, Binh Thuy District, Can Tho City, Vietnam

Phone: (84) - 292 - 246 1507

Fax: (84) - 292 - 222 7446

Website: [www.evngenco2.vn](http://www.evngenco2.vn)

**3.3. The domestic auctioning advisors****BIDV Securities Joint Stock Company**

Headquarters: Floors 10 and 11, BIDV Tower, No. 35, Hang Voi Street, Hoan Kiem District, Hanoi

Tel.: (84.24) 39352722

Fax: (84.24) 22200669

Website: [www.bsc.com.vn](http://www.bsc.com.vn)

**EVN Finance Joint Stock Company**

Headquarters: Floors 14,15 & 16, B Tower, EVN Building - 11 Cua Bac, Truc Bach Ward, Ba Dinh District, Hanoi

Tel.: (84-24) 2222.9999

Fax: (84-24) 2222.1999

Website: [www.evnfc.vn](http://www.evnfc.vn)



#### 4. ABBREVIATION AND GLOSSARY

EVN	Vietnam Electricity
EVNGENCO 2, The corporation	Power Generation Corporation 2
DO	Diesel oil
FO	Fuel Oil
GDP	Gross domestic product
IMO	International Maritime Organization
IPO	Initial Public Offering
KPI	Key performance indicator
NCIF	National center for Socio-economic information and forecast
PVN	Petrovietnam Group
ROE	Return on Equity
SAV	State Audit Office of Vietnam

#### 5. FORWARD-LOOKING STATEMENTS

This Prospectus presents some forward-looking statements regarding EVNGENCO 2's plans, intentions, beliefs, projections and forecasts about the future, particularly in Part V, Section 2 "Post-equitized enterprise development orientations". By nature, such forward-looking statements contain risk factors and may not be accurate in the future.

Apart from other contents, the futuristic statements presented in this Prospectus include statements relating to:

- Post-equitization operation and organization structure;
- Capital structure;
- Post-equitized enterprise development orientation;

In addition, statements about financial position, goals and strategies, management apparatus, post-equitization business orientations, plans and implementation solutions of EVNGENCO 2 are also forward-looking statements. In some cases, EVNGENCO 2 uses words such as "will/shall", "believe", "predict", "expect", "project", "may/can", "plan", "possibility", "risk", "should", "probably will" and other similar words to identify forward-looking statements.



Although EVNGENCO 2 believes that the projections reflected in the forward-looking statements are reasonable, EVNGENCO 2 cannot undertake that such projections will be proven to happen certainly.

Except for cases where it is required by law to disclose information for joint-stock companies, public companies and listed companies in the future, EVNGENCO 2 is not obliged to update, disclose or correct the forward-looking statements presented in this Prospectus, whether due to new information, future events or other reasons or not. Investors should pay attention to this warning statement when considering the futuristic statements presented in the Prospectus.

## 6. DATA SOURCES AND ROUNDING-UP IN THE PROSPECTUS

All data sources in this Prospectus, unless otherwise noted, are summarized from internal data of the enterprise performing the Prospectus. These data sources include, but are not limited to, figures in the financial statements, periodic operating reports, and other operating reports. Some data in the Prospectus have been presented in the form of rounding-up, but rounding up these data is assessed as not making any material effect on the ability to judge and evaluate potential values of securities offered for sale to investors.

## PART III: INFORMATION ABOUT THE EQUITIZED ENTERPRISE

### 1. GENERAL INFORMATION ABOUT EVNGENCO 2

#### 1.1. Enterprise's name and address

Name in Vietnamese	TỔNG CÔNG TY PHÁT ĐIỆN 2 - CÔNG TY TNHH MTV
Name in English	POWER GENERATION CORPORATION 2
Abbreviated name	EVNGENCO 2
Governing body	Vietnam Electricity owns 100% chartered capital
Enterprise type	One-Member Limited Liability Company
Address	01 Le Hong Phong, Tra Noc Ward, Binh Thuy District, Can Tho City, Vietnam
Phone	(84) - 292 - 2461507
Website	<a href="http://www.evngenco2.com">www.evngenco2.com</a>
E-mail	<a href="mailto:evngenco2@gmail.com">evngenco2@gmail.com</a>
Business registration number	1800590430



Logo

**1.2. Legal documents on business establishment and operations**

- Decision No.3024/QD-BCT dated June 01, 2012 of the Ministry of Industry and Trade on the establishment of Holding Company - Power Generation Corporation 2;
- Decision No.318/QD-EVN dated December 5, 2018 of Vietnam Electricity on approving organization and operation of Power Generation Corporation 2.
- Certificate of business registration No. 1800590430, registered for the first time on 13/04/2005; Registration for the ninth revision dated October 9, 2018; at Can Tho City Planning and Consulting.

**1.3. Business lines**

According to the Charter of Power Generation Corporation 2 approved by Vietnam Electricity in Decision No. 318/QD-EVN dated December 5, 2018, EVNGENCO 2's business lines include:

**1.3.1. Major business lines:**

- Power generation, transmission and distribution;
- Investing and managing investment of power generation projects, new and renewable energy projects;
- Management, operation, repair, maintenance, overhaul, experiment, adjustment, renovation, upgrading electrical and mechanic, equipment, control, automation of power generation lines, electrical testing; chemical experiment; comprehensive technical inspection of electrical equipment and tools; electrical engineering;
- Advising on project management, consulting on project construction, advising on tender documents and bid valuation; on total cost estimation; appraisal of design and total costs, providing service on construction supervision and project management of power generation and transmission lines; synchronizing power generation projects; consulting on operation settlements for power plants;
- Educating and developing human resources for management, operation, maintenance and repair of power plant equipment.

**1.3.2. Other businesses directly relating to major business lines:**

- Construction and installation of the power plant and transmission lines as well as construction works;
- Exporting and importing fuels, materials, and electrical equipment;



- Manufacturing construction materials, insulation materials, labor protection, labor safety equipment;
- Exploiting, processing and trading fuel, materials for power generation;
- Consulting project management, project design and feasibility study, consulting on tender documents and bid valuation; consulting on total cost estimation; appraisal of design and total costs, providing service on construction supervision and project management of communication – information technology projects, industrial and civil works;
- Lease of property, machinery and equipment.

1.3.3. Depending on the time and situation of production and business, EVNGENCO 2 may supplement other business lines that are not prohibited by law after being approved by EVN.

#### 1.4. Core Business

Power generation, transmission and distribution.

#### 1.5. Total employees moved to Joint Stock Company

The list of employees, the full-time representative of EVNGENCO 2 in another enterprises at the time of valuation of equitized enterprise are 855 people, the staff structure is classified in the following table:

**Table 1: Classification of employees at the time of valuation of equitized enterprise**

No.	Breakdown by	Number (person)	Portion
<b>I</b>	<b>Classified by education</b>	<b>855</b>	<b>100%</b>
1	Postgraduate and university degrees	551	64.5%
1.1	<i>Postgraduate degrees</i>	53	6.2%
1.2	<i>University degrees</i>	498	58.3%
2	College and intermediate degrees	126	14.7%
3	Other qualifications	178	20.8%
3.1	<i>Employees who have been trained through technical schools, vocational training, title training, and on-site jobs.</i>	178	20.8%
3.2	<i>Number of untrained employees</i>	-	
<b>II</b>	<b>Classified by labor contract</b>	<b>855</b>	<b>100%</b>
1	Indefinite term labor contract	819	95.8%
2	Labor contract with term from 12 to 36 months	35	4.1%



3	Labor contract with term of less than 12 months or seasonal	1	0.1%
<b>III</b>	<b>Classified by gender</b>	<b>855</b>	<b>100%</b>
1	Male	722	84.4%
2	Female	133	15.6%

**1.6. The actual value of equitized enterprise and State owned capital (investment capital of EVN)**

According to Decision No. 282/QD-UBQLV dated on December 28th, 2018 of Commission for the Management of State capital at Enterprises on equitization of the Holding Company - Power Generation Corporation 2. The date of enterprise valuation is at 0:00 on January 1, 2019.

According to Decision No. 150/QD-UBQLV dated on March 30, 2020 of Commission for the Management of State capital at Enterprises on approving the results of enterprise valuation for equitization of Holding company - Power Generation Corporation 2 under Vietnam Electricity. The value of enterprise is determined as follows.

**Table 2: The actual value of enterprise and of the State owned capital (investment capital of EVN)**

*Unit: VND*

No.	ITEMS	VALUE
1	The actual value of enterprise	46,102,241,909,599
2	The actual value of State owned capital (investment capital of EVN) at enterprise	26,605,439,524,772
3	Assets were not included in the enterprise value	5,694,156,764

**Note:**

Assets excluded from enterprise value were: fixed assets invested by the welfare fund with the value: VND 5,694,156,764.

**• Issues to be dealt with equitized enterprise value**

According to Article 4 of Decision 150/QD-UBQLV dated March 30, 2019, the issues that need to be solved before officially transforming into joint stock company are as follows:

The Holding company - Power Generation Corporation 2 is responsible for continuing to fulfill the procedures commented by the State Audit Office of Vietnam before officially transforming into joint stock company:

Instructing the subsidiaries to adjust the accounting books and financial statements according to the conclusion of the State Audit Office of Vietnam; Completing settlement at Trung Son Hydropower Project and Song Bung 2 Hydropower Project before officially transforming into joint stock company.



Pushing Song Bung Hydropower Company and Song Bung 2 Hydropower Project Management Board to continue working with tax authorities to settle tax at the time of enterprise valuation, as the basis for equitization settlement.

Being in charge of the results of the review and additional valuation of assets that have not been inventory (Meteorological and hydrological monitoring station at Quang Tri Hydropower Company, water supply system for RCC Concrete Batching Station) according to recommendations of the State Audit Office of Vietnam.

Concerning to receivable revenue of Vietnam Electricity corresponding to the exchange rate differences arisen in 2015, 2017 and 2018 of the power plants under the Holding Company - Power Generation Corporation 2 has temporarily accounted and taken into account of enterprise valuation: Holding company - Power Generation Corporation 2 proposed Vietnam Electricity Group to submit to the Ministry of Industry and Trade for consideration and approval of payment before officially transforming into joint stock company, as a basis for equitization settlement. Up to now, the Ministry of Industry and Trade has issued Decision No. 841 / QD-BCT dated April 5, 2019 on the payment of exchange rate differences in 2017 for power generation units, Decision No. 3594 / QD-BCT dated April 31. / 12/2020 on payment of exchange rate difference in 2015 for generating units, Decision No. 3599 / QD-BCT dated 31/12/2020 on payment of exchange rate difference in 2018 for generating units electricity.

Report to Vietnam Electricity on the settlement of the difference in equity higher than the charter capital due to the increase in construction capital investment from the non-refundable ODA of Trung Son Hydropower Company according to regulations to have a decision for approval before the time of official transfer to a joint stock company.

Reporting the Electricity of Vietnam for continuously working with competent units and agencies to complete the documents on land use and management, land use plans according to the recommendations of the State Audit Office of Vietnam, as well as in compliance with legal regulations on land and other relevant legal regulations.

Continuing to collate and assert receivables and payables which were not confirmed, collated at the time of enterprise valuation, fulfilling all of these works before officially transforming into joint stock company.

EVNGENCO 2 implemented and reported the State Audit in Official Dispatch No. 2180 / EVNGENCO 2-TCKT dated June 26, 2020 and Official Dispatch No. 3313 / EVNGENCO 2-TCKT dated October 5, 2020 on Results of implementing the recommendations of the SAV in Official Dispatch No. 21 / KTNN-TH.

On November 30, 2020, the Government issued Decree No. 140/2020 / ND-CP "amending and supplementing a number of articles of Decree No. 126/2017 / ND-CP dated November 16, 2017 of the Government on the transformation of SOEs and one-member limited liability companies with 100% of their charter capital invested by state-owned enterprises into joint stock companies; Decree No. 91/2015 / ND-CP dated October 13, 2015 of the Government on investment of state capital in enterprises and management and use of capital and assets in enterprises and Decree No. 32/2018 / ND -CP dated March 8, 2018 of the Government amending and supplementing a number of articles of the Decree No. 91/2015 / ND-CP".



In Clause 19, Article 1 of Decree No. 140/2020 / ND -CP has provisions on amending Article 37. Handling the number of unsold shares and adjusting the charter capital, Structure of charter capital according to results Selling shares of Decree 126/2017 / ND-CP as follows:

"1. Based on the equitization plan approved by the competent authority, the Steering Committee shall sell shares to employees and to organize the trade union in the enterprise before the public auction. The number of shares that employees and trade unions refuse to buy under the equitization plan, the Steering Committee reports the owner's representative agency to add to the number of shares auctioned to the public.

2. Based on the actual result of selling shares. The Steering Committee reports to the owner's representative agency for the decision to readjust the charter capital, the charter capital structure in the approved equitization plan.

In case an enterprise equitizes in the form of selling part of state capital combined with issuing additional shares or selling all state capital combined with issuing additional shares, the number of sold shares is determined as The additional shares issued under the approved equitization plan, the rest is determined by the number of shares sold off state capital; The number of shares sold at preferential treatment to the subjects specified at Points a and c, Clause 1, Article 42 of Decree No. 126/2017 / ND-CP is determined to be the number of shares sold by the state capital. "

The Equitization Steering Committee of EVNGENCO2 determines the number of shares successfully sold to employees and the number of shares to be sold by employees and the union organization refuses to buy under the Equitization Plan. According to Clause 19, Article 1 of Decree 140/2020 / ND-CP, the number of unsold shares will be transferred to the IPO, the Equitization Steering Committee announced the number of shares to be added to the number of offered shares. sold in the IPO according to Report No. 28 / BC-EVN dated January 5, 2021.

Clause 13 Article 1 of Decree No. 140/2020 / ND-CP contains provisions on the amendment of Article 27 of Decree No. 126/2017 / ND-CP, specifically:

"The actual value of the equity of the owner in the equitized enterprise in the decision to announce the enterprise value is the total actual value of the equitized enterprise after deducting the liabilities, balance of sources. non-business funding (if any) ". Compared to Decree No. 126/2017 / ND-CP, the content "and does not include the balance of exchange rate differences due to reassessment of monetary items denominated in foreign currencies as prescribed in Clause 3 Article 17 of this Decree".

Due to the difference in the determination of state capital due to the non-exclusion of exchange rate difference item on equity, EVNGENCO 2's state capital decreased in parent company - EVNGENCO 2 decreased by VND 61,996,034,320 exchange rate difference between construction investment period awaiting allocation of Song Bung 2 Hydropower Plant and in Trung Son decreased VND 16,403,727,285 is the exchange rate difference of construction investment period awaiting allocation of Trung Son Hydropower Plant. A decrease in the state capital of Trung Son leads to a corresponding decrease in other long-term financial investments in the parent company - EVNGENCO 2.

#### **1.7. Main assets of the enterprise**

Total land area being used by the enterprise: 6,956,853.2m<sup>2</sup>, including:



- Area of hired land: 6,601,966.8m<sup>2</sup>
- Area of land assigned:
  - Assigned without collecting land use fee : 350,386 m<sup>2</sup>.
  - Assigned with collecting land use fee: 4,500.4 m<sup>2</sup> (After equitization, these land areas will be changed into the hired land areas according to the approved land use plan).

The details of the land use situation before equitization are shown in the following table:

**Table 3. Land use situation before equitization**

Form of use	Company	Location	Current situation	Area (m2)	Term of valid
Annual lease payment	Power Generation Corporation 2 and Can Tho Thermal Power Company	Thoi Loi, Phuoc Thoi, O Mon district, Can Tho	O Mon I Thermal Power Plant	477,488 (*)	50 years
		Area 1, Tra Noc ward, Binh Thuy district, Can Tho	O Mon I Thermal Power Plant Management and Repairment Area	75,419.9	50 years
		01 Le Hong Phong Street - Tra Noc Ward, Binh Thuy District - Can Tho City	Headquarters of Power Generation Corporation 2 and Can Tho Thermal Power Company	74,921	13 years
	Trung Son Hydropower Limited Company	Trung Son Commune, Quan Hoa District, Thanh Hoa Province	Plant, dam, shift rest house, PMU's and operation office, internal roads	1,066,068.07	34 years
	An Khe - KaNak Hydropower company	Tay Son district, Binh Dinh province	Land for construction of An Khe - KaNak hydropower plant	517,587.5	50 years
		An Khe town, Gia Lai province	- An Khe hydropower plant: + An Khe water intake cluster: office; living houses; operation station;	609.270	50 years





Form of use	Company	Location	Current situation	Area (m2)	Term of valid
			+ An Khe cluster: office; living house; guard station; operation station		
		Kbang district, Gia Lai province -	- KaNak hydropower plant: office; living house; guard station; operation station; water intake; spillway dam operator; hydroelectric plant	435,035	50 years
	Song Bung 2 Hydropower Company	Nam Giang district, Quang Nam province	Construction land and roads	608,527.1	50 years
		Nam Giang district, Quang Nam province,	Land for building pressure regulator tower, valve house, pressure pipe, plant, power distribution station; PMU's office combined management and operation; pillar foundation of 35 kV main line for construction power supply - Song Bung 2 hydropower plant project	184,880.2	50 years
		Nam Giang district, Quang Nam province	Land used for spillway, surge dam, diversion tunnel, and water intake gate; foundations for turning 35 kV lines and transformer stations	322,515.4	50 years
	Song Bung 4	Nam Giang district, Quang Nam province	Main dam area and Song Bung 4 hydropower plant	1,068,987	50 years





Form of use	Company	Location	Current situation	Area (m2)	Term of valid
	Hydropower Company	Nam Giang district, Quang Nam province	Song Bung 4 Hydropower Plant and Management Operation Area	36,551.9	50 years
	Quang Tri Hydropower Company	Ward 5, Dong Ha City, Quang Tri Province	Head office of Quang Tri Hydropower company	4,844	50 years
		Khe Sanh town, Huong Hoa district, Quang Tri province,	Operation house of Quang Tri Hydropower Company	21,181	37 years
		Tan Hop commune, Huong Hoa district, Quang Tri province,	Energy channel and Quang Tri Hydropower Plant	218,890.8	50 years
		Huong Hoa district, Quang Tri province	The cluster area of Quang Tri irrigation and hydropower project	876,975	40 years
	O Mon Power Center Project Management Board	Cong Hai Commune, Thuan Bac District, Ninh Thuan Province	Land for operation house and 03 turbine pillars foundations; Pillar foundations, power poles of medium voltage transmission lines of Cong Hai 1 - Phase 1 wind power project	2,824.9	30 years
Allotted land with collection	An Khe - KaNak Hydropower Company	No. 125, Tay Son, Quang Trung, Quy Nhon City, Binh Dinh Province	Head office of An Khe-KaNak Hydropower Company	1,905.8	50 years





Form of use	Company	Location	Current situation	Area (m2)	Term of valid
of land use fees	Song Bung Hydropower Company	No. 143, Xo Viet Nghe Tinh Street, Ward Khue Trung, Cam Le District, Da Nang	The headquarters of Song Bung Hydropower Company; Song Bung 2 Hydropower Project Management Board; A Vuong Hydropower Joint Stock Company	2,594.6	Long term
Allotted land without land use fee	Quang Tri Hydropower Company	Huong Hoa District, Quang Tri Province	Area of rivers, canals and streams (the cluster area of Quang Tri irrigation and hydropower	24,106	To Dec. 08, 2056
	Song Bung 4 Hydropower Company	Nam Giang District, Quang Nam Province	Road to the Plant and the road to the resettlement site	326,280	to Jul. 09, 2058

(Source: EVNGENCO 2)

**Note:***(\*) For hydropower reservoir area:*

- An Khe reservoir with an area of 5,331,440 m2 and KaNak reservoir with an area of 16,782,000 m2 were assigned by Gia Lai Provincial People's Committee to An Khe -KaNak Hydropower Company according to Decision No. 103/QĐ-UBND dated August 9, 2013 and Decision No. 102/QĐ-UBND dated July 30, 2013 in the form of land allocation (not issuing Certificate of land use right).
- Song Bung 4 hydropower reservoir area with an area of 15,006,655.3 m2 and river-bed land of Song Bung 2 hydropower reservoir with an area of 2,457,410.3 m2 (including area in Nam Giang district is 1,259,062.3 m2 and Tay Giang district is 1,198,348 m2), Song Bung Hydropower Company and Song Bung 2 Hydropower Project Management Board, a branch of EVNGENCO 2 have signed land lease contracts with Quang Nam province for a term of 50 years. Quang Nam Provincial Department of Taxation issued Decision 907/QĐ-CT and 908/QĐ-CT dated February 27, 2015, exempting the land and water surface fee for Song Bung 2 Hydropower Project Management Board for 18 years, and Decision 6969/QĐ-CT dated 22/10/2015 exempted the water surface fee for the PMU of Song Bung 4 Hydropower Project with a period of 15 years.

Currently, following the direction of the Ministry of Natural Resources and Environment in Document 4712/BTNMT-TCQLĐĐ dated September 18, 2019 and the Vietnam Electricity in Document No. 5081/EVN-KH dated September 24 2019 on guidelines for implementing the



management of hydropower reservoirs, EVNGENCO 2 has issued Document 3844/EVNGENCO 2-KH dated December 27, 2019 requiring hydropower plants to coordinate with local authorities for agreement on not assigning/leasing of reservoir area and completing necessary legal procedures related to the management and use of hydropower reservoir area.

(\*) The land area of O Mon I Thermal Power Plant is being considered by competent state agencies to update the plan of rearranging and disposing of real estate in accordance with the approved O Mon power market plan and usage demand. real land. The area after updating is 312,000 m<sup>2</sup>, a decrease of 104,140 m<sup>2</sup> due to the handover of the O Mon III Thermal Power Plant project under the direction of the Prime Minister in Document No. 1904/TTg-CN dated December 13, 2017 and reduced 61,348m<sup>2</sup> O Mon 220kV station has been handed over to Power Transmission Company 4 (under the National Power Transmission Corporation). On November 5, 2020, the People's Committee of Can Tho city issued official letter 3376 / UBND-KT to update and adjust the land area of Location 1 (O Mon Thermal Power Plant) from 477.488 m<sup>2</sup> reduced to 312,000 m<sup>2</sup> of land plot No. 5, map sheet No. 1, located in Thoi Loi area, Phuoc Thoi ward, O Mon district, Can Tho city at Official Letter No. 4004 / UBND-KT October 17, 2017 of the Chairman of Can Tho City People's Committee on the land use plan for the equitization of Power Generation Corporation 2. On November 26, 2020, the Ministry of Finance issued a document No. 14486 / BTC-QLCS, accordingly, the Ministry of Finance agreed to adjust the land area of O Mon I Thermal Power Plant of Power Generation Corporation 2 from 477,488 m<sup>2</sup> to 312,000 m<sup>2</sup> and has been approved by the State Capital Management Committee at enterprises to keep and continue to use it according to Decision No. 553/QĐ-UBND dated December 8, 2020. On December 25, 2020, Can Tho City People's Committee issued Document No. 4046 / UBND-KT on the adjustment and plan of land use when the equitization of Power Generation Corporation 2 is converted. Accordingly, the People's Committee of Can Tho city agreed to adjust the land area of Location 1 (O Mon Thermal Power Plant) from 477,488 m<sup>2</sup> to 312,000 m<sup>2</sup>.

**Table 4: Fixed assets of EVNGENCO 2 – parent company as at September 30, 2020**

*Unit: VND*

No.	Asset	Original price	Accumulated depreciation value	Remaining value	% of remaining value/ Original price
<b>I</b>	<b>Tangible value</b>				
1	Housing and structures	14,993,940,811,679	5,936,878,150,997	9,057,062,660,682	60%
2	Machinery and equipment	15,966,854,391,560	8,642,650,863,444	7,324,203,528,116	46%
3	Transport means	290,680,270,853	157,401,155,905	133,279,114,903	46%
4	Office equipment	508,312,941,054	347,561,346,902	160,751,594,152	32%
5	Other fixed assets	33,453,000	33,453,000	-	0%

No.	Asset	Original price	Accumulated depreciation value	Remaining value	% of remaining value/ Original price
<b>II</b>	<b>Intangible fixed assets</b>				
1	Land use right	129,848,431,061	4,067,581,539	125,780,849,522	97%
2	Computer software	1,817,414,226	988,229,742	829,184,484	46%
	<b>Total</b>	<b>31,891,487,713,433</b>	<b>15,089,580,781,529</b>	<b>16,801,906,931,859</b>	<b>60%</b>

Source: Financial Statements of EVNGENCO2 in the 3rd quarter 3 of 2020

**Table 5: Investment in subsidiaries (September 30, 2020)**

	Number of shares	% of the ownership	% of the voting right	Book value (Million VND)	Contingency (Million VND)	Reasonable value (Million VND)
Hai Phong Thermal Power JSC (**)	255,000,000	51%	51%	2,550,000	-	2,550,000
Pha Lai Thermal Power JSC (*)	166,391,896	51%	51%	1,663,918.96	-	1,663,918.96
Song Ba Ha Hydropower JSC	76,740,931	61.78%	62%	767,409.32	-	767,409.32
A Vuong Hydropower JSC	65,630,261	87.45%	87%	634,650.11	-	634,650.11
Thac Mo Hydropower JSC	36,341,500	51.92%	52%	363,415	-	363,415
Trung Son Hydropower Limited Company	Not applicable	100%	100%	925,257.99	-	925,257.99
				<b>6,904,651.37</b>	<b>-</b>	<b>6,904,651.37</b>

Source: Financial Statements of EVNGENCO2 in the 3rd quarter 3 of 2020

**Table 6: Changes in investments in the subsidiaries in 2019 - 3<sup>rd</sup> quarter of 2020**
*Unit: VND*

	<b>Q3/2020</b>	<b>2019</b>	<b>2018</b>
Opening balance	6,904,651,373,670	6,910,875,756,910	6,882,207,697,395
Increase in the investment capital at Trung Son Hydropower Limited Company (***)		22,443,676,275	-
Increase in the investment capital at Trung Son Hydropower Limited Company from the development and investment fund		-	28,668,059,515
Decrease in the investment capital at Trung Son Hydropower Limited Company (****)		(28,668,059,515)	-
<b>Closing balance</b>	<b>6,904,651,373,670</b>	<b>6,904,651,373,670</b>	<b>6,910,875,756,910</b>

*Source: Financial Statements of EVNGENCO2 in the 3rd quarter 3 of 2020*

(\*\*\*) This is a non-refundable aid (ODA) of Trung Son Hydropower Company Limited according to the conclusion of the State Audit in Official Dispatch No. 21 / KTNN-TH dated January 21, 2020.

(\*\*\*\*) The reduction of investment capital in Trung Son Hydropower One-Member Company Limited from the investment and development fund according to the conclusion of the State Audit in Official Dispatch No. 21 / KTNN-TH dated January 21, 2020.

**1.8. List of dependently-accounting units and subsidiaries**
**Table 7: List of subsidiaries of EVNGENCO 2 as at September 30, 2020**

No.	Company Name	Install. Capacity (MW)	Chartered capital (VND Bil.)	Capital by EVNGENCO 2 (VND Bil.)	Portion of EVNGENCO 2 (%)	Business
1	Trung Son Hydropower Limited Co.	260	902.814	925.26	100	Power generation
2	Pha Lai Thermal Power JSC.	1040	3,262.35	1,663.92	51	Power generation
3	Hai Phong Thermal Power JSC.	1200	5,000	2,550	51	Power generation
4	A Vuong Hydropower JSC.	210	750.52	634.65	87.45	Power generation
5	Thac Mo Hydropower JSC.	150	700.0	363.42	51.92	Power generation
6	Song Ba Ha Hydropower JSC.	220	1,242.25	767.41	61.78	Power generation
	<b>Total</b>	<b>3,080</b>		<b>6,904.65</b>		

*Source: EVNGENCO 2*

**Table 8: List of subsidiaries under EVNGENCO 2 as at September 30, 2020**

No.	Company Name	Install. Capacity (MW)	Remark
1	Can Tho Thermal Power Company	848	Managing and operating two plants: Can Tho Thermal Power having 5 units with total capacity of 188 MW; O Mon I Thermal Power Plant including of 2 units with a total capacity of 660 MW.
2	Quang Tri Hydropower Company	64	Managing and operating 2 units H1 and H2 with a capacity of 2 x 32 MW
3	An Khe- KaNak Hydropower Company	173	Managing and operating 2 hydropower plants: An Khe (including of 2 units H1, H2 with a capacity of 2 x 80 MW) and KaNak (including of 02 units H1, H2 with capacity of 2 x 6.5 MW)
4	Song Bung Hydropower Company	256	Managing and operating of two hydropower plants: Song Bung 2 (including of 2 units H1, H2 with a capacity of 2 x 50 MW) and Song Bung 4 (including of 2 units H1, H2 with capacity 2 x 78MW)
5	O Mon Power Center Project Management Board	-	Managing O Mon I Thermal Power Plant Project and other projects assigned by EVNGENCO 2
6	Song Bung 2 Hydropower Project Management Board	-	Managing Song Bung 2 Hydropower Project and other projects assigned by EVNGENCO 2.
7	Song Bung 4 Hydropower Project Management Board	-	Managing Song Bung 4 Hydropower Project and will be dissolved after completing the procedure of transferring the subject of loan contracts. All of staff have moved to Song Bung Hydropower Company.
	<b>Total</b>	<b>1,341</b>	

## **1.9. Organizational and management structure**

### **1.9.1. Organizational structure of EVNGENCO 2**

Holding Company - Power Generation Corporation 2 is One-Member Limited Liability Company, operating in the form of a Holding Company - subsidiary company, 100% chartered capital owned by Vietnam Electricity. EVNGENCO 2 was established on the basis of organizing Can Tho Thermal Power One Member Limited Company, dependent accounting power generation companies, Project Management Boards and taking over the ownership of State Capital at some power generation companies from the EVN.

EVNGENCO 2 operates under the Law on Enterprises, has its own legal status, registered unique seal, logo, charter, branches as well as representative offices in accordance with laws. EVNGENCO 2 can open account at State Treasury of Vietnam and bank accounts. EVNGENCO 2 run business activities directly as well as invests in subsidiaries and affiliates.

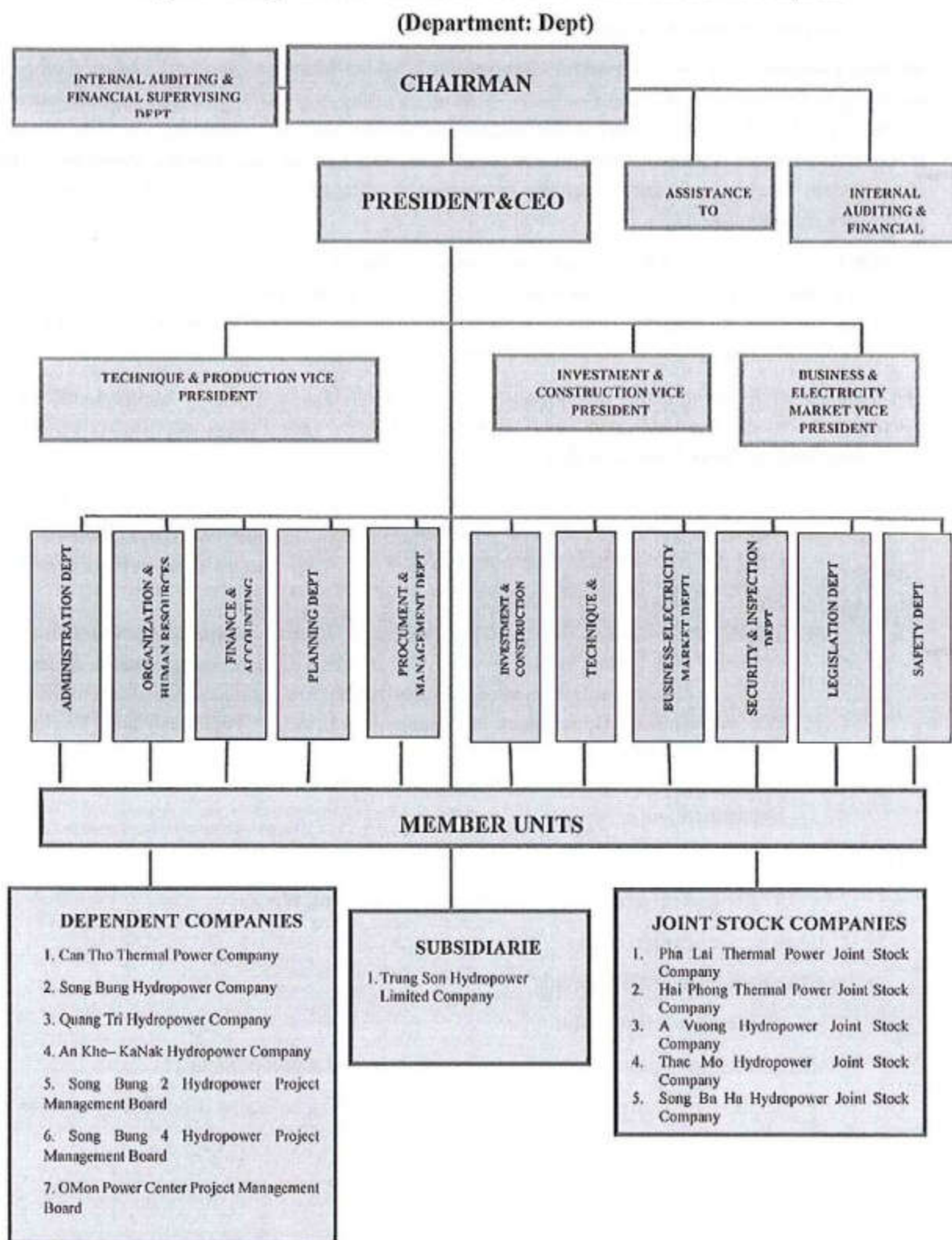
The organizational and management structure of EVNGENCO 2 is shown in Figure 1, including: Board of Directors, President and Chief Executive Officer, Vice Presidents, Supervisor, Chief Accountant and Advisory Unit, as follows:

- EVNGENCO 2 executive board include of: Chairman and Members of the Board of Directors, one member of the Board of Directors concurrently acts as President and CEO; 03 Vice Presidents are respectively in charge of : Engineering - Production, Investment - Construction, Sales - Electricity Market; Supervisor; Chief accountant;
- Thirteen functional departments, including: General Affairs Department; Internal Auditing and Financial Supervision Department; Office; Organization & Human Resource Department; Inspection & Security Department; Legal Department; Finance and Accounting Department; Planning Department; Technical and Production Department; Procurement & Management Department; Investment & Construction Management Department, Business Electricity Market Department; Safety Department.

On December 31, 2019, EVNGENCO 2 is controlling:

- **07 dependent accounting subsidiaries, including of:**
  - 04 power generation units
  - 03 project management boards
- **06 member companies:**
  - 01 member company with 100% chartered capital by EVNGENCO 2
  - 05 member companies with over 50% chartered capital by EVNGENCO 2

**Figure 1: Organization Chart of EVNGENCO 2 on December 31, 2019**



*(Source: EVNGENCO2)***1.10. Shareholder's equity over the years**

In Decision No. 3024/QĐ-BCT dated June 01, 2012 of the Ministry of Industry and Trade on the establishment of the Parent Company - Power Generation Corporation 2, accordingly, the decision to assign the charter capital to the Parent Company is as follows: with the agreement of the Ministry of Industry and Trade and the Ministry of Finance. The charter capital on the first business registration certificate of EVNGENCO 2 on April 13, 2005, registered for the 6th change on November 22, 2013 is: VND 10,952 billion.

As of December 31, 2014, the State capital (invested capital of EVN) at EVNGENCO 2 was 11,047 billion VND, equity was 11,461 billion VND.

In 2015, in Decision No. 195 / QĐ-EVN dated November 2, 2015, EVN decided to allow the Corporation to increase its charter capital from VND 10,952 billion to VND 11,702 billion, which allows the use of profits. In 2014, the parent company has to pay VND 524 billion to EVN and the Investment and Development Fund is VND 226 billion to increase capital, contributing to the financial health of the Corporation.

As of 31/12/2016, the State capital (invested capital of EVN) at EVNGENCO 2 was 11,507 billion VND, the equity was 11,562 billion VND.

In Decision No. 318/QĐ-EVN dated December 5, 2018 of Vietnam Electricity on approving the Charter on organization and operation of Power Generation Corporation 2, replacing Decision No. 258 / QĐ- EVN dated September 25, 2018 of the Board of Members of Vietnam Electricity, according to which the charter capital of EVNGENCO 2 as of December 31, 2017 was VND 11,844 billion.

As of December 31, 2018, the State capital (invested capital of EVN) at EVNGENCO 2 was 12,133 billion VND, the equity was 12,071 billion VND.

**2. OPERATING ACTIVITIES BEFORE EQUITIZATION****2.1. Operating activities and operating results for five years before equitization****2.1.1. Operating activities for five years before equitization****a. Power generation output and revenue, 2015-2019**

**Table 9. Power generation output and service revenue in 5 years prior to equitization**

Criteria	Unit	2015	2016	2017	2018	2019	9M2020	Proportion on revenues					
								2015	2016	2017	2018	2019	9M2020
Power generation	mil. kWh	1,114	2,100	1,831	1,540	1,857	1,297						
Total revenues	VND Bil.	3,082	5,222	4,179	4,424	6,778	3,982						
- Power generation revenues	VND Bil.	2,540	4,242	3,161	3,423	5,389	3,367	82%	81%	76%	77%	80%	85%
- Financial revenues	VND Bil.	499	960	999	982	1,368	605	16%	18%	24%	22%	20%	15%
- Other revenues	VND Bil.	43	20	19	19	21	10	1%	0%	0%	0%	0%	0%
Expenses	VND Bil.	3,017	5,111	3,061	3,553	5,467	3,550						
- Power generation expenses	VND Bil.	2,426	4,111	2,706	2,941	5,827	3,529						
- Financial expenses	VND Bil.	549	980	337	594	(375)	12						
- Other expenses	VND Bil.	42	20	18	18	15	9						
Income	VND Bil.	65	111	1,118	871	1,311	432	2%	2%	27%	20%	19%	11%
- Power generation income	VND Bil.	114	132	455	482	(438)	(162)	4%	3%	11%	11%	-6%	-4%
- Financial income	VND Bil.	(50)	(20)	663	387	1,743	593	-2%	0%	16%	9%	26%	15%
- Other income	VND Bil.	1	(0)	1	1	6	1	0%	0%	0%	0%	0%	0%

Source: EVNGENCO 2

**b. Fuel and materials**

• **Hydropower:**

Hydropower accounts for 30.1% of EVNGENCO 2's total capacity. Out of the advantage of exploiting and taking advantage of clean and environmentally friendly energy sources, hydropower plants heavily depends on climate factors and hydrological situation.

Due to climate change, El Nino phenomenon, prolonged drought, typically in 2019, the water level of hydropower reservoirs nationwide decreased, the output of hydropower plants felt down. Particularly, EVN's large scaled hydropower plants experienced output of 2019 decline of 16.3 billion kWh, most of the hydropower reservoirs were operating at low rate of water level, especially in the dry season. This severely affected power generation, revenue, profits of hydropower plants and companies.

Particularly, the water flow to hydropower reservoirs were less than the average value for many years, especially the KaNak, Song Bung 2, Song Bung 4, A Vuong hydropower reservoirs have the inflow



frequency of 80% ~ 99%. Therefore, hydropower plants could run at very limited capacity, water was balanced for both power generation and irrigation for downstream.

- **Coal-fired power:**

Fuel for coal-fired power plants: The major fuel used in coal-fired power plants is domestically exploited and imported, FO oil used for starting, burning with low load. In recent years, the national power system has faced many difficulties in enhancing power supply as well as stability and reliability of power system. The system of hydropower plants had experienced the output decline due to climate change, El Nino, the lowest inflow in the hydrological cycle ever. In addition, the decline in the capacity of natural gas from the South Con Son gas field also made the gas thermal power output fall down.

To compensate for the shortage of electricity output of 2.9 billion kWh, EVN had to mobilize existing coal fired power plants to ensure the sufficiency of electricity supply. Due to such high demand for mobilizing coal-fired thermal power, in recent years, the amount of coal supplied to thermal power plants has not been sufficient enough for operation. Currently, coal-fired power accounts for 50.7%, the largest proportion of EVNGENCO 2's total installed capacity.

Having faced many difficulties in domestic coal production, at the request of Vinacomin and North Eastern Corporation, together with the direction by the Ministry of Industry and Trade, EVN, EVNGENCO 2's thermal power plants have completed signing annexes to the contracts with suppliers to change (swap) the ratio between domestic coal with blended/imported coal. Following instructions by EVN, EVNGENCO 2 has conducted the test on imported coal as well as the assessment on the risk of directly importing coal for thermal power plants in long term. The directly imported coal is continuously used at Hai Phong and Pha Lai Thermal Power Plant; operation of boilers is usually monitored and verified; consultant companies and experts have been invited to evaluate economic-technical efficiency and compare with that one of using domestic, blended coal as well as to strictly assess slagging capacity of boilers.

In addition, in 2019, EVNGENCO 2 had considered and approved the rate/plan of fuel storage at coal and oil thermal power plants in order to relieve the current difficulty in fuel supply.

- **Oil thermal power:**

Fuel for oil thermal power plants: The major fuel used in oil thermal power generation is FO/DO oil and DO oil is used for starting.





## c. Production cost

Table 10: Main cost items and cost structure in the cost price

	2015		2016		2017		2018		2019		9M2020	
	Value (Mil. VND)	Proportion (%)	Value (Mil. VND)	Proportion (%)	Value (Mil. VND)	Proportion (%)	Value (Mil. VND)	Proportion (%)	Value (Mil. VND)	Proportion (%)	Value (Mil. VND)	Proportion (%)
1 Material cost in the production cost	321,724	13.15%	1,402,598	34.04%	79,032	2.91%	342,678.98	11.61%	2,985,367.12	51.14%	1,551,116.02	43.96%
2 Labour cost	197,428	8.07%	226,150	5.49%	276,472	10.18%	267,700.21	9.07%	131,766.07	2.26%	116,954.94	3.31%
3 Depreciation cost	1,448,717	59.21%	1,845,350	44.78%	1,602,439	59.00%	1,494,723.07	50.64%	1,888,665.47	32.36%	1,400,963.18	39.70%
4 Outsourcing service cost	32,625	1.33%	45,952	1.12%	42,646	1.57%	41,312.99	1.40%	61,158.64	1.05%	42,147.20	1.19%
5 Overhaul cost	10,211	0.42%	4,223	0.10%	4,289	0.16%	65,026.79	2.20%	78,304.00	1.34%	18,058.60	0.51%
6 Other cost	83,058	3.39%	182,870	4.44%	341,692	12.58%	313,554.75	10.62%	254,717.84	4.36%	167,170.46	4.74%
7 Loan interest	352,797	14.42%	413,658	10.04%	369,270	13.60%	426,434.96	14.45%	437,128.96	7.49%	232,184.22	6.58%
<b>TOTAL</b>	<b>2,446,561</b>	<b>100%</b>	<b>4,120,800</b>	<b>100%</b>	<b>2,715,839</b>	<b>100%</b>	<b>2,951,431.75</b>	<b>100%</b>	<b>5,837,108.10</b>	<b>100%</b>	<b>3,528,594.62</b>	<b>100%</b>

Source: Separate Financial Statements of EVNGENCO2 in the year 2019 and 3<sup>rd</sup> quarter of /2020

**d. Technologies**

- **Thermal Power Plants**

Can Tho Thermal Power Company is managing, operating and repairing 02 plants with a total capacity of 848 MW including:

**Can Tho Thermal Power Plant includes of 5 units with a total capacity of 188.16MW:**

- |                          |                                |
|--------------------------|--------------------------------|
| ✓ Date of commissioning: | - Unit S4: 1974;               |
|                          | - Units GT1, GT2: 1999;        |
|                          | - Units GT3, GT4: 1996.        |
| ✓ Installed capacity:    | - Unit S4: 33 MW               |
|                          | - Units GT1, GT2: 2 x 38,48 MW |
|                          | - Units GT3, GT4: 2 x 39,1 MW  |
| ✓ EPC contractor:        | - Unit S4: Hitachi             |
|                          | - Units GT1, GT2: Alstom       |
|                          | - Units GT3, GT4: Gec Alstom   |
| ✓ Latest Overhaul:       | - Unit S4: 20/08/2000          |
|                          | - Unit GT1: 24/06/2004         |
|                          | - Unit GT2: 25/09/2005         |
|                          | - Unit GT3: 18/03/2004         |
|                          | - Unit GT4: 12/11/2004         |

**O Mon I Thermal Power Plant includes of 02 units with total capacity of 660MW:**

- |                          |                                     |
|--------------------------|-------------------------------------|
| ✓ Date of commissioning: | - Unit S1: 2009                     |
|                          | - Unit S2: 2015                     |
| ✓ Installed capacity:    | - Unit S1 and S2 2 x 330 MW         |
| ✓ EPC contractor:        | - Unit S1: Mitsubishi               |
|                          | - Unit S2: Daelim Sojizt Consortium |
| ✓ Latest overhaul:       | - Not conducted yet                 |

- **Coal Fired Thermal Power Plants**

**Pha Lai Thermal Power JSC. Has 02 power plants with 06 units.**

- |                          |   |
|--------------------------|---|
| ✓ Date of commissioning: | - S1: 1983; S2: 1984; S3: 1985; S4: 1986. |
|--------------------------|---|



- ✓ Capacity:
  - S5: 2002; S6: 2003.
  - Designed: 110 MW x 04 and 300 MW x 02
- ✓ EPC contractor:
  - Pha Lai 1: Former Soviet Union
  - Pha Lai 2: SUMITOMO CONSORTIUM
- ✓ Latest overhaul:
  - Unit S1: 13/08/2016
  - Unit S2: 20/06/2017
  - Unit S3: 19/07/2018
  - Unit S4: 01/09/2018
  - Unit S5: 01/09/2016
  - Unit S6: 15/08/2017

**Hai Phong Thermal Power JSC. operates 04 units.**

- ✓ Date of commissioning:
  - S1, S2: 2011
  - S3, S4: 2014
- ✓ Capacity:
  - Designed: 300 MW x 04
  - Available: 1.200 MW
- ✓ EPC contractor:
  - DONGFANG/MARUBENI
- ✓ Latest overhaul:
  - Unit S1: 01/08/2019.
  - Unit S2: 01/08/2016.
  - Unit S3: 01/08/2017.
  - Unit S4: 01/09/2018.

• **Hydropower Plants**

**Quang Tri Hydropower Company operates 02 units.**

- Date of commissioning: 2007
- Capacity:
  - Designed: 32 MW x 2
  - Available: 64 MW
- EPC contractor: East China Investigation and Design Institute (ECIDI).
- Latest overhaul :
  - Unit H1: 01/08/2018
  - Unit H2: 18/11/2017

**An Khe – KaNak Hydropower Company operates 02 hydropower plants:**



- Total capacity:
  - Designed: 173 MW
  - Available: 173 MW

*Of which:*

- (i) An Khe Hydropower Plant includes of 02 units H1, H2
  - ✓ Installed capacity: 80MW x 2
  - ✓ Date of commissioning: 2011
  - ✓ EPC contractor: Dongfang Electric Corporation (DEC)
- (ii) KaNak Hydropower Plant includes of 02 units H1, H2
  - ✓ Installed capacity: 6.5MW x 2
  - ✓ Date of commissioning: 2012
  - ✓ EPC contractor: Vietnam Electronics and Informatics Joint Stock Corporation (VEC)
  - ✓ Latest overhaul :
    - Unit H1 – An Khe: 19/07/2019
    - Unit H2 – An Khe: 16/07/2020
    - Unit H1 – Ka Nak: 09/05/2018
    - Unit H2 – Ka Nak: 28/06/2019

**Song Bung Hydropower Company operates 02 plants.**

- Capacity:
  - Designed: 256 MW
  - Available: 256 MW

*Of which:*

- (i) Song Bung 2 Hydropower Plant operates 02 Unit H1,H2
  - Date of commissioning: 2018
  - Installed capacity: 50 MW x 02
  - EPC contractor: Dongfang Electric Corporation (DEC)
  - Latest overhaul: Not conducted, yet
- (ii) Song Bung 4 Hydropower Plant operates 02 units H1,H2





Date of commissioning:	2014
Installed capacity:	78 MW x 02
EPC contractor:	Consortium of Hydrochina Huadong – AlstomTianjin.
Latest overhaul:	- Unit H1: 01/07/2019 (first time) - Unit H2: 05/07/2020 (first time)

**A Vuong Hydropower JSC. operates 02 units.**

Date of commissioning:	2008
Capacity:	- Designed: 105 MW x 2 - Available: 210 MW
EPC contractor:	- Sumitomo – Japan
Latest overhaul:	- Unit H1: 01/04/2019 - Unit H2: 01/04/2014

**Song Ba Ha Hydropower JSC. operates 02 units.**

Date of commissioning:	2009
Capacity:	- Designed: 110 MW x 02 - Available: 220 MW
EPC contractor:	Dongfang Electric Corporation (DEC)
Latest overhaul:	- Unit H1: 08/05/2014 - Unit H2: 20/07/2019

**Thac Mo Hydropower JSC. operates 02 units**

Date of commissioning:	1995
Installed capacity:	- Designed: 75 MW x 02 - Available: 150 MW
EPC contractor:	Ukrainian Institute of Design and Architecture Survey
Latest overhaul:	- Unit H1: 13/02/2019 - Unit H2: 07/01/2018



**Trung Son Hydropower One-Member Limited Liability Company operates 04 units**

Date of commissioning:	2017
Capacity:	- Designed: 65MW x 04 - Available: 260 MW
EPC contractor:	Consortium of Hydrochina Corporation (Hydrochina) - Toshiba Hydropower (Hangzhou) Co.Ltd.
Latest overhaul:	Not conducted, yet

**e. Quality control**

Holding company - EVNGENCO 2 is currently applying the quality control system ISO 9001: 2015. Quality Management Departments at the holding company and subsidiaries have established a Steering Committee for quality management system in accordance to standards ISO 9001: 2015.

**f. Market development and marketing**

**• Competitive electricity market**

Bidding and participating in the electricity market: EVNGENCO 2's subsidiaries always comply with the regulations of the electricity market, take advantage of technical specification of each power plant in balancing among hydrological situation, downstream water supply requirement, the need of load increasing, marginal tariff of the market, the contracted electricity output  $Q_c$ , the  $P_c$  tariff to offer the power tariff for maximizing generation output, over the contracted  $Q_c$  (when the market price is higher than variable cost of coal-fired thermal power) and optimizing water resource utilization efficiency and overall incomes of Corporation.

EVN and its subsidiaries are holding the largest proportion of power source accounting for nearly 55% of the total national installed capacity, Vietnam Oil and Gas Group (PVN) and Vietnam National Coal – Mineral Industries Holding Corporation Limited (TKV) are the two largest independent power generation producers in Vietnam. EVN and PVN and TKV are together the 3 pillars of the power sector, accounting for 66% of total national installed capacity. In addition, an indispensable part is domestic and foreign investors, accounting for more than 34% of the power source structure, thereby a competition in power generation between EVN's power generation corporations (EVNGENCO 1, EVNGENCO 2, EVNGENCO 3) and power corporations of PVN, TKV and other plants has taken place. EVNGENCO 2 accounts for 8% of the total national installed capacity.

**• Electricity market operations**

Except for Can Tho - O Mon Thermal Power Plant which provides ancillary services, all power plants under EVNGENCO 2 participate in directly bidding in the electricity market, comply with the operation regulations of the electricity market and are very actively in operation, as follows:



- Comply with the regulations of the electricity market, take advantage of technical specification of each power plant in balancing among hydrological situation, downstream water supply requirement, the need of load increasing, marginal tariff of the market, the contracted electricity output  $Q_c$ , the  $P_c$  tariff to offer the power tariff for maximizing generation output, exceeding the contracted  $Q_c$  (when the market price is higher than variable cost of coal-fired thermal power) and optimizing water resource utilization efficiency and overall incomes of Corporation

Research and develop an effective bidding strategy to actively mobilize and effectively utilize the power plants.

Actively arrange repairment methods, improve the reliability of equipment and systems, enhance stable production.

Invest in equipment and training, developing human resources to be ready to participate in the wholesale electricity market in accordance with roadmap approved by Government.

**g. Trade marks, registered patent and copyright**

EVNGENCO 2's trademark is registered and managed uniformly in line with commercial trademark system of Vietnam Electricity in accordance with EVN's corporate governance regulations.

Full name in Vietnamese:	TỔNG CÔNG TY PHÁT ĐIỆN 2 - CÔNG TY CỔ PHẦN
Name in Vietnamese:	TỔNG CÔNG TY PHÁT ĐIỆN 2
Name in English:	POWER GENERATION JOINT STOCK CORPORATION 2
Abbreviation name:	EVNGENCO 2
Address:	No. 01 Le Hong Phong, Tra Noc Ward, Binh Thuy District, Can Tho
Phone:	(84) 0292 246 1507
Fax:	(84) 0292 2227 446
Website:	<a href="http://www.evngenco2.vn">www.evngenco2.vn</a>
LOGO:	

**EVNGENCO 2****EVNGENCO 2****TỔNG CÔNG TY PHÁT ĐIỆN 2**

## h. Significant contracts

**Table 11: Power purchase and sale contracts**

No.	Company name	Contract name	Contract type	Performance period
1	An Khe-Ka Nak	Power purchase and sale contract No. 01/2013/HD-NMDAK	Power purchase and sale contract	Signed on 27/6/2013
2	Song Bung 2 Hydropower Plant	Power purchase and sale contract No. 05/2018/HD-NMD-SB2	Power purchase and sale contract	Signed on 15/5/2018
3	Song Bung 4 Hydropower Plant	Power purchase and sale contract No. 01/2015/HD-Song Bung 4 Hydropower-Power Plant	Power purchase and sale contract	Signed on 05/5/2015
4	Quang Tri Hydropower Plant	Power purchase and sale contract No. 01/2013/HD-Quang Tri Hydropower-Power Plant	Power purchase and sale contract	Signed on 27/6/2013
5	Can Tho Thermal Power Company	Contract No. 01/2020/DVPT/NMND CANTHO-EVN for supplying auxiliary services	Auxiliary service supply contract	Signed on 22/6/2020
6	Can Tho Thermal Power Company	Contract No. 01/2020/DVPT/NMND OMI-EVN signed on June 22, 2020 with regard to supplying auxiliary services	Auxiliary service supply contract	Signed on 22/6/2020

Source: EVNGENCO 2

**Note:** For the signed contracts for purchasing and selling power at Can Tho Thermal Power Company – including O Mon I Thermal Power Plant and Can Tho Thermal Power Plant in the form of auxiliary service supply contract, they have a validity period of 10 years with the capacity price to be approved on an annual basis.

Electricity price excludes tax and fees (VND/kWh)

**Table 12: Service and goods purchase contracts**

No.	Can Tho Thermal Power Company	Contract type	Performance period	Bid-winning price	Successful bidder
1	Package No. 17 (XL-05): “Design of construction drawings, and construction and installation of water-rising dams and overflowing dams”	Fixed unit price contract	29,003,350,046	24 months (From 21/6/2019 to 20/4/2021) - 2 months for A-B settlement	Consortium of Hydraulic Engineering JSC I and Hydraulic Engineering Consulting JSC II
2	Package No. 18 (XL-06): “Design of construction drawings, and construction and installation of water-receiving gates, intake canals, water tunnels and discharge openings”	Fixed unit price contract	71,668,143,897	24 months (From 22/4/2019 to 21/2/2021) - 2 months for A-B settlement	Consortium of Lung Lo Construction Corporation, Hydropower Engineering Consulting and Investment Joint Stock Company and 23 Consultants and Construction Co., Ltd.
3	Supplying first-time thermal-mechanic materials for the purposes of production of Can Tho and O Mon Thermal Power Plants	Lump-sum contract	22,251,582,597	6 months (From 23/3/2020 to 23/9/2020)	Phuc Khang Material Trading Co., Ltd.

Source: EVNGENCO 2

### 2.1.2. Financial and business performance prior to equitization

According to the characteristics of the electricity industry, especially the hydroelectric companies, business results largely depend on weather factors and the hydrological situation. Therefore, to reflect and fully evaluate the business performance of power generation companies, it is necessary to monitor for a long enough cycle, usually 5 years.

**Table 13. Financial and business performance, 2015-2019**



ID.	Criteria	Unit	2015	2016	2017	2018	2019	9M2020
1	The total of assets	VND Bil.	34,481	33,622	32,972	31,003	30,129	27,677
2	State owned capital in the accounting books	VND Bil.	11,476	11,507	11,842	12,133	12,003	12,003
3	Short-term debt	VND Bil.	2,845	2,066	1,951	1,779	1,803	255
4	Long-term debt	VND Bil.	19,095	19,009	17,671	16,178	14,748	14,786
5	Doubtful receivable debts	VND Bil.	0.491	0	0	0	7.793	7.793
6	Total Employees	people	895	1,019	928	865	871	849
7	Total payroll	VND Bil.	207,646	229,531	279,071	262,747	110,978	104,476
8	Average income per person/month	1,000 VND	19,333	18,770	25,060	25,312	10,617	13,673
9	Major products							
	<i>Power output</i>	<i>Mil. kWh</i>	1,114	2,100	1,831	1,540	1,857	1,297
	<i>Commercial power output</i>	<i>Mil. kWh</i>	1,098	2,039	1,816	1,515	1,797	1,266
10	Revenue	VND Bil.	3,082	5,222	4,179	4,424	6,778	3,982
11	Expenses	VND Bil.	3,024	5,111	3,061	3,553	5,467	3,550
12	Income	VND Bil.	65	111	1,118	871	1,311	432
13	Income after tax	VND Bil.	65	111	1,118	871	1,311	432



ID.	Criteria	Unit	2015	2016	2017	2018	2019	9M2020
14	Income after tax/ State owned capital	%	0.6	1.0	9.4	7.2	10.9	0.04
15	Current solvency rate		0.77	1.09	0.93	1.32	1.13	3.01
16	Liabilities/Equity Ratio		2.03	1.91	1.78	1.57	1.65	1.35

*Source: EVNGENCO 2*

**Note:**

- According to the data after the financial settlement of the SAV in Document 21/KTNN-TH, the total actual value of the State owned capital in the enterprise after excluding the exchange rate differences in 2019 is: 11,866,443,676,275 VND

### **2.1.3. Factors affecting operating results of EVNGENCO 2**

The business performance of hydropower plants totally depends on hydrological factors.

In the years 2015 - 2019, the business results of EVNGENCO 2 were profitable.

Particularly in 2015, the increased exchange rate difference and the long-lasting effects of the El Nino phenomenon made output and performance of the hydropower plants lower than the targeted plan.

On November 6, 2015, the Corporation sent Document No. 3589/GENCO2-TCKT to EVN and Document No. 4340/GENCO2-TCKT dated December 30, 2015 to the Department of Enterprise Finance, Ministry of Finance on settling exchange rate differences in 2015 to allocate reassessed exchange rate differences of 2015 within 5 years due to the sudden increase in exchange rate in 2015 causing reassessed exchange rate difference loss up to VND 588 billions at the Holding company and VND 911 billions at joint stock companies. According to Official Letter No. 2239/VPCP-KTTH of the Head of the Government Office on agreeing to the proposal for settling exchange rate differences for re-assessment of foreign currency items at the end of 2015 of Vietnam Electricity at the Official Letter No. 3003/BTC/TCN of the Ministry of Finance dated March 8, 2016, exchange rate difference losses due to reassessment of balance at the end of accounting/fiscal year of original long-term foreign currency debts as of December 31, 2015 was recorded in the item "exchange rate difference", instead of financial expenses. At the same time, Official Letter No. 2239 also agreed with the request of Official Letter 3003 to allow the Corporation to continue to allocate the accumulated exchange rate difference loss of foreign currency items until December 31, 2014 within 5 years (2015 to 2019). The Board of Management of the Corporation decided to apply the recognition of exchange rate differences as guided in Official Letter 3003/BTC/TCN of the Ministry of Finance dated 08/3/2016 and Official Letter 2239/VPCP-KTTH of the Head of the Office of the Government.

**Profit of 2017, 2018, 2019 was fluctuated due to the following factors:**

- In 2017: According to EVNGENCO 2's 2017 Performance Report, in 2017, the water inflows to hydropower reservoirs were higher in compared to the average level of many years, therefore hydropower plants of EVNGENCO 2 were mobilized at maximum. Total power generation of hydropower plants reached 146.25% of the targeted plan, increased by 64.05% in compared to that one of 2016. Thanks to the sudden increase in hydropower revenue, while expenses were not increased proportionally, profit of power generation of EVNGENCO 2 in 2017 reached VND 350,791 billions, equivalent to 252% of the targeted plan.

- In 2018: The adjustment of original cost of assets according to investment costs resulted in changes of accumulated depreciation, and reduced expenses of VND 309,842 billions. According to the opinion of the SAV on determining value of equitized enterprise in 2017 according to Decree 59/2011/ND-CP, EVNGENCO2 booked the adjustment of depreciation expenses reduction and hence profit of power generation had been increased in 2018.

- In 2019: Unrealized foreign exchange difference losses (reassessed exchange rate difference) were retrospectively accounted into business outcomes according to the provisions of Clause 3, Article 17 of Decree No. 126/2017/ND-CP, and according to opinions of the SAV on determining value of equitized enterprise in 2018, hence profit of power generation had been increased to VND 613,290 billions in 2019.

Currently, EVNGENCO 2 is running a large foreign currency debt balance. Given such large amount, risk of exchange rate would strongly affects financial expenses. However, the biggest pressure in 2015 with the loss from exchange rate difference of VND 1,499 billions (of which VND 588 billions belonged to the holding company and VND 911 billions belonged to the joint stock companies) has been allocated within 5 years as proposed by EVNGENCO 2 and approved by the Ministry of Finance.

**Table 14. List of foreign currency loans of EVNGENCO 2***Unit: VND*

No.	Project	Nominated Currency	Original currency balance	The outstanding balance converted to (VND) on September 30, 2020	Interest Rate
1	An Khe - Kanak Hydropower Plant	USD	28,219,878.64	655,547,780,808	Floating
2	Quang Tri Hydropower Plant	JPY	807,692,304	174,558,460,740	Fixed
3	Song Bung Hydropower Plant 4	USD	170,101,536.58	3,951,458,694,753	Floating



4	Ankhe-Kanak Hydropower Company	USD	1,090,100.28	25,323,029,505	Floating
		SDR	5,160,978.71	185,235,109,093	Floating
5	Song Bung 2 Hydropower Project Management Board	USD	31,110,500	722,696,915,000	Floating
		JPY	3,422,210,000	739,608,025,200	Floating
6	Can Tho Thermal Power Company				
	O Mon 1 Thermal Power Plant - Unit 1	JPY	17,509,368,503.94	3,784,128,717,750	Fixed
	O Mon 1 Thermal Power Plant - Unit 2	JPY	20,941,717,595.44	4,525,924,006,724	Fixed

(Source: EVNGENCO 2)

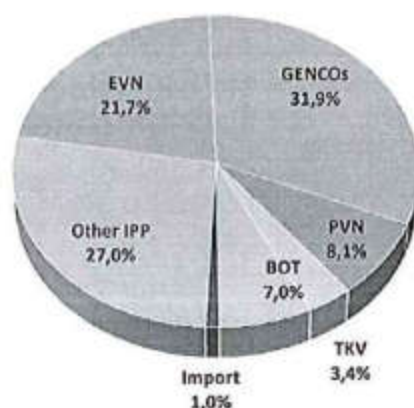
## 2.2. Position of the EVNGENCO 2

### 2.2.1. Position of the EVNGENCO 2 in the power sector

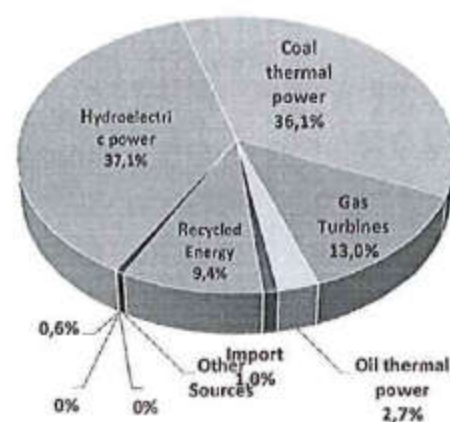
The scale of Vietnam's electricity system ranks second in the ASEAN region (below Indonesia) and 23rd in the world. By the end of 2019, the total installed capacity of power system reached 54,880 MW, increased by 6,320 MW in compared with that one of 2018.

**Chart 1. The Structure of power capacity of the whole national system by the end of 2019**

**According to the Owner**



**According to the type of power source**



Source: EVN's Summary Report in 2019

**Table 15. EVNGENCO 2's installed capacity proportion in the national power system by source of energy**

(Total installed capacity of Vietnam power system is 54,880MW)

Energy	EVNGENCO 2's	
	Installed capacity of (MW)	Proportion (%)
Hydropower	1,333	2.4%
Coal fired	2,240	4.1%
Oil thermal	848	1.5%
Others	0	0%
<b>Total</b>	<b>4,421</b>	<b>8%</b>

*Source: EVN's 2019 Performance Report*

EVNGENCO 2 currently is one of the largest power producers in Vietnam. EVNGENCO 2's plants had all completed construction and come into commercial operation. Holding bundle of completed and commercial operation power plants is an advantage for EVNGENCO 2 doing business as well as in investing in new projects. This means that, given other factors are met, by investing in EVNGENCO 2 and controlling its power plants investor would avoid all risks of construction and test/pilot operations.

Through many years of undertaking management of large thermal power projects, hydropower projects like O Mon I, Hai Phong 2, Song Bung 4, Song Bung 2, Trung Son, etc ... now, these projects had been completed and put into safe and stable operation. Therefore, EVNGENCO 2 had gained a lot of experience in management and operation of power plant projects, and currently owns a strong, experienced and qualified labor force in field.

EVNGENCO 2's owner is EVN. Given strong experience in investment management, management and operation of the national electricity system as well as capability to harmonize financial source among subsidiaries, in the early stage of joint stock company, EVNGENCO 2 would be supported by EVN in management and administration.

Labor staff is highly qualified and experienced in the management and operation of power plants as well as in the maintenance, repairment of equipment.

EVNGENCO 2 has a healthy financial performance. Debt-equity ratio is always maintained stably within healthy level, hence, additional financial leverage can be used flexibly and effectively.

### **2.2.2. Industry outlook**

On average, the growth rate of electricity demand of Vietnam in the period 2011-2020 is expected over 10%/year. It is forecasted that the power load demand will continue to grow at high rate in the



period 2021-2030 with an average of about 8% per year and about 4% per year in the period 2030-2045. [1]<sup>1</sup>

Power Development Master Plan VII has been adjusted quite a few times; in which, nuclear power project, some delayed coal fired power centers in South West area and many lagged BOT power projects had been suspended. The incompletion of these power generation projects as well as some transmission line projects under Power Development Master Plan VII and revised Power Development Master Plan VII would negatively affect to capacity of power supply in coming time. Specially, it would face severely shortage of power in the period up to 2025.

Prime Minister has commanded that whatever the circumstances, including difficulty in the period up to 2025, Vietnam cannot let power shortage negatively affect to socio-economic development. This steering point of view needs to be transmitted into power development master plan for a strategic and long term plan from now to 2030, with a vision up to 2045, the power sector will always be developed in advance, secure for socio-economic development. [2]<sup>2</sup>

The Prime Minister also issued Decision 1264/QĐ-TTg dated October 1, 2019 approving the task of preparing national power development master plan for the period 2021 - 2030, with a vision up to 2045. One of those principles of preparing this master plan is giving priority to renewable energy power generation; developing competitive power market and encouraging the participation of all economic sectors into investing in power development; developing power system in adaptation to climate change, ensuring sustainable development and in compliance with national strategy on green growth.

### **2.2.3. Compatability of the EVNGENCO 2's development strategy with national power development master plan, State policies and overall trends of the world.**

As a large power generation corporation with financial potentials and highly skilled and competent human resources in project development, investment management and operation of power plants, EVNGENCO 2's investment plans and strategic vision up to 2030 also focus on renewable energy projects, clean energy as a part of national power generation development and in line with the plan and principles of national power development master plan.

<sup>1</sup> <https://www.moit.gov.vn/web/guest/tin-chi-tiet/-/chi-tiet/trong-moi-tinh-huong-quy-hoach-%C4%91ien-viii-phai-%C4%91am-bao-%C4%91u-%C4%91ien-19891-16.html>

<sup>2</sup> <http://tapchitaichinh.vn/nghien-cuu-trao-doi/quy-hoach-dien-viii-co-giai-quyet-noi-lo-thieu-dien-325287.html>



### 3. INVESTMENT PLAN AND DEVELOPMENT STRATEGY OF THE ENTERPRISE AFTER EQUITIZATION

#### 3.1. Some key information on the post-equitization investment plan and enterprise development strategy

##### 3.1.1. Some key information on the post-equitization investment plan

##### a. Basic information

Name in Vietnamese	TỔNG CÔNG TY PHÁT ĐIỆN 2 - CÔNG TY CỔ PHẦN
Company type	Joint-stock company
Name in English	POWER GENERATION JOINT STOCK CORPORATION 2
Abbreviated name	EVNGENCO 2
Headquarters	01 Le Hong Phong, Tra Noc Ward, Binh Thuy District, Can Tho City, Vietnam
Tel	(84) 0292 246 1507
Website	<a href="http://www.evngenco2.vn">www.evngenco2.vn</a>
Logo	

**EVNGENCO 2**

##### b. Main business lines

##### Main business lines:

- Generating , transmission and distribution;
- Investing in and managing investment in power projects, new energy projects, and renewable energy projects;
- Managing, operating, repairing, maintaining, overhauling, testing, correcting, renovating and upgrading electrical, mechanical, control and automatic equipment of power generation lines and electric works; carrying out electrical and chemical experiments; inspecting technical safety for electrical equipment and tools; electrical power mechanics;
- Providing services of project management consultancy, construction investment project preparation consultancy and bidding consultancy; preparing cost estimates;



providing services of appraisal consultancy and construction supervision for power works and synchronous electric grid works of power projects; providing consultancy services of production preparation activities for power plants;

- Training and developing human resources for managing the operation, maintenance and repair of equipment of power plants
- Rental operation of thermal power plants, hydropower plants and power plants using renewable technologies.

**Related business lines serving the sector directly, main trades:**

- Constructing and installing electrical and civil works;
- Importing and exporting fuels, materials and equipment of the power sector;
- Producing building materials, insulating materials, heat-insulating materials, labour safety facilities;
- Exploiting, processing, trading in fuels and materials for power generation;
- Providing services of project management consultancy, construction investment project preparation consultancy, and bidding consultancy; preparing cost estimates and supervising the construction of telecommunication and IT works, and industrial and civil works;
- Leasing assets, machinery and equipment;
- Leasing offices;
- Other business lines as agreed upon by the Shareholders' General Meeting according to the laws of Vietnam.

Depending on the time and situation of production and business, EVNGENCO2 can add other lines of business that are not prohibited by law after it is approved by the General Meeting of Shareholders.

**c. Organizational model after equitization**

After equitization, EVNGENCO 2 will operate as a joint-stock company in accordance with the provisions of the Enterprise Law and current legal documents. The expected organizational structure of EVNGENCO 2 is as follows:

- **Shareholders' General Meeting**

The Shareholders' General Meeting include all shareholders with voting rights, which is the highest competent authority of the Company.

- **Board of Directors**
  - **Board of Directors**

The Board of Directors is the governing body of the Company and has full authority on behalf of the Company to decide on and implement the rights and obligations of the Company that are not within

the authority of the Shareholders' General Meeting. The Board of Directors has from 03 to 11 members. The number of members entitled to the adoption of the Shareholders' General Meeting to establish a joint-stock company is 05 people. The term of the Board of Directors is five (05) years. The term of office of a member of the Board of Directors shall not exceed five (05) years; Members of the Board of Directors may be re-elected for an unlimited number of terms.

The Board of Directors can appoint another person to be a temporary member of the Board of Directors to replace the arising vacancy and this new member shall be approved at the next Shareholders' General Meeting. After being approved by the Shareholders' General Meeting, the appointment of such new member is considered effective on the date appointed by the Board of Directors. The term of office of the new member of the Board of Directors shall be counted from the effective appointment date to the date of ending the term of the Board of Directors. If the new member is not approved by the Shareholders' General Meeting, all decisions of the Board of Directors until the time of the Shareholders' General Meeting with the voting participation of replaced members of the Board of Directors are still considered valid.

**- Board Chairperson**

The Board of Directors shall choose one member among the members of the Board of Directors to elect a Chairperson. The Board Chairperson does not concurrently hold the position of General Director of the Company.

The Board Chairperson is responsible for calling and chairing the Shareholders' General Meeting and meetings of the Board of Directors, and has other rights and responsibilities specified in the Company Charter and Enterprise Law.

The Board Chairperson is responsible for ensuring that the Board of Directors sends the annual financial statements, operating reports of the Company, audit reports and Board's inspection reports to the shareholders. at the Shareholders' General Meeting.

If the Board Chairperson resigns from office or is dismissed, the Board of Directors shall elect a replacement within ten (10) days.

**• Board of supervisors**

Board of supervisors: It is elected by the Shareholders' General Meeting, which acts on behalf of shareholders to independently, objectively and honestly control and evaluate all activities of business, management and administration of the Company, financial position of the Company and is responsible to the Shareholders' General Meeting for performing the assigned tasks.

Number of members of the Supervisory Board of the Company is from three (03) to five (05) members, members of the Supervisory Board can be re-elected for an unlimited number of terms.

Head of the Supervisory Board is elected by the Supervisory Board from among the Supervisors; election, dismissal, and removal from office according to the majority rule. The Supervisory Board must have more than half of the Supervisors permanently residing in Vietnam. The Head of Supervisory Board must have a university or higher degree in one of the majors in economics, finance, accounting, auditing, law, business administration or a major related to the business activities of the business.



Supervisors must be trained in one of the majors in economics, finance, accounting, auditing, law, business administration or a discipline relevant to the business activities of the enterprise; Not being a person having a family relationship of a member of the Board of Directors, Director or General Director and other managers; Not a company manager; Not being a member or employee of the independent audit company that audited the financial statements of the Company for the preceding three (03) years and is not necessarily a shareholder or employee of the company.

Members of the Supervisory Board are elected by the General Meeting of Shareholders, the term of office of the Supervisory Board shall not exceed five (05) years.

In case a supervisor at the same time expires and a new term supervisor has not been elected, a supervisor who has passed the term of office shall continue exercising his / her rights and performing his obligations until a new term controller is granted elect and accept mission.

- **General Director and assistance apparatus of the General Director**

The General Director is the legal representative of the Company and is the person who runs the daily operations of the Company.

The General Director is appointed by the Board of Directors from the members of the Board of Directors, which is subject to the supervision of the Board of Directors, and is responsible to the Board of Directors and the law for the management of daily activities of the Company and performance of assigned rights and duties. The General Director cannot concurrently be the Board Chairperson.

The term of office of the General Director is five (05) years. The General Director can be reappointed for an unlimited number of terms. The appointment, dismissal, removal and resignation of the General Director shall comply with the relevant laws.

The assistance apparatus of the General Director includes Deputy General Directors, Chief Accountant, office, professional departments and equivalent agencies of the Company which have the function of advising and assisting the General Director in administration and management of work.

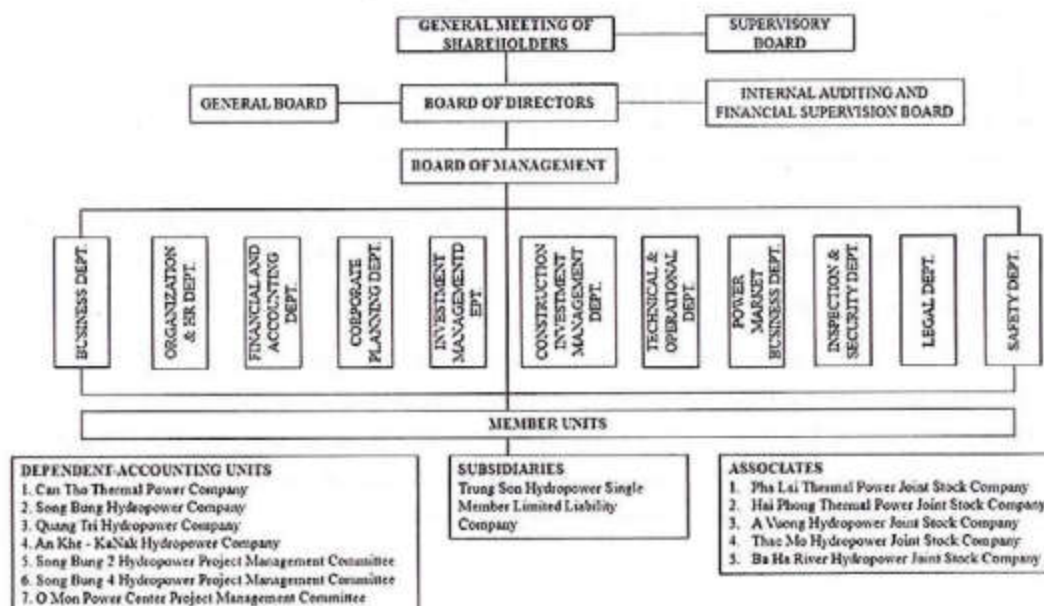
- **Organizational machinery**

The organizational structure of the operating machinery of the Company includes:

- Shareholders' General Meeting;
- Board of Directors;
- Board of supervisors;
- General Director.

With the foregoing organizational plan, the organizational chart of the Company after equitization is expected as follows:



**Chart 2: Operating model after equitization**


### 3.1.2. Investment plan and development strategy of the enterprise after equitization

#### a. Advantages, difficulties, opportunities and challenges of the power sector

The growth rate of electricity demand in Vietnam in the 2011-2020 period is over 10%/year on average. It is forecasted that power loads will continue to increase in the period of 2021-2030 with an average rate of about 8%/year and about 4% in the period of 2030-2045.<sup>3</sup>

The National Power Development Master-plan 7 has been adjusted many times over the past time. There is the stopping of nuclear power projects; some large coal-fired thermal power centers in the southwestern region fail to be developed; many BOT power projects are behind the schedule. The failure to complete power and grid projects in accordance with the National Power Development Master-plan 7 and the revised National Power Development Master-plan will greatly affect the power supply in the coming time. Especially, we have to face power shortages from now to 2025.

The Prime Minister's direction is that in any circumstances, even in the current difficult period until 2025, Vietnam cannot lack electricity causing negative impacts on socio-economic development. This viewpoint should be included in the Master-plan to have a long-term and strategic vision, ensuring that from now to 2030, with a vision to 2045, the power sector will always go ahead and ensure enough electricity for socio-economic development<sup>4</sup>.

<sup>3</sup> <https://www.moit.gov.vn/web/guest/tin-chi-tiet/-/chi-tiet/trong-moi-tinh-huong-quy-hoach-%C4%91lien-viii-phai-%C4%91am-bao-%C4%91u-%C4%91ien-19891-16.html>

<sup>4</sup> <http://tapchitaichinh.vn/nghien-cuu-trao-doi/quy-hoach-dien-viii-co-giai-quyet-noi-lo-thieu-dien-325287.html>



The Prime Minister also issued Decision 1264 / QĐ-TTg dated October 1, 2019 approving the task of making national electricity development planning for the period 2021 - 2030, with a vision to 2045. In principle The planning has a number of principles such as prioritizing the rational development of renewable energy sources; develop the electricity market and encourage all economic sectors to participate in investment in electricity development; electricity development to adapt to climate change, ensuring sustainable development and in line with the national green growth strategy.

EVNGENCO 2 has a healthy financial position. The debt to equity ratio is always stable at a safe level, ensuring that you can use more financial leverage in a flexible and effective way.

**b. Overall orientation**

Equitization and innovation EVNGENCO 2 in terms of growth model, business structure, organizational structure and management mechanism, ensuring stable development on the basis of innovation with the inheritance of achievements is aimed at increasing all competitiveness of EVNGENCO 2, enhancing the exploitation of the potentials and strengths of EVNGENCO 2 for rapid growth and substantial contribution national energy security.

**c. Goals**

- Ensuring national energy security and keeping in line with the direction EVNGENCO 2 continues to invest in new power source projects to ensure sufficient electricity for the country.
- Ensuring safe, continuous and stable management and operation of power plants in according with mobilization requirements of the national power system, national energy security.
- Continuing to arrange, innovate and improve corporate governance capability and improve the operational mechanism to increase operational efficiency and develop EVNGENCO 2 into a thriving business efficiency corporation where equity is preserved and developed. Strengthening the application of corporate governance according to modern governance standards in the world.
- Actively and effectively participating in the competitive power market according to the Government's roadmap to maximize revenue.
- Ensuring the construction progress and quality of investment of power projects; Ensuring adequate fund arrangements for projects; Investing in the development of new power generation projects using clean technology, ensuring sustainable environment development; diversifying power sources to minimize risks arising from the external environment.
- Maintaining healthy financial indicators to ensure capability to mobilize capital for new project investment.
- Optimizing all resources, including human resource development as the core. Developing management team as the elite and highly skilled force to meet the development requirements of EVNGENCO 2 in the new context.



- Building EVNGENCO 2 as a socio-public responsible enterprise. Striving to become one of the leading enterprises in Southeast Asia in the field of power generation and providing power plant repairment services.
- **Generation of existing power sources**
  - Ensuring completion of annual plan and 5-year plan on power generation;
  - Focusing on optimizing electricity production costs; Improving business efficiency and increasing labor productivity;
- **Investment in new power source**
  - Continuing to implement power generation investment projects to ensure quality and construction progress according to power development master plan and approval of the Government.
  - Developing renewable energy projects in line with the goals and development orientation of the electricity industry in Vietnam in general, and the advantages of EVNGENCO 2 in particular to increase production capacity and competitiveness for the Corporation.
  - Searching and investing in the development of new power generation projects using clean technology, ensuring the environment associated with sustainable development.
  - Preparing forces and conditions to arrange and establish a specialized project management unit on the basis of rearranging the project management boards under EVNGENCO 2 to manage projects invested by EVNGENCO 2 and to provide service of project management for other investors.
- **Financial operations**
  - Ensuring profitable business and dividends for shareholders; Committing and implementing the goal of maximizing the value of the business and ensuring the highest benefits to the owner.
  - Ensuring good financial indicators, maintaining a healthy financial situation; improving financial management ability; managing asset and capital resources scientifically, regulating cash flow balance to ensure the highest efficiency.
  - Encouraging thrift practice, strictly managing costs and expenses, especially indirect costs, striving to reduce production costs and ensuring transparency of input expenses.
  - Actively seeking optimal and effective capital sources for investment in new projects.
- **Human resource development solutions**
  - Building a professional and dynamic workforce who possess industrial style, discipline, ethical qualities, strong political ideology to meet development requirement of EVNGENCO 2, specially highly skilled labor and experts in operation-maintenance-repairment, to catch up with the development trend of the modern industry and the industrial revolution 4.0.

- Striving to become a business possessing high quality human resources with labor productivity equivalent to that of the leading country in the region, promoting access to advanced and modern management keeping pace with international trends.
- Promoting training to improve the quality of human resources to meet the requirements of EVNGENCO 2 development and modernization.
- **Power market participation**
  - Actively participating in the electricity market to achieve the highest revenue; Strengthening pricing strategy for optimizing and utilizing efficiency of the power market.
  - Continuing to participate in the competitive wholesale electricity market according to the Government's roadmap; Contributing positively to the successful construction of the electricity market according to the levels approved by the Prime Minister.

### **3.1.3. Plan on land use after equitization**

The plans of land use for equitization (realignment plan, house and land settlement plan, and land use plans) have been agreed/approved by the competent authorities, particularly:

The plan for reorganizing and settling housing and land facilities: The EVNGENCO 2's plan to rearrange and settle housing and land facilities in the provinces and cities has been agreed by the Ministry of Finance in documents numbered from 5308 to 5315/BTCQLCS dated May 9, 2018 and by the Ministry of Industry and Trade in decisions numbered from 1910 to 1914, 1917, 1920, 1921, 1923/QD-BCT dated June 5, 2018 and 3277/QD-BCT September 11, 2018 on the retention of housing and land facilities for continuous use by EVNGENCO 2. The plans for rearranging and settling housing and land facilities were approved by the Ministry of Industry and Trade based on consensus by the Ministry of Finance in accordance with the provisions of Decree 167/2017/ND-CP and current legal regulations. From the time of approval up to date, all land areas have been out of dispute.

Plans on using land: along with the approved plan on rearranging and settling housing and land facilities, the land areas used by EVNGENCO 2's affiliates/subsidiaries have all approved by relevant provincial/city people's committees on land use plans upon equitization, this land use plans are in line with the approved plan of rearranging and settling housing and land facilities.

The land area is agreed and approved by the Ministry of Finance, the Ministry of Industry and Trade and the People's Committee of Can Tho city in the plan of rearranging, settling housing and land facilities and in the plan of land use upon equitization. In the process of undertaking recommendations by processing the request of the State Audit Office of Vietnam, EVNGENCO 2 proposed the People's Committee of Can Tho city to consider and give out opinion on the land area of 477,488 m<sup>2</sup>. On March 16, 2020, the People's Committee of Can Tho city issued Document 757/UBND-KT, accordingly, EVNGENCO 2 continues to manage and use land pursuant to the approved plan on land use in Official Letter 4004/UBND- KT dated October 17, 2017. In case there is a change in land use demand according to the approved plan, based on written approval by management agency and competent state agencies, EVNGENCO 2 and its subsidiaries assigned to manage projects have to follow legal procedures on land in accordance with laws.



In line with the approved plan on O Mon Power Center at recommendations by the State Audit Office of Vietnam and in line with the actual land use demand of the O Mon III Project when implementing the project, EVN has issued an instruction document. No. 3738/EVN-KH dated June 2, 2020 on the land area of O Mon III, IV Thermal Power Plant Project. Accordingly, EVNGENCO 2 has coordinated with relevant entities to locate and meter the area of O Mon III Thermal Power Plant Project in the area of 477,488 m<sup>2</sup>. Based on results of reviewing the land area of O Mon I, III, IV thermal power plants and updating the EVNGENCO2's plan on housing and land settling in Can Tho city, EVN had issued Document 5090/EVN-KH to the Commission for the Management of State capital at Enterprises for approval and send it to the Ministry of Finance. This land area after updating is 312,000 m<sup>2</sup> (decreased by 104,140 m<sup>2</sup> of area of O Mon III thermal power plant project and 61,348m<sup>2</sup> of 220kV Omon Substation which had been transferred to Power Transmission Company No. 4). Currently, EVNGENCO 2 is waiting for the approval by Commission for the Management of State Capital at Enterprises and the Ministry of Finance to work with the Can Tho city People's Committee to update the land use plan for this land area.

In accordance with the O Mon Power Center Planning approved according to the recommendations of the State Auditor and in line with the actual land use needs of the O Mon III project when implementing the project, EVN has issued Directive No.33738 / EVN-KH dated June 2, 2020 on land area of O Mon III, IV Thermal Power Plant project, accordingly, EVNGENCO 2 has coordinated with relevant units to implement the location and area of O Mon III thermal power plant project in the area of 477,488 m<sup>2</sup>. On the basis of the results of reviewing the land area of O Mon I, III, IV thermal power plant projects and updating the EVNGENCO2's housing and land treatment plan of EVNGENCO2 in Can Tho city, EVN Document 6377 / EVN-KH has been submitted to the State Capital Management Committee in enterprises for approval and send to the Ministry of Finance. This land area after updating is 312,000 m<sup>2</sup> (a reduction of 104,140 m<sup>2</sup> of O Mon III Thermal Power Plant project handed over to Power Project Management Unit 3 and a reduction of 61,348 m<sup>2</sup> of O Mon 220kV distribution station handed over to Transmission Company power 4). On November 26, 2020, the Ministry of Finance issued a document No. 14486 / BTC-QLCS, accordingly, the Ministry of Finance agreed to adjust the land area of O Mon I Thermal Power Plant of Power Generation Corporation 2 from 477,488 m<sup>2</sup> to 312,000 m<sup>2</sup> and has been approved by the State Capital Management Committee at enterprises to keep and continue to use it according to Decision No. 553 / QD-UBQLV dated December 8, 2020. On December 25, 2020, Can Tho City People's Committee issued Document No. 4046 / UBND-KT on the adjustment and plan of land use when the equitization conversion of Power Generation Corporation 2 is carried out. Accordingly, the People's Committee of Can Tho city agreed to adjust the land area of Location 1 (O Mon Thermal Power Plant) from 477,488 m<sup>2</sup> to 312,000 m<sup>2</sup>, located in Thoi Loi area, Phuoc ward. Thoi, O Mon district, Can Tho city in Official Dispatch No. 4004 / UBND-KT dated October 17, 2017 of the Chairman of Can Tho City People's Committee on the land use plan when performing the share conversion. of Power Generation Corporation 2.



### 3.1.4. PLAN ON LABOR ARRANGEMENT

#### a. Employee re-arrangement and employment plans

After equitization, EVNGENCO 2 will still focus on the main business lines of power generation, distribution and transmission, investing and managing investment in power projects, new energy projects, and renewable energy projects, managing and operating, providing repair, maintenance, operation service for thermal power plants, hydropower plants and power plants utilizing renewable energy technologies, etc... and other business lines approved by general meeting of shareholders in accordance with laws of Vietnam. EVNGENCO 2 always utilizes and optimize the labor staff. Given high employment demand in coming time, EVNGENCO 2 will arrange and mobilize all existing employees; there is no redundant labor. Particularly, at the time of valuation of the equitized enterprise (at 0:00 January 1, 2019), the labor staff is as follows:

- **Total employees at the time of enterprise valuation: 855 people** (excluding 07 enterprise managers who are Chairman of the Board of Members, General Director and 03 Deputy General Directors, Chief Accountant, full-time Supervisor of EVN at EVNGENCO 2).
- **Employees will terminate job at the time of enterprise valuation: 0 people.**

Total number of employees who will retire according to the regulations for the period starting from the time of enterprise valuation to the time expected to approve the equitization plan according to the approved equitization plan: 15 people.

Total number of employees, representatives of capital of EVNGENCO 2 responsible in other enterprises who terminate the labor contract or are out of the term of appointment as the representatives of the enterprise's capital and will terminate the labor contract being suspended temporarily to act as representatives of EVNGENCO 2's capital in other businesses: 13 people.

Number of employees moving to the joint-stock company : 827 people (not including 08 managers: Chairman of Board of Members, Member of Board of Members cum General Director, Member of Board of Members, 03 Deputy General Directors, Chief Accountant, 01 full-time Supervisor of EVN at EVNGENCO 2).

Details of the number of employees of the parent company - EVNGENCO 2 at the time of enterprise valuation are shown in Table 16 below:

**Table 16: Plan of employee arrangement after equitization**

ID.	Content	Number	Unit
A	Total number of employees at the time of valuation of the equitized enterprise (January 1, 2019):	855	People
B	Total number of employees continuing to be employed after transformation into joint stock company:	827	People
+	Number of employees continuously employed:	827	People



+	Number of employees who have to be re-trained:	0	People
+	Number of employees who change to part-time jobs after transformation into joint-stock company:	0	People
C	Total number of employees who will retire as prescribed in the period from the time of enterprise valuation to the expected time of equitization plan approval, provided in approved equitization plan:	15	People
D	Total number of employees, the full-time representatives of EVNGENCO 2's capital in another enterprises who will terminate labor contract or whose term of EVNGENCO 2's capital representative had been expired and labor contract will be terminated hence they will temporarily not be assigned a duty as EVNGENCO 2's capital representative in other enterprises (in the period from the time of enterprise valuation to the expected time of approval of the equitization plan)	13	People
E	The total number of employees, the full-time EVNGENCO 2's capital representative in other enterprises cannot arrange jobs and must terminate the labor contract or have to quit their jobs:	0	People



**b. Investment plan**
**Table 17. Approved projects in the investment plan**

No.	Project	Installed capacity (MW)	Total investment (VND bil.)
1	Basin expansion for water supplement for Quang Tri Irrigation - Hydropower project	-	268
2	Huong Phung 1 Wind Power Project	30	1,256
3	Cong Hai 1-Phase 2 Wind Power Project	25	1,079
4	Investment project of fuel conversion from HFO to natural gas of Block B's for Thermal Power Plant O Mon I in sync with Block B-O Mon gas exploitation progress	-	533.28
<b>Total</b>		<b>55</b>	<b>3,136.28</b>

*(Source: EVNGENCO 2)*

**Information technology projects:**

- Project ensuring information security for automation systems in EVNGENCO 2 offices and dependent accounting subsidiaries (OT project);
- Project ensuring information security for information technology systems in EVNGENCO 2 offices and dependent accounting subsidiaries (IT project);

In addition, in order to expand the development of production and business activities, to meet the increasing demand of electricity, and to promote the efficiency of human resources with expertise and high capacity in the field of management, exploitation and operation of power plants, EVNGENCO 2 will consider the conditions to expand investment:

- Researching and evaluating investment potential of solar power projects on the ground/lake surface in subsidiaries like Song Ba Ha, Thac Mo, An Khe, Ka Nak, Quang Tri to propose to competent authorities for review and approval on investment policy.

- Deploying investment projects: O Mon V after being assigned by the competent authorities as an investor and approved projects in the national electricity planning.
- Implementing a research project on the implementation of biomass fuel as replacement solution for oil HFO for Unit S4 of Thermal Power Plant Can Tho to propose for investment policy (under the direction of EVN)
- Undertaking procedures for Quang Tri Solar Power project for adding into master plan.
- Implementing investment and construction project of conversion of SCADA connection protocol from standard IEC 60870-5-101 to IEC 60870-5-104.
- Implementing the project of establishing hydrological monitoring system and dam safety connecting to headquarters of the Corporation and offices of subsidiaries.

**Table 18. Planned investment in new power source projects after equitization**

No.	Project	Installed capacity (MW)	Total investment (VND bil.)
1	O Mon V Thermal Power Plant project	1,050	30,314.796
2	Floating solar power projects on hydropower reservoir beds of EVNGENCO 2	220 (MWp)	5,455.861
2.1	An Khe reservoir	20	490.483
2.2	Ka Nak reservoir	80	1,983.534
2.3	Quang Tri reservoir	120	2,981.844
3	Quang Tri Solar Power Project	30 (MWp)	566.806
<b>Total</b>		<b>1,300</b>	<b>36,337.46</b>

(Source: EVNGENCO 2)

*Note: The total investment includes VAT.*

**c. Power generation plan**

**Table 19. Power generation plan 2021-2025**

*Unit: Million kWh*

Year	Power output			Power commercial output		
	Total power generation	Power generation of existing power plants (excl. Trung Son HPP)	Expected power generation of new projects	Total power commercial generation	Power commercial generation of existing power plants (excl. Trung Son HPP)	Expected power generation of new projects
<b>2021</b>	2,998.49	2,825.05	173.44	2,954.11	2,784.10	170.01
<b>2022</b>	5,431.80	5,250.70	181.10	5,327.20	5,149.52	177.68
<b>2023</b>	6,297.39	5,745.70	551.69	6,180.56	5,632.30	548.27
<b>2024</b>	6,295.74	5,745.70	550.04	6,178.91	5,632.30	546.61
<b>2025</b>	6,294.09	5,745.70	548.39	6,177.26	5,632.30	544.97

(Source: EVNGENCO 2)

**Note:**

- *Excluding electricity output of Trung Son Hydropower Company.*

In order to ensure the above power output, in addition to improving the quality of operation and repairment under EVNGENCO 2's responsibility, it is necessary to ensure the following inputs:

- Actively working with fuel suppliers to ensure enough fuel for electricity production.
- Preparing adequate infrastructure for coal importing (ports, dredging channels, loading and unloading vehicles, and warehouses) to meet coal demand for electricity production and backup in unusual weather conditions.
- Hydropower plants depend entirely on hydrological conditions and tend to be increasingly difficult due to the effects of climate change, so to achieve the above power output, hydropower companies must work specifically with downstream local governments to use water resources of hydropower reservoirs in an economical and efficient manner to generate electricity in the dry season and supply water for domestic use, agricultural production, and to promote salinity in localities, operate in accordance with the approved reservoir and inter-lake procedures. Well coordinate with localities in regulating water and flood discharge according to regulations

**d. Business projection**

The expected business results are calculated on the basis of the existing power plants and projects that are initially deployed (including Cong Hai 1- phase 2 wind power with installed capacity of 25MW, total investment VND 1,079.9 billion; Huong Phung 1 wind power with installed capacity of 30MW, total investment of VND 1,256.8 billion) and expected operating results of O Mon I Power Plant taking into account the fuel conversion from oil FO to natural gas as determined in the original design of the plant, converting from oil to gas burning. According to the plan assigned by EVN, O Mon I Power Plant will convert to running gas synchronously with Block B gas supply chain. The total installed capacity of 2 units of O Mon I is 660MW and the total investment for converting fuel is VND 533.28 billion.

Based on the above input factors, estimated business performance is as follows:

**Table 20. Expected operation and business performance of EVNGENCO 2, 2021-2025**

*Unit: VND Bil.*

No.	Year	2021	2022	2023	2024	2025
1	Commercial power output (mil. kWh )	2,954	5,327	5,810	5,810	5,810
2	Power revenue	7,576.201	12,430.916	13,951.248	14,116.866	14,088.708
3	Power generation expenses	7,361.404	12,113.744	13,564.129	13,658.761	13,516.244
4	- Power generation income	214,797	317,172	387,119	458,105	572,464
5	Financial income	988.4	988.4	988.4	981.7	981.7
6	Exchange rate different	(258.018)	(233.560)	(199.864)	(167.022)	(142.523)
7	Total income before tax	945.176	1,072.010	1,175.653	1,272.784	1,411.642
8	Income after tax	945.176	1,055.287	1,138.202	1,214.568	1,325.654

*(Source: EVNGENCO 2)*

**Table 21. Expected financial performance and profit distribution of EVNGENCO 2, 2021-2025**

No.	Year	Unit	2021	2022	2023	2024	2025
1	Income after tax	VND Bil.	945	1,055	1,138	1,215	1,326
2	Dividend distribution	VND Bil.	600	673	726	775	1,092
3	Dividend distribution in cash	VND Bil.	600	673	370	775	481
4	Dividend distribution in stocks	VND Bil.	-	-	356	-	611
5	Bonus and welfare funds	VND Bil.	60.99	65.26	69.83	74.71	79.94
6	Bonus fund of Management Board	VND Bil.	0.57	0.57	0.57	0.57	0.57
7	Allocation to Investment & development funds	VND Bil.	284	317	341	364	153
8	Investment & development funds Balance	VND Bil.	284	600	942	1,306	1,215
9	Share capital	VND Bil.	11,866	11,866	12,222	12,222	12,834
10	Owner's equity	VND Bil.	12,150	12,467	13,164	13,528	14,048
11	Income after tax/Chartered capital ratio	%	7.97%	8.89%	9.31%	9.94%	10.33%
12	Rate of dividend payment	%	5.06%	5.67%	6.12%	6.34%	8.93%
13	Rate of dividend payment in cash	%	5.06%	5.67%	3.12%	6.34%	3.93%
14	Rate of dividend payment in stock	%	0.00%	0.00%	3.00%	0.00%	5.00%

(Source: EVNGENCO 2)

*Note:*

- Distribution to Bonus and welfare funds (about 3 month salary budget of staff)

- *Distribution to Bonus fund of Management Board (about 1.5 month salary budget of management officers)*

**Table 22. Cash flow balance, 2021-2025**
*Unit: VND Bil.*

No.	Items	2021	2022	2023	2024	2025
1	Depreciation and amortization	2,023	2,008	1,941	1,859	1,527
2	Undistributed incomes	284	317	341	364	153
3	Chartered capital increase	-	-	356	-	611
4	New loans	360	-	-	-	-
5	Debt payment	1,845	1,840	1,890	1,720	1,551
6	Investment	711	49	-	-	-
7	Net cash balance	111	435	748	504	741
8	Accumulated Net cash balance	111	546	1,294	1,798	2,539

*(Source: EVNGENCO 2)*

c. Expected investment in new projects that will be approached

**Table 23. New investment power projects that is expected to approach implementation**

No.	Items	Unit	O Mon V Thermal Power	An Khe Floating Solar Power	Quang Tri Floating Solar Power	KaNak Floating Solar Power
1	Installed capacity (MW)	MW	1,050	20	120	80
2	Total investment	VND Million	30,314.796	490.483	2,981.844	1,983.534
3	Investment capital structure					
4	Owner's equity	%	25%	20%	20%	20%
5	Loans	%	75%	80%	80%	80%
6	Project life time (year)		25	20	20	20
7	Year of construction		2025	2021	2021	2021
8	Year of commission		2027	2022	2022	2022

(Source: EVNGENCO 2)

**3.2. Major indicators of the 5 year business plan after equitization**

**Table 24. Major indicators of the 5 year business plan after equitization**

Items	Unit	2021	2022	2023	2024	2025
1 Construction investment plan:	VND Bil.	711	49	0	0	0
- Cong Hai 1 wind power project		112				
- The project expanding the catchment area for water supplementation for the Quang Tri		92				

Irrigation - Hydropower plant and the downstream area  - Huong Phung 1 wind power project  - O Mon 1 gas burning system additional investment project  - Other projects for EVNGENCO 2 production development						
		115				
		391	49			
		1				
2 Chartered capital	VND Bil.	11,866	11,866	12,222	12,222	12,834
3 Total number of employees	Person	866	866	866	866	866
4 Total payroll	VND Bil.	248.550	265.627	283.899	303.451	324.371
5 Average income per person/month	VND mil./person/month	23,917	25,561	27,319	29,200	31,214
6 Total revenue	VND Bil.	8,565	13,419	14,940	15,099	15,070
7 Total expenses	VND Bil.	7,619	12,347	13,764	13,826	13,659
8 Income	VND Bil.	945	1.072	1.176	1.273	1.412
9 Rate of dividend paid	%	5.06%	5.67%	6.12%	6.34%	8.93%

(Average dividend rate from 2021 to 2025: 6.42%)

(Source: EVNGENCO 2)

### 3.3. Prerequisite for implementing the business plan after equitization

Prerequisite for ensuring the continuous and stable operation of the Corporation, as well as ensuring the necessary mechanisms to implement the plans, business development strategies after equitization included of followings:

- Thermal Power Plant Can Tho - O Mon I is allowed by competent authorities to be included in the List to provide long-term ancillary services and sign a long-term contract until it is switched to running Block B gas according to Circular No. 46/2018/TT-BCT amending and supplementing Circular 21/2015/TT-BCT which stipulates the contract term as follows: "2. Contract term: Unless contract early extension or termination as specified in Article 9 of this Contract, term contract agreed by the two parties in accordance with the term in the List of power plants providing ancillary services issued by a competent state agency", along with the appropriate electricity price to ensure operational efficiency and ensure financial ability for the

fulfillment of debt repayment obligations to ODA loan of the Japanese government. Debt balance of this loan on December 31, 2019 was: 43,002,203,199.91 JPY (equivalent to 9,293,636,155,561 VND), the last repayment period is on February 20th, 2038.

### 3.4. Other conditions for implementing the business plan after equitization

In addition to the above prerequisites, EVNGENCO 2 is studying and submitting to competent authorities for approval, assigning to be the investor of a number of projects and is allowed to apply specific mechanisms to help businesses develop. and business expansion after equitization, specifically as follows:

- Research, approach and promote to implement the procedures approved in addition to the National Electricity Development Plan and assigned to the Owner for the projects:
  - O Mon V Thermal Power Plant Project.
  - Floating solar power projects in reservoirs of hydropower plants of EVNGENCO 2's subsidiaries.
  - Projects investing in infrastructure, storage, gas pipeline for power plants under Tan Phuoc Power Center, O Mon Power Center.
- EVNGENCO 2 is allowed to apply specific mechanisms to invest in floating solar power projects on the reservoirs of the hydropower plants of EVNGENCO 2's subsidiaries.

### 3.5. Chartered capital and its structure

#### a. Expected chartered capital scale

**Table 25. Owner's equity after equitization**

On the basis of principles for determining the scale of the chartered capital and legal bases, the expected chartered capital scale of the Company to implement equitization is shown in the following table:

Expected chartered capital scale	Value (VND)
Value of capital of the State according to the data in the accounting book at the time of enterprise valuation	11,866,443,670,000
Value of capital of the State at the enterprise for equitization	11,866,443,670,000
Value of capital of the State at the enterprise (rounded up)	11,866,443,670,000
Total	11,866,443,670,000

#### b. Expected chartered capital scale

**Table 26. Chartered capital structure of the Holding Company – Power Generation Corporation 2 after equitization**

ID.	Items	Number of shares (Share)	Total par value (VND)	Portion of chartered capital (%)
	<b>CHARTERED CAPITAL OF JOINT STOCK COMPANY</b>	<b>1,186,644,367</b>	<b>11,866,443,670,000</b>	<b>100.00%</b>
1	Shares held by State (EVN)	605,188,627	6,051,886,270,000	51.00%
2	(**)Shares are sold to employees according to the actual sale results:	1,334,900	13,349,000,000	0.1125%
2.1	<i>Shares sold at preferential prices to employees according to actual time working in the state sector</i>	1,328,300	13,283,000,000	0.1119%
2.2	<i>Shares buy more according to the commitment to working time</i>	6,600	66,000,000	0.0006%
3	(***) Shares are sold to trade unions at enterprises	0	-	-
4	Shares sold to strategic investors	0	-	-
5	Shares sold at public auction	580,120,840	5,801,208,400,000	48.8875%

**Note:** (\*) Board of Members approved in Resolution No. 483 / NQ-HDTV dated 26/8/2020 on the preferential sale of shares to employees of the Parent Company - EVNGENCO2. In addition, comply with Clause 19 Article 1 of Decree 140/2020 / ND-CP dated 30/11/2020..

(\*\*) Based on the actual selling results by the Equitization Steering Committee of EVNGENCO 2, issuing Notice regarding the addition of the number of shares offered for the initial public offering from the number of preferred shares that the employee refused to buy.

(\*\*\*) The Trade Union of Power Generation Corporation 2 issued Document No. 167 / CDGENCO2-VPCD dated August 10, 2020 on the fact that the Trade Union does not participate in buying preferential shares for the trade union upon equitization.

**c. Plan to increase Chartered capital after transforming into joint stock company**

**Table 27. Plan to increase Chartered capital after transforming into joint stock company**

Item	Unit	2021	2022	2023	2024	2025

Chartered capital	VND Bil.	11,866	11,866	12,222	12,222	12,834
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### **3.6. Investment risks**

#### **a. Economic risk**

According to the National Center for Socio-economic Information and Forecast (NCIF) under the Ministry of Planning and Investment, in the period of 2021 - 2025, Vietnam's GDP growth rate will reach about 7%/year, the macroeconomy is basically stable, the inflation rate is 3.5 - 4.5%/year. To ensure the GDP growth rate of 1%, the electricity consumption increases by 2% correspondingly. The electricity demand in the period of 2021-2025 is about 12% - 14%.

However, due to the impact of the Covid -19 pandemic in early 2020, the global economy and Vietnam's economy were stagnant.

The whole country's GDP grew by 1.81% in the first 6 months of 2020. Economic experts consider that the economy in the third and fourth quarters will be more difficult, if the Covid pandemic goes back. In fact, in the second quarter, operating activities of businesses were still maintained thanks to the orders signed at the end of last year and in the first 2 months of the current year. According to forecasts of the World Bank, International Monetary Fund and Vietnam Institute for Economic and Policy Research, if Covid returns, the GDP growth rate in the second half of the year may be very low, even negative.

#### **b. Legal risk**

After transformation to joint stock company, in addition to the current legal regulations, EVNGENCO 2 will be subject to the regulations on securities and stock market.

Legal risk is the most important issue for businesses, especially in the context of the transition economy and the legal system in the process of completion. Changes in policies and laws may facilitate or adversely affect business operations of EVNGENCO 2.

To control legal risks, EVNGENCO 2 focuses on reviewing legal regulations to avoid doing things that the law does not allow and prohibit, or fulfilling the necessary conditions for conditional business required and allowed by laws. These procedures are undertaken by EVNGENCO 2's internal Legal department or by hiring a legal consultant.

#### **c. Specific risk**

According to the target of the Revised National Power Development Master Plan 7 approved by the Prime Minister, the installed capacity of the system will increase by 21,651 MW, 38,010MW, 36,192MW in the period 2016-2020, 2021-2025 and 2026-2030 respectively. However, as per recent report of the Ministry of Industry and Trade, after reviewing the construction progress of power plants, it is indicated that the total installed capacity of new power plants coming into operation is lower than one of 17,000MW targeted in National Power Development Master Plan 7, of which, many coal-fired power projects in the South are delayed. The mentioned above report of the Ministry of

Industry and Trade also revealed that Vietnam will face a power shortage of about 6.6 billion kWh in 2021, about 11.8 billion kWh in 2022 and at peaking of 15 billion kWh in 2023.

Power shortage is an opportunity for power plants to utilize installed capacity, however, power producers still face a number of risks affecting their business stability and performance. Particularly:

- **Demand for coal material increases but domestic supply is insufficient**

For thermal power plants, sufficient input materials are very important because they greatly affect to the safety operation, operation plan of power plants as well as mobilization plan by National Load Dispatch Centre (A0).

The coal supply for coal fired power plants in Vietnam is mainly come from Vietnam Coal and Mineral Group (Vinacomin) and the Northeastern Corporation. However, Vietnam's coal reserves are decreasing, the mining conditions are more difficult due to deeper digging and mining under the ground. Mining coal output decreased from 46.6 million tons in 2011 to 38.4 million tons in 2017 and increased to 42 million tons in 2018. In the end of 2018 and early 2019, the El Nino phenomenon is strongly active, together with more coal-fired power plants coming into commission, demand for coal continues to increase rapidly, and domestic mining coal is not enough to meet. This caused many coal fired power plants operating at low level of capacity, some had to stop. Currently, the shortage of coal continues, but less serverly in compared to the end of 2018 - early 2019 period.

According to Revised National Power Development Master Plan 7, the increase in installed capacity of the system in the period 2020-2030 still critically depends on coal-fired thermal power, so the domestic demand for coal is still growing rapidly. To cover the shortage of mining coal output, the Ministry of Industry and Trade assigned Vinacomin to import and supply coal for thermal power plants. Recently, many power plants have applied for coal importing by themselves, but this proposal has not been approved because Ministry of Industry and Trade concerns that high price coal imported directly by power plants would result in increase of electricity production costs.

- **Gas fuel supply is interrupted**

According to the plan, after completing the investment to convert fuel from FO oil to gas fuel, of O Mon I Thermal Power Plant and O Mon V Thermal Power Plant will use the natural gas source from Block B.

However, the update to beginning of second quarter of 2020 by National Steering Committee for electricity development, the implementing progress of gas-power project chain in block B (upstream, middle and downstream) is behind the targeted schedule.

In the coming time, the delay of this project chain may affect the gas supply to O Mon I Thermal Power Plant after completing the conversion.

- **Price of input materials for thermal power plants**

In addition to the problem of insufficient input materials, the price of input materials is also considered as major risk which affects to the competitiveness of power plants. In the event of prices of coal or gas increase, power generation costs of these power plants will increase subsequently and

directly weaken the competitiveness of power plants in both competitive power generation markets and indirectly in generation in accordance with contract.

Due to the provisions of the International Maritime Association (IMO) that all ships must use marine natural fuel with a maximum sulfur content of 0.5% from the current limit of 3.5%, effective from January 01, 2020. With the consumption of 80% - 90% of the FO oil for shipping, the price of high sulfur content oil FO of 3.5% is forecast to decrease significantly, this would positively impact on the FO oil-fired thermal power plants and gas fired thermal power plant.

Currently, the gas price sold to power plants is partly determined by the marine fuel oil (MFO) price (the average monthly FO oil price in Singapore market according to Platt's magazine), so the gas price will fluctuate in proportion to the oil price. As for the coal source, due to the shortage of domestic mining coal, Vinacomin and the Northeastern Corporation had to import coal to cover the shortage. Therefore, the volatile price of coal in the international market will also partly affect to the price of coal input of power plants.

- **Hydropower energy is highly affected by climate change**

In Vietnam, the rainy season usually starts from June and ends at the end of October, so this time will be the period that hydropower plants run at maximum loading. As the peak of the rainy season in August 2018, the power output of hydropower plants accounted for more than 50% of the electricity output of the whole system, that one of coal fired thermal power was about 30%, and output of gas and oil fired power plants was only about 15%. Whereas in the dry season from December of previous year to May, output of hydropower was only 30% of the electricity output of the whole system, while that one of coal fired thermal power was 50% and oil and gas fired thermal power was nearly 20%.

In recent years, due climate changes, the El Nino phenomenon had been prolonged. The water level of hydropower reservoir in rainy season drops to a record low and affected to the production of power plants.

According to EVN, potential installed capacity of hydropower of the whole country is about 25,000-26,000 MW, equivalent to about 90-100 billion kWh of electricity output. As of June 30, 2019, the total installed capacity of all Vietnam hydropower plants was 20,000 MW, equivalent 38% of the total installed capacity of the whole system, of which 80 large and medium scale hydropower projects were taking for total installed capacity of 16,000 MW. Up to date, most of hydropower projects with installed capacity above 100 MW has been put into commercial operation. Projects with convenient location and low investment had also been implemented.

- **Power generation characteristics of EVNGENCO 2**

Firstly, given the power installed capacity structure in which 50.7% is coal fired thermal power, efficiently mobilizing installed capacity and ensuring operation of these coal fired power plants depend heavily on the coal supply situation and coal fuel prices in the coming time.

The second largest power source is hydropower with 30.1%. Hydropower plants depend heavily on weather conditions and hydrological status in the coming time.



Oil-fired thermal power accounts for 19.2% of the total installed capacity of EVNGENCO 2. Oil-fired power plants are under the management of Can Tho Thermal Power Company. Currently, the power generation is implemented in pursuance to Decision 2364/QĐ-BCT dated on May 8th, 2012 of the Ministry of Industry and Trade approving revised investment project of O Mon I thermal power plant, accordingly annual commercial generation is 1,014 millions kWh.

Recently, EVNGENCO 2 has submitted written report 2475/EVNGENCO 2-QLĐTĐD for investment policy in upgrading O Mon I Thermal Power Plant to convert fuel from oil FO to gas fuel.

At present, O Mon I is carrying an ODA loan from the Japanese Government with payback period until 2038. If it is not applied a specific treatment mechanism in which a long-term ancillary service contract is signed allowing mobilization of generation capacity of the power plant as at present, there will be a high risk of being unable to ensure the financial balance and debt repayment obligations to Vietnamese government, and then to Japanese government.

- **Exchange rate risk**

Currently, EVNGENCO 2 has foreign currency loans with high debt balance, so there is a potential risk of exchange rate differences affecting financial costs. However, the biggest pressure in 2015 is the exchange rate difference loss of VND 1,499 billion (the losses of the parent company and joint-stock companies are VND 588 billion and VND 911 billion respectively), which has been proposed by EVNGENCO 2 to the Ministry of Finance to allow the allocation within 5 years; the Ministry of Finance approved this proposal.

The method of handling exchange rate differences due to reassessment of foreign currency monetary items at the time of enterprise valuation is in accordance with the guidance in Article 17 of Decree No. 126/2017/ND-CP dated November 16, 2017 on the transformation of State-owned enterprises and one-member limited liability companies with 100% chartered capital invested by State enterprises into joint-stock companies ("Decree 126"). Accordingly, the exchange rate difference due to reassessment of foreign currency monetary items at the time of enterprise valuation shall be re-evaluated by the equitized enterprise according to the regulations and not carry forward to the operating results. The balance of this exchange rate difference at the time of enterprise valuation shall be further monitored by the equitized enterprise in the period from the time of enterprise valuation to the time of official transformation into a joint stock company. instead of recording in "Revenue from financial activities" or "Financial expenses". The guidance of Decree 126 is different from Circular No. 200/2014/TT-BTC guiding the Corporate Accounting System issued by the Ministry of Finance on December 22, 2014, so the exchange rate difference losses due to re-evaluation at 0:00 o'clock on January 01, 2019 have not been recorded in the operating results yet. In details:

- Parent company – Power Generation Corporation 2 : VND 613,290,809,304.00
- Trung Son Hydropower Limited Company: VND 146,503,590,783.00
- In Clause 4, Article 3 of Decree No. 140/2020 / ND-CP abolishing the contents specified in Clause 3, Article 17 of Decree No. 126/2017 / ND-CP: "Regarding exchange rate differences due to evaluation foreign currency monetary items at the time of valuation of the enterprise, the equitized enterprise shall reevaluate according



to regulations and not carry forward to the results of production and business activities, balance of this exchange rate difference at the time of enterprise valuation, the equitized enterprise will continue to monitor in the period from the time of enterprise valuation to the time it is officially transformed into a joint stock company ”.

Thus, the loss of exchange rate difference at the time of enterprise valuation at 0 o'clock on January 1, 2019 with the amount of VND 146,503,590,783 at Trung Son Hydropower One Member Company Limited and VND 613,290,809,304 at The parent company - EVNGENCO2 will be allocated to the business results according to the Circular No. 200/2014 / TT-BTC dated December 22, 2014 of the Ministry of Finance guiding the Enterprise Accounting System..

**Table 28. List of foreign currency loans of EVNGENCO 2**

Group the loans by currencies and borrowers

*Unit: VND*

Project	Currency	Original currency balance	Balance of debt as of December 31, 2019	Interest rate
An Khe – Kanak Hydropower Plant	USD	28,540,197.42	662,988,786,067	Floating rate
Quang Tri Hydropower Plant	JPY	915,384,612	197,832,922,345	Fixed rate
Song Bung 4 Hydropower Plant	USD	171,517,867.57	3,984,360,063,651	Floating rate
Ankhe-Kanak Hydropower Company	USD	2,180,200.66	50,646,061,332	Floating rate
	SDR	5,353,530.77	191,420,486,160	Floating rate
Song Bung 2 Hydropower Project Management Unit	USD	39,999,500	929,188,385,000	Floating rate
	JPY	4,399,990,000	950,925,838,800	Floating rate

<b>Can Tho Thermal Power Company</b>				
O Mon 1 Thermal Power Plant - Unit 1	JPY	19,908,926,881.81	4,302,717,277,696	Fixed rate
O Mon 1 Thermal Power Plant - Unit 2	JPY	23,093,276,318.10	4,990,918,877,865	Fixed rate
<b>Total</b>	<b>VND</b>		<b>16,260,998,698,916</b>	

*Source: EVNGENCO 2*

With the outstanding foreign currency loan of about VND 16,261 billion as of December 31, 2019, the risk of fluctuations due to the exchange rate difference of EVNGENCO 2 in the first years will be very large, equivalent to VND 100-200 billion; the annual exchange rate fluctuation is as follows: USD increases by 1%/year and JPY increases by 2%/year.

**d. Offering's risk**

Before this offering, EVNGENCO 2 is an One-Member Limited Liability Company with 100% ownership by EVN. Shares of EVNGENCO 2 have never been traded in the past. EVNGENCO 2, at the moment, is difficult to give judgements on the future stock trading and liquidity. The successful auction price may not have predictive value for the future stock trading price. As a result, EVNGENCO 2's share price may be highly unstable after trading begins to take place in the market and may be affected by many factors, like:

- Operating situation of the enterprise;
- Competition situation in the sector;
- Macroeconomy;
- Fluctuations in the securities market;
- Changes in the legal regulations.

The initial floatation of shares of EVNGENCO 2 has no issuance bond, so it is possible that the number of shares offered for sale is not fully subscribed by investors. After negotiations with investors and sales of shares in accordance with Decree 126/2017/ND-CP, there may be still a risk of not selling all the offered shares and thereby affecting the total proceeds from the equitization.

**e. Other risks**

Other risks include force majeure events such as natural disasters, epidemics, wars ... which can happen to any business including EVNGENCO 2.

#### **4. METHOD OF OFFER FOR SALE AND PAYMENT OF SHARE-BUYING AMOUNTS**

The offering of shares for the equitization of the Parent Company - Power Generation Corporation 2 includes (i) Initial public offering (IPO), (ii) Offering to employees, (iii) Selling to strategic investors and preferential sale to the trade union is 0%, due to:

- The Trade Union of Power Generation Corporation 2 issued Document No. 167 / CĐGENCO2-VPCĐ dated August 10, 2020 on the fact that the Trade Union does not participate in purchasing preferential shares for the trade union upon equitization..
- The Trade Union of Power Generation Corporation 2 issued Document No. 167 / CĐGENCO2-VPCĐ dated August 10, 2020 on the fact that the Trade Union does not participate in buying preferential shares for the trade union when equitizing. consider the attractions and limitations of the general equitization regulations, the specific pre-equitization of the Power Generation Corporation 2 business, and the experience of selling shares to strategic investors. The strategy of two power generation corporations of similar size, Power Generation Corporation 3 and PetroVietnam Power Corporation, EVNGENCO 2 found that the possibility of success of selling shares to strategic investors is not high. EVNGENCO 2 proposes a selling rate to strategic shareholders of 0%.

##### **4.1. Legal basis**

- Decree No. 126/2017/ND-CP issued by the Government on November 16, 2017 with regard to transforming State-owned enterprises and one-member limited liability companies with 100% chartered capital invested in by the State into joint-stock companies.
- Circular No. 40/2018/TT-BTC issued by the Ministry of Finance with regard to guiding the initial share sales and management and use of proceeds from the equitization of State-owned enterprises and one-member limited liability companies with 100% chartered capital invested in by the State transformed into joint-stock companies.
- Decree 140/2020 / ND-CP dated 30/11/2020 of the Government amending and supplementing a number of articles of Decree No. 126/2017 / ND-CP dated November 16, 2017 of the Government on the transformation of state enterprises and one-member limited liability companies with 100% of their charter capital invested by State enterprises into joint-stock companies; Decree No. 91/2015 / ND-CP dated October 13, 2015 of the Government on investment of state capital in enterprises and management and use of capital and assets in enterprises and Decree No. 32/2018 / ND -CP dated March 8, 2018 of the Government amending and supplementing a number of articles of the Decree No. 91/2015 / ND-CP.

##### **4.2. Shares are sold at preferential prices to employees in the enterprise**

###### **Selection criteria**

Pursuan to Clause 1, Article 42 of Decree 126, the subjects entitled to buy shares at a preferential price include:



- Employees working under labor contracts and the enterprise manager of the equitized enterprise at the time of valuation of the equitized enterprise.
- Employees of the equitized enterprise at the time of valuation of the equitized enterprise appointed to represent the capital share in other enterprises that have not been entitled to the preferential share purchase policy in other enterprises.
- Employees working under labor contracts and the enterprise manager of class-II enterprises (not entitled to the preferential share purchase policy in other enterprises yet) at the time of valuation of the equitized enterprise as specified at Point a, Clause 2, Article 2 of this Decree.

At the same time, employees working under labor contracts and the enterprise manager of the equitized enterprise at the time of valuation of the equitized enterprise, belonging to the subjects that the enterprise needs to use and that they have commitments on, long-term working for the enterprise for at least 03 years (from the date the enterprise is granted the first enterprise registration certificate) will be entitled to buy more shares.

The sale of shares at a preferential price to employees is carried out at the enterprise according to the approved list, in the two forms above as follows:

**Shares sold at preferential prices to employees according to actual time working in the state sector**

Pursuan to Clause 1, Article 42 of Decree 126, the price of selling shares to employees in this case is specified as follows:

- Subjects specified in point a, clause 1, Article 42 of Decree 126 are entitled to buy a maximum of 100 shares for one actual working year in the State sector at a selling price equal to 60% of the value of one share at face value (VND 10,000/share).

***Principles of determining the working period in the State sector for the purpose of buying shares:***

"2. The actual working period in the state sector calculated for the purpose of buying shares at preferential prices as specified at Point b, Clause 1, Article 42 of Decree No. 126/2017/ND-CP for the subjects specified at Points a and b, Points c and d, Clause 1, Article 42 of Decree 126 include:

- a) The actual period that the person buying shares at preferential prices has worked (accumulated) at the equitized enterprise up to the time of enterprise valuation, including the time spent at the enterprise before merging or integrating with the equitized enterprise or separating or splitting into an equitized enterprise (if any).
- b) The actual period that the person buying shares at preferential prices has worked (accumulated) at state administrative agencies, state non-business units, political organizations, socio-political organizations, armed force units (including the time the employee is in military service), enterprises with 100% chartered capital held by the state or enterprises with 100% initial chartered capital held state enterprise investing in 100% other chartered capital before working in an equitized enterprise or before working in an enterprise merged or integrated with an equitized enterprise or seperated into an equitized enterprise ( if any).



3. The actual working period in the state sector calculated for the purpose of buying shares at preferential prices as specified in Clause 2, Article 42 of Decree 126 does not include the period of postponement of labor contracts as prescribed in Article 32 of the Labor Code, and the period of leave without pay for 14 continuous days and more as specified in Clause 3, Article 116 of the Labor Code.
4. The period calculated for the purpose of buying shares at a preferential price for the subjects specified at Point dd, Clause 1, Article 42 of Decree 126 is the actual period that has been contracted (cumulative) under the stable long-term contract with the equitized enterprise up to the time of valuation of the equitized enterprise.
5. The period calculated for the purpose of buying shares at a preferential price is calculated by year (full 12 months). If the period calculated for the purpose of buying shares at a preferential price has odd months, it will be rounded according to the following principle: In case of less than 06 months, it will not be counted; in case of full 06 months or more, it will be rounded to 01 year."

**Accordingly:**

- The total number of Vietnamese employees who are named in the list of employees at the time of enterprise valuation of the Corporation and have the right to buy shares at a preferential price is 963 people.
- Total number of employees who are entitled to buy preferential shares according to the seniority: 963 people.
- Total number of preferential shares sold to 963 employees according to the number of years working in the state sector under the equitization plan approved in Decision No. 609 / QĐ-UBQLV dated December 29, 2020 of the Committee for State Capital Management in Enterprises (the Committee) is: 1,348,900 shares, accounting for 0.1277% of charter capital.
- The total number of preferential shares sold to 963 employees according to the number of years working in the state sector according to the actual sales results approved by the Commission in Official Dispatch No. 10 / UBQLV-NL dated 06/01/2021 and Official Dispatch No.82 / EVN-QLV dated 06/01/2021 is: 1,328,300 shares, representing 0.1119 % of charter capital.
- The list of employees who buy shares at preferential prices according to the number of years working in the state sector is detailed in the List of employees who are entitled to buy preferred shares attached to the Equitization Plan of the Parent Company. - EVNGENCO 2.

**Shares offered to employees with a long-term commitment to work in the joint stock company**

Employees in the regular list of the Company at the time of publishing the value of the equitized enterprise, who are the subjects to be used by the Company after equitization and have commitments on long-term working for the Company for the period of at least 3 years (from the date the Company is granted the Certificate of Business registration) will be entitled to purchase additional preferred shares with 200 shares/year of commitment to continue working at the Company, but not exceeding 2,000 shares. Employees who are good experts with high professional qualifications and skills working in the enterprise are entitled to buy additional shares with 500 shares/01 year commitment to continue working for the enterprise but not exceeding 5,000 shares. for an employee. The selling



price for the above subjects is equal to the lowest successful auction price when the Company makes a public auction.

Total number of preferential shares sold to employees under the long-term commitment to work in the joint stock company under the equitization plan approved in Decision No. 609 / QD-UBQLV dated December 29, 2020 of the Committee is **919,400 shares**, accounting for 0.0775% of the chartered capital;

The total number of preferential shares sold to employees under the long-term commitment to work in the joint stock company approved by the Commission in Official Dispatch No. 10/UBQLV-NL dated 06/01/2021 and Official Dispatch No. 82/EVN-QLV dated 06/01/2021 is: 6,600 shares accounting for 0.0006% of the charter capital.

#### 4.3. Selling method

##### a. For employees

- Number of shares sold according to the equitization plan approved in Decision No. 609 / QD-UBQLV dated December 29, 2020 of the Committee:

Subject	Number of shares	Ownership / charter capital	Offering price
Shares sold at preferential prices to employees according to actual time working in the state sector	1,348,900	0.1137%	VND 6,000/share
Shares offered to employees who have a long-term commitment to work in a joint stock company registered to buy more	919,400	0,0775%	Public auction starting price
<b>Total number of preferential shares sold to employees</b>	<b>2,268,300</b>	<b>0.1912%</b>	

- *The number of preferential shares sold approved by the Commission in Official Dispatch No. 10 /UBQLV-NL dated 06/01/2021 and Official Dispatch No.82/EVN-QLV dated 06/01/2021:*

<b>Subject</b>	<b>Number of shares</b>	<b>Ownership / charter capital</b>	<b>Offering price</b>
Shares sold at preferential prices to employees according to actual time working in the state sector	1,328,300	0.1119%	VND 6,000/share
Shares offered to employees who have a long-term commitment to work in a joint stock company registered to buy more	6,600	0.0006%	Public auction starting price
<b>Total number of preferential shares sold to employees</b>	<b>1,334,900</b>	<b>0.1125%</b>	

The list of employees, the number of years of service for each person, the number of shares purchased at preferential prices for each person is attached to the Equitization Plan of the Parent Company - EVNGENCO 2.

- *Selling method:* Negotiable under Point b, Clause 1, Article 6 of Circular No. 40/2018 / TT-BTC dated May 4, 2018 of the Ministry of Finance.

- *Offering price:*

Shares sold at preferential prices to employees according to actual time working in the state sector:

VND 6,000/share

Additional shares purchased according to a period of commitment to work for a long time in a joint stock company:

Public auction starting price

**b. For the Trade Union organization: None**

**c. For strategic investors: None**

**d. For investors participating in the auction:**

- *Number of shares IPO offered under the equitization plan approved in Decision No. 609 / QD-UBQLV dated December 29, 2020 of the Committees:* Power Generation Corporation 2 will hold a public auction of 579,187,440 shares, equivalent to VND 5,791,874,400,000 at par value of VND 10,000 / Share, accounting for 48,8088% of charter capital.
- *Number of shares auctioned to the public for the first time according to the approval of the Commission in Official Dispatch No. 10 / UBQLV-NL dated 06/01/2021 and Official Dispatch No.82 / EVN-QLV dated 06/01/2021:* Power Generation Corporation 2 will hold a public auction, they are 580,120,840 shares, equivalent to 5,801,208,400,000 VND at par value of 10,000 VND / share, accounting for 48,8875% of charter capital.



- *Selling method:* Public auction as prescribed at Point a, Clause 1, Article 6 of Circular No. 40/2018 / TT-BTC dated May 4, 2018 of the Ministry of Finance.
- *The starting price of the auction (minimum price):* VND 24,520 / share (In words: Twenty-four thousand, five hundred and twenty dong a share) according to Decision No. 2229 / QD-TTg dated December 24, 2020 approved equitization plan, Decision No. 609 / QD-UBQLV dated December 29, 2020 of the Committee and price appraisal.
- *Auctioneer:* Ho Chi Minh Stock Exchange (No. 16, Vo Van Kiet Street, District 1, Ho Chi Minh City).

#### 4.4. Method and term of payment

##### a. For employees

- By the end of January 4, 2021, the employee has completed the procedures for buying shares and transferring money to the account of the Corporation as prescribed. EVNGENCO2 has reported to the Steering Committee for consideration and submission to the Commission for approval the results of the sale of preferential shares to employees in Official Dispatch No. 10 / UBQLV-NL dated 06/01/2021 and Official Dispatch No.82 / EVN-QLV dated 06/01/2021.

##### b. For the Trade Union organization: None

##### c. For strategic investors: None

##### d. For investors participating in the auction:

- *Time of selling:* within 9 months from the date of announcement of the Decision on approving the enterprise value (March 30, 2020) according to the provisions of Clause 3, Article 25 of Decree No. 126/2017 / ND-CP dated November 16, 2017 of the Government or within 4 months from the date on which the equitization plan is approved in accordance with Clause 2 Article 6 of Circular No. 40/2018 / TT-BTC dated May 4, 2018 of the Ministry of Finance.
- *Settlement currency:* Vietnam Dong only of Clause 3 Article 11 Circular No. 40/2018 / TT-BTC dated May 4, 2018 of the Ministry of Finance.
- Foreign investors deposit and make payment in VND when participating in the auction to bid shares.
- *Time of payment:* as provided in Auction Regulation.

The intended schedule of undertaking initial public offering is as follows:

No.	Work content	Expected completion time (days)
1	The time of receiving the decision to approve the equitization plan of the Company .....	T
2	Preparing share auction dossiers .....	T+1



No.	Work content	Expected completion time (days)
3	Selling preferential shares to employees	T+20
4	Sign the auction contract with the auction-performing organization .....	T+4
5	Notice of the auctioneer organization's registration as an agent .....	T+4
6	Publishing information about the IPO & publishing the Prospectus. ....	T+8
7	Presenting and introducing about the IPO (if necessary) .....	T+8÷T+15
8	Undertaking IPO .....	T+38
9	Receiving proceeds from auctioneer organization. ....	T+50
10	Directly negotiating for selling undistributed shares (and / or adjusting the Chartered capital structure). ....	T+60
11	Closing list of investors bought shares in IPO .....	T+90

#### 4.5. Settling undistributed shares

In the event that shares are offered for sale during the IPO and are not sold out to employees, handling measures will be implemented in accordance with current legal regulations. Specifically, in Clause 19, Article 1 of Decree No. 140/2020 / ND -CP, there are regulations on amending Article 37. Handling the number of unsold shares and adjusting the charter capital, Structure Charter capital according to the result of the sale of shares of Decree 126/2017 / ND-CP as follows:

3. In case no investor registers to buy shares, based on the result of selling shares to employees and the trade union in the enterprise to carry out the procedures for transferring the enterprise to a joint-stock company and readjust the charter capital, the charter capital structure according to the provisions of Clause 2 of this Article.

4. In case there is only 01 investor registered to buy shares, the Steering Committee shall execute an agreement to sell shares to the investor who has registered to buy shares at the selling price not lower than the starting price with the registered volume Invalid. If the investor does not buy, the equitized enterprise shall comply with the provisions of Clause 3 of this Article.

5. In case, after the public auction, all the winning investors in the public auction refuse to buy, the equitized enterprise shall comply with the provisions of Clause 3 of this Article.

6. In case a part of the offered shares has been sold in the public auction, the remaining shares that have not been sold in the public auction (including the number of shares offered by the investor but not refuse to purchase) is made in the following order:

"a) The Steering Committee continues to notify valid investors who have participated in the auction (excluding investors who have won the auction all the volume registered to buy in the public auction)



to sell with the registered volume but not yet filled. The price bid at the auction according to the principle of choosing the agreed price from the highest bid to the low of the auction. The announced auction is less than enough for the remaining number of shares to be sold.

b) If the investors fail to sell all shares to investors after having agreed under the provisions of Point a, Clause 6 of this Article, the Steering Committee shall continue to notify the winning investors of the entire registered volume. Bidding in the public auction (excluding investors who have won the auction but refusing to buy) to agree to sell to these investors at the selling price that is the bid price of each auction. Investors according to the principle of choosing an agreed price from the highest paid price to the low of the announced auction for the remaining number of shares to be sold.

c) If the number of shares is not sold out according to the provisions of Points a and b of this Clause, the equitized enterprise shall comply with the provisions of Clause 3 of this Article."

## 5. PLAN OF USING PROCEEDS FROM EQUITIZATION

EVN and EVNGENCO 2 shall calculate in detail the proceeds from the equitization and the share-selling surplus in accordance with the current regulations at the time of implementation.

According to Clause 5.1, Article 13 of Circular No. 40/2018/TT-BTC, in case of the sale of the investment capital of a class-I enterprise, the proceeds from equitization are used to repay the book value part of the sold shares to the class-I enterprise and the tax payable according to the regulations (if any). The remaining balance after deducting the cost of equitization, payment for redundant labor policy settlement, preferential value for selling shares to employees, the enterprise shall make payment to the Enterprise Development and Arrangement Assistance Fund.

The proceeds of EVNGENCO 2 from equitization is calculated based on:

- Chartered capital plan;
- Assuming the share selling price is equal to the auctioned starting price as proposed, the lowest winning price is equal to the starting price;
- All offered shares sold out.

The final data will be based on the actual results of the share sale process.

According to Clause 6, Article 13 of Circular No. 40/2018/TT-BTC, within 90 days from the date of issuance of the initial business registration certificate, the equitized enterprise is responsible for self-determination and payment of the proceeds from equitization to the Enterprise Development and Arrangement Assistance Fund according to the regulations.

To facilitate the calculation, the Company assumes that the successful selling price for public investors, financial investors and strategic investors equal to the minimum offered price of VND 24,520/share is the assumed starting auction price. With the characteristics and scale of the said issuance, the total proceeds from equitization are expected as follows:

No.	Items	Number of shares	Portion	Value	Remark
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I	Value of State owned capital (capital of EVN) at the time of enterprise valuation			11,866,443,676,275	As result of enterprise valuation
II	Chartered capital of joint stock company	1,186,644,367	100%	11,866,443,670,000	
III	Stake held by the State at joint stock company (51% of chartered capital)	605,188,627	51.0000%	6.051.886.270.000	
IV	Price of share				
4.1	- Starting price			24,520	
V	Proceeds from equitization	581,455,740	49.0000 %	14,232,694,628,800	(V)=(5.1.1)+(5.1.2)
5.1	Selling a part of State owned capital (capital of EVN) at enterprise	581,455,740	49.0000 %	14,232,694,628,800	
5.1.1	- Shares sold to employees according to the actual sale results announced by the Capital Management Committee EVNGENCO 2 Equitization Steering Committee:	1,334,900	0.1125%	8,131,632,000	(5.1.2)= (iii) + (iv)
i.	- Shares offered to employees at preferential prices based on actual time working in the State sector	1,328,300	0.1119%	7,969,800,000	Preferential price is 6,000 VND
ii.	- Additional shares offered to employees who commit to work for joint stock company in long-term	6,600	0.0006%	161,832,000	Starting price



5.1.2	- Public auction according to the actual sale results announced by the Capital Management Committee of EVNGENCO 2 Equitization Steering Committee.	580,120,840	48.8875 %	14,224,562,996,800	Average of price of IPO
VI	Use of proceeds from equitization	581,455,740		14,232,694,628,800	(VI)=(V)
6.1	Covering equitization expenses and paying for carrying policy on redundant labors			10,696,000,000	
6.1.1	Equitization expenses			10,696,000,000	Estimated
6.1.2	Payment for carrying policy on redundant labors			0	
6.2	Retained proceeds at equitized enterprise			0	(6.2)=(6.2.1)+(6.2.2)
6.3	Proceed transferred to Enterprise Arrangement and Development Fund			14,221,998,635,075	
6.3.1	Proceeds paid back to EVN			5.814.557.400.000	The value of EVN's divested capital at EVNGENCO 2 in accordance with book value

Source: EVNGENCO 2

## Assumptions:

- All of offered shares will be acquired.
- Average price of IPO is equal to the starting price
- The final number will be identified on the actual IPO result

Note: Proceeds paid back to EVN is in compliance with provisions in Article 13 Circular No. 40/2018/TT-BTC.



## **PART IV: MAIN RESPONSIBLE PARTIES FOR THE CONTENTS OF THE PROSPECTUS**

### **Representatives of the steering committee for equitization of the parent company – power generation corporation 2**

Mr. Duong Quang Thanh Chairman of the Board of Members of Vietnam Electricity  
- Deputy Head of the Equitization Steering Committee of  
Parent Company - Power Generation Corporation 2

(According to Authorization Letter No. 2326A / GUQ-BCDGENCO2 dated December 30, 2020 of Head of Equitization Steering Committee of Parent Company - Power Generation Corporation 2)

This Prospectus has been prepared by the equitized enterprise and consultancy organization and approved by the Equitization Steering Committee.

### **Representatives of the issuing organization**

Mr. Truong Hoang Vu General Director of Power Generation Corporation 2 –  
Joint-stock Company

We undertake that all information and data related to Power Generation Corporation 2 in this Prospectus is true, accurate and complete in accordance with the actual situation of the enterprise and the legal regulations on equitization.

### **Representatives of the consultancy organization**

#### **Representatives of the share auctioning consultancy organization**

BIDV Securities Joint Stock Company

Mr. Nguyen Duy Vien General Director of BIDV Securities Joint Stock Company

#### **Representatives of the equitization plan preparation consultancy organization**

EVN Finance Joint Stock Company

Mr. Nguyen Hoang Hai General Director of EVN Finance Joint Stock Company –  
Leader of EVNFC - BSC - BDO Consortium

This Prospectus is part of the offering registration documents prepared by the Consultancy Organization on the basis of a consultancy contract with EVNGENCO 2. We guarantee that the analysis, evaluation and selection of the words in this Prospectus has been made in a reasonable and careful manner based on the information and data provided by EVNGENCO 2.

## **PART V: ROADMAP OF LISTING AND TRADING REGISTRATION AFTER EQUITIZATION**

When registering for the initial share auction via Ho Chi Minh Stock Exchange, the Corporation will simultaneously register for depository and transactions on the UPCOM transaction system in accordance with the provisions of Circular No. 40/2018/TT-BTC issued by the Ministry of Finance dated May 4, 2018 guiding the initial sale of shares and management and use of proceeds from equitization of state-owned enterprises and one-member limited liability companies with 100% chartered capital invested in by state-owned enterprises transformed into joint-stock companies.

In case the Corporation is qualified to list shares on the stock exchange, the Corporation shall carry out the listing procedures as soon as the required conditions are met.

## **PART VI: CONCLUSION**

The information Prospectus is provided to investors for the purpose of enabling investors to assess the asset, capital, financial status, results and business prospects of Power Generation Corporation 2. - One member limited liability company before registering to buy shares.

The information Prospectus is made on the basis of the approved equitization plan of the Parent Company - Power Generation Corporation 2 and information and data provided by Power Generation Corporation 2, ensuring the publicity, transparency and protection of the legitimate interests of investors. The assessment, selection of information and language in this Prospectus are made carefully and reasonably based on the data and information provided by Power Generation Corporation 2.

We would highly appreciate it if investors thoroughly refer to this Prospectus before deciding to participate in the auction of shares of Power Generation Corporation 2 - One-Member Limited Liability Company.

*Can Tho, January 06 ,2021*

## MAIN RESPONSIBLE PARTIES FOR THE CONTENTS OF INFORMATION ABOUT THE EQUITIZED ENTERPRISE

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Representative of the Equitization Steering Committee



**Dương Quang Thành**

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Representative of the Equitized Enterprise



**Trương Hoàng Vũ**

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Representative of the Leader of the Auction Consultant Consortium

BIDV Securities Joint Stock Company <sup>W</sup>

General Director



**Mr. Nguyen Duy Vien**



## APPENDIX NO. 01: LIST OF LAND AREAS BEING MANAGED AND USED BY THE COMPANIES

No.	Company name, address of house and land area	Land area (m <sup>2</sup> )	Floor area (m <sup>2</sup> )	Related house and land documents	Use status	Ministry's approval of house and land arrangem ent plan	Lan use plan	Approval of arrangement plan by province/city People's Committee	Approval of land use plan by province/city People's Committee
I	THANH HOA PROVINCE	1,066,068.1	12,628.0						
	Trung Son Hydropower Company								
1	Trung Son Commune, Quang Hoa District, Thanh Hoa Province	1,066,068.1	12,628.0	<ul style="list-style-type: none"> <li>- Land use right certificate No. CS 508392, CS 508393 issued on 10/10/2019;</li> <li>- Decision No. 3551/QĐ-UBND dated 20/9/2017 with regard to allowing Trung Son Hydropower Limited Company to implement the Trung Son Hydropower project in Trung Son Commune, Quan Hoa District and</li> </ul>	Plant, dam, shift break house, working house of the Operation and Project Management Unit, internal traffic roads	<ul style="list-style-type: none"> <li>- Decision No.1917/QĐ-BCT dated 05/6/2018 by the Ministry of Industry and Trade;</li> <li>- Deed No.5308/BTC-QLCS dated 09/5/2018</li> </ul>	Continuing to use land in the form of hiring land with annual rent payment	<ul style="list-style-type: none"> <li>Deed No. 12848/UBND-KTTC dated 23/10/2017 by the People's Committee of Thanh Hoa Province</li> <li>Deed No. 12646/UBND-NN dated 18/10/2017 by the People's Committee of Thanh Hoa Province</li> </ul>	





No.	Company name, address of house and land area	Land area (m <sup>2</sup> )	Floor area (m <sup>2</sup> )	Related house and land documents	Use status	Ministry's approval of house and land arrangem ent plan	Lan use plan	Approval of arrangement plan by province/city People's Committee	Approval of land use plan by province/city People's Committee
				Muong Ly Commune, Muong Lat District (hiring land till 18/7/2052); - Land lease No. 227 dated 14/9/2018.		by the Ministry of Finance;			
II	QUANG TRI PROVINCE	1,145,996.8	127,783.8						
	Quang Hydropower Company								
2	Quarter 8, Ward 5, Dong Ha City, Quang Tri Province	4,844.0	3,051.1	- Land use right certificate No. BĐ 015714 dated 23/2/2012 (Hiring land till 23/2/2062);	Working head office of Quang Tri Hydropower Company	- Decision No.1920/Q D-BCT dated 05/6/2018 by the Ministry of	Continui ng to use land in the form of hiring land with annual	Deed No. 4462/UBND- BCĐ09 dated 8/9/2017 by the People's Committee of	Decision No. 2318/QĐ-UBND dated 25/8/2017 by the People's Committee of





No.	Company name, address of house and land area	Land area (m2)	Floor area (m2)	Related house and land documents	Use status	Ministry's approval of house and land arrangem ent plan	Lan use plan	Approval of arrangement plan by province/city People's Committee	Approval of land use plan by province/city People's Committee
				- Land lease No. 44 dated 14/5/2012		Industry and Trade; - Deed No. 5309/B TC-QLCS dated 09/5/2018 by the Ministry of Finance;	rent payment	Quang Tri Province	Quang Tri Province
3	Khe Sanh Township, Huong Hoa District, Quang Tri Province	21,181.0	6,535.8	- Land use certificate No. BĐ 015051 dated 24/1/2011; - Land lease No. 42 dated 6/4/2016 (Hiring land till 13/5/2053).	Production management building of Quang Tri Hydropower Company		Continui ng to use land in the form of hiring land with annual rent payment	Deed No. 4462/UBND- BCĐ09 dated 8/9/2017 by the People's Committee of Quang Tri Province	Decision No. 2318/QĐ-UBND dated 25/8/2017 by the People's Committee of Quang Tri Province
4	Tan Hop Commune, Huong Hoa District, Quang Tri Province	218,890.8	39,696.6	- Land use certificate No. A0 089813 dated 22/12/2009 (Hiring land till 22/12/2059);	Energy route and Quang Tri Hydropower Plant		Continui ng to use land in the form of hiring	Deed No. 4462/UBND- BCĐ09 dated 8/9/2017 by the People's	Decision No. 2318/QĐ-UBND dated 25/8/2017 by the People's Committee of





No.	Company name, address of house and land area	Land area (m2)	Floor area (m2)	Related house and land documents	Use status	Ministry's approval of house and land arrangem ent plan	Lan use plan	Approval of arrangement plan by province/city People's Committee	Approval of land use plan by province/city People's Committee
				- Land lease No. 44 dated 06/4/2016.			land with annual rent payment	Committee of Quang Tri Province	Quang Province Tri
5	Huong Linh and Huong Tan communes, Huong Hoa District, Quang Tri Province	876,975.0	78,500.3	- Land use right certificates No.BB 820286, BB 820287 dated 29/10/2010; - Land lease No. 43 dated 6/4/2016 (Hiring land till 8/12/2056).	Leading area of Quang Tri hydraulic and hydropower works		Continui ng to use land in the form of hiring land with annual rent payment	Deed No. 4462/UBND- BCĐ09 dated 8/9/2017 by the People's Committee of Quang Tri Province	Decision No. 2318/QĐ-UBND dated 25/8/2017 by the People's Committee of Quang Province Tri





No.	Company name, address of house and land area	Land area (m2)	Floor area (m2)	Related house and land documents	Use status	Ministry's approval of house and land arrangem ent plan	Lan use plan	Approval of arrangement plan by province/city People's Committee	Approval of land use plan by province/city People's Committee
6	Huong Linh and Huong Tan communes, Huong Hoa District, Quang Tri Province	24,106.0	-	Land use certificates No.BB 820286, BB 820287 dated 29/10/2010	Land of rivers, canals, springs (Leading area of Quang Tri hydraulic and hydropower works)		Continui ng to use land in the form of assigning land without collectin g land use fees	Deed No. 4462/UBND- BCĐ09 dated 8/9/2017 by the People's Committee of Quang Tri Province	Decision No. 2318/QĐ-UBND dated 25/8/2017 by the People's Committee of Quang Tri Province
III	QUANG NAM PROVINCE	2,547,741.6	1,518,661.8						
	Song Bung 4 Hydropower Plant								





No.	Company name, address of house and land area	Land area (m <sup>2</sup> )	Floor area (m <sup>2</sup> )	Related house and land documents	Use status	Ministry's approval of house and land arrangem ent plan	Lan use plan	Approval of arrangement plan by province/city People's Committee	Approval of land use plan by province/city People's Committee
7	Nam Giang District, Quang Nam Province	1,068,987.0	515,515.0	<ul style="list-style-type: none"> <li>- Land use right certificate No. BH 548184 dated 21/12/2011;</li> <li>- Land lease No. 314/HDTD dated 3/12/2009 (Hiring land till 3/9/2059);</li> <li>- Decision No. 4492/QD-UBND dated 21/12/2016 with regard to adjusting the enterprise name and land use period at Decision No. 2998/QD-UBND dated 3/9/2009 by the People's Committee of Quang Nam Province.</li> </ul>	Main dam and Song Bung 4 Hydropower Plant	<ul style="list-style-type: none"> <li>- Decision No.1921/Q D-BCT dated 05/6/2018 by the Ministry of Industry and Trade;</li> <li>- Deed No.5310/B TC-QLCS dated 09/5/2018 by the Ministry of Finance;</li> </ul>	Continuing to use land in the form of hiring land with annual rent payment	Deed No. 3953/UBND-KTTH dated 31/7/2017 by the People's Committee of Quang Nam Province	Decision No. 3657/QD-UBND dated 16/10/2017 by the People's Committee of Quang Nam Province





No.	Company name, address of house and land area	Land area (m2)	Floor area (m2)	Related house and land documents	Use status	Ministry's approval of house and land arrangem ent plan	Lan use plan	Approval of arrangement plan by province/city People's Committee	Approval of land use plan by province/city People's Committee
8	Nam Giang District, Quang Nam Province	36,551.9	2,061.0	- Land use right certificate No. BH 548185 ngày 21/12/2011; - Land lease No. 314/HDTĐ dated 3/12/2009 (Hiring land till 8/4/2059)	Khu Quản lý vận hành NMTĐ Sông Bung 4		Continui ng to use land in the form of hiring land with annual rent payment	Deed No. 3953/UBND- KTTH dated 31/7/2017 by the People's Committee of Quang Nam Province	Decision No. 3657/QĐ-UBND dated 16/10/2017 by the People's Committee of Quang Nam Province
9	Nam Giang District, Quang Nam Province	326,280.0	-	- Decision No. 2264/QĐ-UBND dated 9/7/2008 by the People's Committee of Quang Nam Province with regard to revoking land and assigning land to build roads to the plant and project resettlement area of Song Bung 4 Hydropower	Road to the plant and road to the resettlement area		Continui ng to use land in the form of assigning land without collectin g land use fees	Deed No. 3953/UBND- KTTH dated 31/7/2017 by the People's Committee of Quang Nam Province	Decision No. 699/QĐ-UBND dated 16/03/2020





No.	Company name, address of house and land area	Land area (m2)	Floor area (m2)	Related house and land documents	Use status	Ministry's approval of house and land arrangem ent plan	Lan use plan	Approval of arrangement plan by province/city People's Committee	Approval of land use plan by province/city People's Committee
				Plant 4; - Decision No. 4493/QD-UBND dated 21/12/2016 by the People's Committee of Quang Nam Province with regard to adjusting the enterprise name and land use period at Decision No. 2264/QD- UBND dated 9/7/2008.					
	Song Bung 2 Hydropowr Plant								
10	Nam Giang District, Quang Nam Province	608,527.1	608,527.1	- Land lease No. 522/HDTĐ dated 10/10/2011 (Hiring land till 30/12/2059)	Land building the operation and construction roads for	- Decision No.1910/Q D-BCT dated 05/6/2018 by the Ministry of	Continui ng to use land in the form of hiring land with annual	Deed No. 3952/UBND- KTTH dated 31/7/2017 by the People's Committee of	Decision No. 3657/QĐ-UBND dated 16/10/2017 by the People's Committee of





No.	Company name, address of house and land area	Land area (m2)	Floor area (m2)	Related house and land documents	Use status	Ministry's approval of house and land arrangem ent plan	Lan use plan	Approval of arrangement plan by province/city People's Committee	Approval of land use plan by province/city People's Committee
11	Nam Giang District, Quang Nam Province	184,880.2	87,238.0	- Land lease No. 523/HDTD dated 10/10/2011 (Hiring land for 50 years)	Land for building the pressure regulation tower, valve house, pressure pipelines, plant, power distribution substation; Board A building combined with management	Industry and Trade; - Deed No.5310/B TC-QLCS dated 09/5/2018 by the Ministry of Finance;	rent payment  Continui ng to use land in the form of hiring land with annual rent payment	Quang Nam Province  Deed No. 3952/UBND- KTTH dated 31/7/2017 by the People's Committee of Quang Nam Province	Quang Nam Province  Decision No. 3657/QĐ-UBND dated 16/10/2017 by the People's Committee of Quang Nam Province





No.	Company name, address of house and land area	Land area (m2)	Floor area (m2)	Related house and land documents	Use status	Ministry's approval of house and land arrangem ent plan	Lan use plan	Approval of arrangement plan by province/city People's Committee	Approval of land use plan by province/city People's Committee
12	Nam Giang District, Quang Nam Province	322,515.4	305,320.8	- Land lease No. 524/HDTD dated 10/10/2011 (Hiring land for 50 years)	Land for building the overflowing dam, water- rising dam, water tunnel, water	and operation; pier foundations of trunk lines of 35kV line to supply power for construction - Song Bung 2 Hydropower Plant project	Continui ng to use land in the form of hiring land with annual	Deed No. 3952/UBND- KTTH dated 31/7/2017 by the People's Committee of	Decision No. 3657/QĐ-UBND dated 16/10/2017 by the People's Committee of Quang Nam Province





EVNGENCO 2

## PROSPECTUS

No.	Company name, address of house and land area	Land area (m2)	Floor area (m2)	Related house and land documents	Use status	Ministry's approval of house and land arrangem ent plan	Lan use plan	Approval of arrangement plan by province/city People's Committee	Approval of land use plan by province/city People's Committee
					reception gate; pier foundations of branches of 35kV line and transformer stations – Song Bung 2 Hydropower Project		rent payment	Quang Nam Province	
IV	BINH DINH PROVINE	519,493.3	9,745.3						
	An Khe -Kanak Hydropower Company								
13	Tay Thuan Commune, Tay Son District, Binh Dinh Province	517,587.5	6,485.9	- Decision No. 110/QD- UBND dated 14/1/2016 by the People's Committee of Binh	Land for building Ankhe – Kanak	- Decision No.1911/Q D-BCT dated	Continui ng to use land in the form	Deed No. 5337/UBND- KT dated 22/11/2016 by	Deed No. 5622/UBND-KT dated 18/10/2017 by the People's



EVNFINANCE





No.	Company name, address of house and land area	Land area (m2)	Floor area (m2)	Related house and land documents	Use status	Ministry's approval of house and land arrangem ent plan	Lan use plan	Approval of arrangement plan by province/city People's Committee	Approval of land use plan by province/city People's Committee
				Dinh Province with regard to allowing Ankhe- Hydropower Company to hire land in use for building Ankhe - Kanak Hydropower Plant in Tay Thuan Commune, Tay Son District (Hiring land till 31/12/2055) - Land lease No. 158/HĐ-TĐ dated 25/10/2016 (hiring land until 01/2056)	Hydropower Plant	05/6/2018 by the Ministry of Industry and Trade; - Deed No.5311/B TC-QLCS dated 09/5/2018 by the Ministry of Finance;	of hiring land with annual rent payment	the People's Committee of Binh Dinh Province	Committee of Binh Dinh Province
14	No.125, Tay Son Road, Quang Trung Ward, Quy Nhon City, Binh Dinh Province	1,905.8	3,259.4	- Land use right certificate No. CL 018224 dated 06/9/2018 (Using period until 10/7/2058)	Working head office of An Khe - Kanak Hydropower Company		Land area being assigned by the State with	Deed No. 5337/UBND- KT dated 22/11/2016 by the People's Committee of	Deed No. 5622/UBND-KT dated 18/10/2017 by the People's Committee of





No.	Company name, address of house and land area	Land area (m2)	Floor area (m2)	Related house and land documents	Use status	Ministry's approval of house and land arrangem ent plan	Lan use plan	Approval of arrangement plan by province/city People's Committee	Approval of land use plan by province/city People's Committee
							collectin g the land use fee and to be changed in to the form of hiring land and paying rents annually after equitizati on.	Binh Dinh Province	Binh Dinh Province
V	GIA PROVINCE LAI	1,044,305.0	2,992.3						
	An Khe - Kanak Hydropower Company								





No.	Company name, address of house and land area	Land area (m <sup>2</sup> )	Floor area (m <sup>2</sup> )	Related house and land documents	Use status	Ministry's approval of house and land arrangem ent plan	Lan use plan	Approval of arrangement plan by province/city People's Committee	Approval of land use plan by province/city People's Committee
15	An Khe Township, Gia Lai Province	609,270.0	1,057.1	Decision No. 32/QĐ- UBND dated 25/3/2016 by the People's Committee of Gia Lai Province with regard to allowing An Khe - Kanak Hydropower Company to hire 60,927 ha of land to manage main items of An Khe - Kanak Hydropower Project at Cuu An, Thanh An communes and An Phuoc Ward, An Khe Township, Gia Lai Province (Hiring land till 10/8/2056) - Land lease No. 91/HĐTD dated 04/7/2017	- An Khe Hydropower Plant; + An Khe water intake gate assembly; Working house; residential house; operation house; + An Khe leading cluster: Working house; residential house; guarding	- Decision No.1914/Q Đ-BCT dated 05/6/2018 by the Ministry of Industry and Trade; - Deed No.5312/B TC-QLCS dated 09/5/2018 by the Ministry of Finance;	Continui ng to use land in the form of hiring land with annual rent payment	Deed No. 4079/UBND- KT dated 24/10/2017 by the People's Committee of Gia Lai Province	- Deed No. 4079/UBND-KT dated 24/10/2017 by the People's Committee of Gia Lai Province. - Deed No. 495/UBND- KTTH dated 10/03/2020 by the People's Committee of Gia Lai Province





No.	Company name, address of house and land area	Land area (m2)	Floor area (m2)	Related house and land documents	Use status	Ministry's approval of house and land arrangem ent plan	Lan use plan	Approval of arrangement plan by province/city People's Committee	Approval of land use plan by province/city People's Committee
16	Huyện Kbang, tỉnh Gia Lai	435,035.0	1,935.2	- Decision No. 117/QĐ- UBND dated 7/10/2014 by the People's Committee of Gia Lai Province with regard to allowing An Khe - Kanak Hydropower Company to hire 43.5035 ha of land to manage main items of An Khe -	- Kanak Hydropower Plant: Working house; residential house; guarding post; water intake gate operation		Continui ng to use land in the form of hiring land with annual rent payment	Deed No. 4079/UBND- KT dated 24/10/2017 by the People's Committee of Gia Lai Province	- Deed No. 4079/UBND-KT dated 24/10/2017 by the People's Committee of Gia Lai Province. - Văn bản 495/UBND- KTTH dated 10/03/2020 by the





No.	Company name, address of house and land area	Land area (m2)	Floor area (m2)	Related house and land documents	Use status	Ministry's approval of house and land arrangem ent plan	Lan use plan	Approval of arrangement plan by province/city People's Committee	Approval of land use plan by province/city People's Committee
				Kanak Hydropower Project at Lơ Ku, Đăk Smar Communes and Kbang Township, Kbang District, Gia Lai Province (Hiring land till 10/8/2056) - Land lease No. 135/HDTD dated 28/12/2016	house; overflowing dam operation house; hydropower plant				People's Committee of Gia Lai Province
VI	NINH THUAN PROVINCE	2,824.9	157.0						
	O Mon Power Center Project Management Unit								





No.	Company name, address of house and land area	Land area (m <sup>2</sup> )	Floor area (m <sup>2</sup> )	Related house and land documents	Use status	Ministry's approval of house and land arrangem ent plan	Lan use plan	Approval of arrangement plan by province/city People's Committee	Approval of land use plan by province/city People's Committee
17	Cong Hai Commune, Thuan Bac District, Ninh Thuan Province	2,824.9	157.0	<ul style="list-style-type: none"> <li>- Land use right certificate No.CG 352892 dated 12/10/2017;</li> <li>- Decision No. 261/QD-UBND dated 10/8/2017 by the People's Committee of Ninh Thuan Province (Hiring land till 18/4/2043);</li> <li>- Land lease No. 77/HDTD dated 06/9/2017.</li> </ul>	Land for building the operation management house and 03 turbine pier foundations; Pier foundations, medium-voltage line posts of Cong Hai 1 Wind Power Project - Phase 1	<ul style="list-style-type: none"> <li>- Decision No.1913/QD-BCT dated 05/6/2018 by the Ministry of Industry and Trade;</li> <li>- Deed No.5313/BTC-QLCS dated 09/5/2018 by the Ministry of Finance;</li> </ul>	Continuing to use land in the form of hiring land with annual rent payment	<ul style="list-style-type: none"> <li>Deed No. 3590/UBND-TH dated 30/8/2017 and Deed No. 4052/UBND-QHXD dated 29/9/2017 by the People's Committee of Ninh Thuan Province</li> </ul>	<ul style="list-style-type: none"> <li>Decision No. 363/QD-UBND dated 30/10/2017 by the People's Committee of Ninh Thuan Province</li> </ul>
VII	CAN THO CITY	462,340.9	78,517.6						





No.	Company name, address of house and land area	Land area (m2)	Floor area (m2)	Related house and land documents	Use status	Ministry's approval of house and land arrangem ent plan	Lan use plan	Approval of arrangement plan by province/city People's Committee	Approval of land use plan by province/city People's Committee
18	Power Generation Corporation 2 and Can Tho Thermal Power Company  Thoi Loi area, Thoi Loi Ward, O Mon District, Can Tho City	312,000.0 (*)	36,019.9	<ul style="list-style-type: none"> <li>- Land use right certificate No.CQ 404026 issued on 19/02/2019 (Land use period until 24/02/2050);</li> <li>- Land lease decision No. 2127/QĐ-UBND dated 20/8/2018 by the People's Committee of Can Tho City;</li> <li>- Land lease No. 03/HĐTD-2019 dated 15/01/2019.</li> </ul>	O Mon Thermal Power Plant	<ul style="list-style-type: none"> <li>- Decision No.3277/QĐ-BCT dated 11/09/2018 by the Ministry of Industry and Trade;</li> <li>- Deed No.5314/BTC-QLCS dated</li> </ul>	Continuing to use land in the form of hiring land with annual rent payment	Deed No. 3132/UBND-KT dated 15/8/2017 by the People's Committee of Can Tho City	Deed No. 4004/UBND-KT dated 17/10/2017 by the People's Committee of Can Tho City





No.	Company name, address of house and land area	Land area (m2)	Floor area (m2)	Related house and land documents	Use status	Ministry's approval of house and land arrangem ent plan	Land use plan	Approval of arrangement plan by province/city People's Committee	Approval of land use plan by province/city People's Committee
19	No. 1, Le Hong Phong Road, Tra Noc Ward, Binh Thuy District, Can Tho City	74,921.0	17,052.0	- Land use right certificate No. AD 327775 dated 30/12/2005; - Land lease No. 103/HDTD-2013 dated 15/10/2013 and Contract lease No. 07/PLHD-2019 dated 15/01/2019.	Head office of Power Generation Corporation 2 and Can Tho Thermal Power Company	09/5/2018 by the Ministry of Finance; - Decision No. 553/QĐ- UBQLV dated 08/12/2020 by the Committee for Managem ent of State Capital at Enterprises ;	Continui ng to use land in the form of hiring land with annual rent payment	Deed No. 3132/UBND- KT dated 15/8/2017 by the People's Committee of Can Tho City	- Deed No. 4004/UBND-KT dated 17/10/2017 by the People's Committee of Can Tho City
20	Nguyen Chi Thanh Road, Tra Noc Ward, Binh Thuy District, Can Tho City	75,419.9	25,445.7	- Land use right certificate No. CQ 404027 issued on 19/02/2019 (Land use period until 19/09/2051); - Land lease decision No. 2127/QĐ-UBND dated 20/8/2018 by the People's Committee of Can Tho City;	O Mon I Thermal Power Plant repair and operation management area	- Deed No. 14486/BT	Continui ng to use land in the form of hiring land with annual rent payment	Deed No. 3132/UBND- KT dated 15/8/2017 by the People's Committee of Can Tho City	- Deed No. 4004/UBND-KT dated 17/10/2017 by the People's Committee of Can Tho City





No.	Company name, address of house and land area	Land area (m <sup>2</sup> )	Floor area (m <sup>2</sup> )	Related house and land documents	Use status	Ministry's approval of house and land arrangem ent plan	Lan use plan	Approval of arrangement plan by province/city People's Committee	Approval of land use plan by province/city People's Committee
				- Land lease No. 03/HDTD-2019 dated 15/01/2019.		C-QLCS dated 26/11/2020 by the Ministry of Finance.			
VIII	DA NANG CITY	2,594.6	585.0						
	Song Bung Hydropower Company								
21	No. 143, Xo Viet Nghe Tinh Road, Khue Trung Ward, Cam Le District, Da Nang City	2,594.6	585.0	- Land use right certificate No. BE 572291 dated 19/7/2011	Working head office of Song Bung Hydropower Company; Song Bung 2 Hydropower	- Decision No.1912/Q D-BCT dated 05/6/2018 by the Ministry of Industry	Land area being assigned by the State with collectin g the land	Deed No. 8821/UBND- STC dated 30/10/2017 by the People's Committee of Da Nang City	Decision No. 5551/QD-UBND dated 21/11/2018 by the People's Committee of Da Nang City





No.	Company name, address of house and land area	Land area (m <sup>2</sup> )	Floor area (m <sup>2</sup> )	Related house and land documents	Use status	Ministry's approval of house and land arrangem ent plan	Lan use plan	Approval of arrangement plan by province/city People's Committee	Approval of land use plan by province/city People's Committee
					Project Management Unit; Vuong Hydropower JSC	and Trade; Deed - No.5315/B TC-QLCS dated 09/5/2018 by the Ministry of Finance;	use fee and to be changed in to the form of hiring land and paying rents annually after equitizati on.		

(\*) Notes:

For the land area of 312,000 m<sup>2</sup> in Can Tho City:

- The land area agreed and approved by the Ministry of Finance, the Ministry of Industry and Trade and the People's Committee of Can Tho City in the plan of rearranging and dealing with real estate facilities and in the equitized land use plan is 477,488 m<sup>2</sup>. In the process of handling recommendations of the State Audit, EVNGENCO 2 asked the People's Committee of Can Tho City to consider and give ideas on this land area. On March 16, 2020, the People's Committee of Can Tho City issued Deed No.





757/UBND-KT. Accordingly, EVNGENCO 2 continues to manage and use land according to the approved land use plan in Official Letter No. 4004/UBND- KT dated October 17, 2017. In case there is a change in the land use demand according to the approved sectorial planning on the basis of a written approval from the governing body and competent State authorities, EVNGENCO 2 and the units assigned to manage the project shall carry out legal procedures on land in accordance with the applicable laws.

- In accordance with the O Mon Power Center Planning approved according to the recommendations of the State Audit, and in line with the actual land use needs of the O Mon III project when implementing the project, EVN has Directive document No. 3738 / EVN-KH dated June 2, 2020 on land area of O Mon III, IV Thermal Power Plant project, accordingly, EVNGENCO 2 has coordinated with related units to implement the determine the location and area of O Mon III thermal power plant project in an area of 477,488 m<sup>2</sup>. On the basis of the results of reviewing the land area of O Mon I, III, IV thermal power plant projects and updating the EVNGENCO2's housing and land treatment plan of EVNGENCO2 in Can Tho city, EVN Document 6377 / EVN-KH has been submitted to the State Capital Management Committee in enterprises for approval and send to the Ministry of Finance. This land area after updating is 312,000 m<sup>2</sup> (a reduction of 104,140 m<sup>2</sup> of O Mon III Thermal Power Plant project handed over to Power Project Management Unit 3 and a reduction of 61,348 m<sup>2</sup> of O Mon 220kV distribution station handed over to Transmission Company power 4). On November 26, 2020, the Ministry of Finance issued a document No. 14486 / BTC-QLCS, accordingly, the Ministry of Finance agreed to adjust the land area of O Mon I Thermal Power Plant of Power Generation Corporation 2 from 477,488 m<sup>2</sup> to 312,000 m<sup>2</sup> and has been approved by the State Capital Management Committee at enterprises to keep and continue to use it according to Decision No. 553 / QĐ-UBND-V dated December 8, 2020. On December 25, 2020, Can Tho City People's Committee issued Document No. 4046 / UBND-KT on the adjustment and plan of land use when the equitization conversion of Power Generation Corporation 2 is carried out. Accordingly, the People's Committee of Can Tho city agreed to adjust the land area of Location 1 (O Mon Thermal Power Plant) from 477,488 m<sup>2</sup> to 312,000 m<sup>2</sup>, located in Thoi Loi area, Phuoc ward. Thoi, O Mon district, Can Tho city in Official Dispatch No. 4004 / UBND-KT dated October 17, 2017 of the Chairman of Can Tho City People's Committee on the land use plan when performing the share conversion. of Power Generation Corporation 2.
- **For the land area of 1,042,693 m<sup>2</sup> in Can Tho City:** Approved by the People's Committee of Can Tho City according to Decision No. 3132/UBND-KT dated 15/8/2017, and the Ministry of Finance and Ministry of Industry and Trade according to Deed No.





5314/BTC-QLCS dated May 9, 2018 and Decision No. 1923/QĐ-BCT dated June 5, 2018. In the process of implementing the equitization procedures of the parent company - Power Generation Corporation 2, following the instructions of the Prime Minister at Deed No.1904/TTg-CN dated December 13, 2017 and EVN at Deed No.5909/EVN-KH dated December 15, 2017 on changing the investment owner and assigning the tasks to the Project Management Unit of O Mon III and O Mon IV thermal power plants, EVNGENCO 2 handed over the projects of O Mon III and IV thermal power plants to the AD3 Board, and handover of 1,042,693 m<sup>2</sup> of land in the primitive state to the AD3 N Board on March 13, 2020. The content was reported by EVNGENCO 2 to the State Audit by Deed No. 2180/EVNGENCO 2-TCKT dated June 26, 2020.

For the hydropower pool bed land area:

- An Khe power pool with an area of 5,331,440 m<sup>2</sup> and Kanak power pool with an area of 16,782,000 m<sup>2</sup> were assigned by the People's Committee of Gia Lai Province to An Khe-Kanak Hydropower Company according to Decision No.103/QĐ-UBND dated August 9, 2013 and Decision No.102/QĐ-UBND dated July 30, 2013 in the form of land allocation (not issuing the land use right certificate).
- For the land of the Song Bung 4 hydropower pool bed with an area of 15,006,655.3 m<sup>2</sup> and land of Song Bung 2 hydropower pool bed with an area of 2,457,410.3 m<sup>2</sup> (including the area of 1,259,062.3 m<sup>2</sup> in Nam Giang District and 1,198,348 m<sup>2</sup> in Tay Giang District), Song Bung Hydropower Company and Song Bung 2 Hydropower Project Management Unit, a branch of EVNGENCO2, have signed land lease contracts with Quang Nam Province for the hiring period of 50 years. Quang Nam Department of Taxation issued Decisions No. 907/QĐ-CT and No. 908/QĐ-CT dated February 27, 2015 on exempting land and water surface rents for Song Bung 2 Hydropower Project Management Unit for a period of 18 years, and Decision No. 6969/QĐ-CT dated October 22, 2015 on exempting water surface rents for Song Bung 4 Hydropower Project Management Unit for a period of 15 years.

Currently, under the direction of the Ministry of Natural Resources and Environment in Document 4712 / BTNMT-TCQLĐĐ dated September 18, 2019 and Electricity of Vietnam Group at Document No. 5081 / EVN-KH dated September 24 / In 2019 on guidelines for implementing the management of hydropower reservoirs, EVNGENCO 2 issued document 3844 / EVNGENCO 2-KH dated December 27, 2019, requesting hydropower plants to coordinate with local authorities. to agree not to do the allocation / lease of reservoir land and complete necessary legal procedures related to the management and use of hydropower reservoir land.

