

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

PROSPECTUS

INITIAL PUBLIC OFFERING

PETROVIETNAM POWER CORPORATION ONE MEMBER LIMITED LIABILITY COMPANY

THE AUCTIONEER



HANOI STOCK EXCHANGE
SỞ GIAO DỊCH CHỨNG KHOÁN HÀ NỘI

HANOI STOCK EXCHANGE

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THE ISSUER



PETROVIETNAM POWER CORPORATION ONE MEMBER LIMITED LIABILITY COMPANY

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VIET CAPITAL SECURITIES JOINT STOCK COMPANY

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December 2017

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PART 1: FOREWORD

This Prospectus which is for the purposes of information announcement for the public auction of the the initial public offering (IPO) is a part of the equitization process of PetroVietnam Power Corporation One Member Limited Liability Company (PV Power).

PV Power as the Information Disclosure and the Issuer, requests investors to only rely on the information provided in (i) this Prospectus, (ii) the Bidding Form and (iii) the Auction Regulation, issued by the Auctioneer to consider their investment in PV Power's common stocks. No organizations/individuals have been authorized to provide any information in this Prospectus to the investors. The investors should not rely on any information or statements which are not presented in the above documents. The investors should consult PV Power and independent advisors regarding any potential misinterpretation of information presented herein.

PV Power is a wholly state-owned enterprise and is privatizing via selling a part of the state ownership.

After the equitization, PetroVietnam Power Corporation One Member Limited Liability Company will operate as a joint stock company – PetroVietnam Power Corporation Joint Stock Company (PV Power JSC). Any existing legal rights, obligations, and benefits of PV Power would be carried forward to the newly incorporated entity as regulated in Vietnamese laws. Upon obtaining certificate of business registration, PV Power JSC will have legal status as defined under Vietnam legislative system, together with the corporate seal and account(s). PV Power JSC will operate under the Corporate Charter which is accordance with Vietnamese laws.

This share offering in the form of public auction is a part of PV Power's equitization process in order to transform the Corporation into a joint stock company. The investors holding PV Power JSC's shares will become PV Power JSC's shareholders and reserve all associated rights and obligations as stated under PV Power JSC's Corporate Charter and Vietnam legislative system.

**SUMMARY OF THE AUCTION FOR THE INITIAL PUBLIC OFFERING OF
PETROVIETNAM POWER CORPORATION**

1. The information of the Auction for the Initial Public Offering

Name of the issuer:	PETROVIETNAM POWER CORPORATION ONE MEMEBER LIMITED LIABILITY COMPANY (PV Power)
Head office:	8 th , 9 th Floor, Vietnam Petroleum Institute Building, Trung Kinh, Yen Hoa, Cau Giay, Hanoi
Number of shares offered in the IPO:	468,374,320 shares
Type of issuing shares:	Ordinary shares
Par value:	10,000 VND/share
Starting price:	14,400 VND/share
Allocation method:	Public auction
Expected charter capital:	23,418,716,000,000 VND

Source: the Equitization plan of PV Power

1. Expected shareholder structure:

No.	Shareholders	Number of shares	Par value (VND)	% ownership
1	The state	1,194,354,516	11,943,545,160,000	51.000
2	Employees	2,757,400	27,574,000,000	0.118
2.1	Employees who purchase shares at preferential price	1,005,100	10,051,000,000	0.043
2.2	Employees with long-term working commitment	1,752,300	17,523,000,000	0.075
3	Public investors (IPO)	468,374,320	4,683,743,200,000	20.000
4	Strategic investors	676,385,364	6,763,853,640,000	28.882

Total	2,341,871,600	23,418,716,000,000	100
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Source: the Equitization plan of PV Power

- **Auction method:** Public auction at Hanoi Stock Exchange.
- **Participants:** Domestic and international organizations and individuals who meet the conditions of the Auction Regulation for the initial public offering of PV Power.
- **The Prospectus is provided by:** auction agents as stated in the Auction Regulation for the initial public offering of PV Power. The Prospectus is also available on the following websites: www.hnx.vn, www.vcsc.com.vn, www.pv-power.vn, <http://psi.com.vn> and the websites of the auction agents.
- **Registration locations:** at auction agents as stated in the Auction Regulation for the initial public offering of PV Power.
- **Time for application form submission, deposit and receiving auction certificate:** as stipulated in the Auction Regulation for the initial public offering of PV Power.
- **Deposit regulation:** as stipulated in the Auction Regulation for the initial public offering of PV Power.
- **Time for auction agents to receive auction certificates:** as stipulated in the Auction Regulation for the initial public offering of PV Power.
- **Auction location:**

HANOI STOCK EXCHANGE

Location: No. 2 Phan Chu Trinh, Hoan Kiem, Hanoi, Vietnam

Phone: (84-24) 39412626; (84-4) 39360750 Fax: (84-24) 39347818

- **Payment method, time for payment if successfully acquiring shares and deposit repayment if not successfully acquiring shares:** as stipulated in the Auction Regulation for the initial public offering of PV Power.

PART 2: GENERAL INFORMATION OF THE AUCTION

1. LEGAL BASIS OF THE AUCTION

1.1. Legal basis for the equitization of state-owned enterprises

- Enterprise Law No. 68/2014/QH13 dated 26/11/2014 by the National Assembly of the Socialist Republic of Vietnam;
- Law on Securities No. 70/2006/QH11 dated 29/06/2006 by the National Assembly of the Socialist Republic of Vietnam;
- Law on Amending and supplementing a number of articles of Law on Securities No. 62/2010/ QH12 dated 24/11/2010 by the National Assembly of the Socialist Republic of Vietnam;
- Law No. 69/2014/QH13 on Management and utilization of state capital invested in the enterprise's manufacturing and business activities dated 26/11/2014 by the National Assembly of the Socialist Republic of Vietnam;
- Decree 96/2015/ND-CP dated 19/10/2015 by the Government of the Socialist Republic of Vietnam on guidelines for some articles of the law on enterprises;
- Decree No. 58/2012/ND-CP dated 20/07/2012 by the Government of the Socialist Republic of Vietnam on Stipulating in detail and guiding the implementation of a number of articles of the securities law and the law amending and supplementing a number of articles of securities law;
- Decree No. 60/2015/ND-CP dated 26/06/2015 by the Government of the Socialist Republic of Vietnam on Amending, supplementing several articles of the Government's decree no. 58/2012/ND-CP dated 20/07/2012 on Stipulating in detail and guiding the implementation of a number of articles of the securities law and the law amending and supplementing a number of articles of securities law;
- Decree No. 91/2015/ND-CP dated 13/10/2015 by the Government of Vietnam on State capital investment in enterprises, use and management of capital and assets in enterprises;
- Decree No. 59/2011/ND-CP dated 18/07/2011 by the Government of Vietnam on transformation of enterprises with 100% state capital into joint-stock companies;
- Decree No. 189/2013/ND-CP dated 20/11/2013 by the Government of Vietnam on Amendments and supplements to some articles of Decree No 59/2011/ND-CP dated July 18, 2011 of the government on transformation of wholly state-owned enterprises into joint-stock companies;
- Decree No. 116/2015/ND-CP dated 11/11/2015 by the Government of Vietnam on Amendments and supplements to some articles of Decree No. 59/2011/ND-CP dated 18/7/2011 on transformation of wholly state-owned enterprises into joint-stock companies;

- Decree No. 63/2015/ND-CP dated 22/7/2015 by the Government of Vietnam on Providing for policies towards redundant employees due to the restructuring of state-owned single member limited companies;
- Circular No. 44/2015/TT-BLDTBXH dated 22/10/2015 by the Ministry of Labor - Invalids and Social Affairs guiding Decree No. 63/2015/ND-CP on Providing for policies towards redundant employees due to the restructuring of state-owned single member limited companies;
- Circular No. 127/2014/TT-BTC dated 05/09/2014 by the Ministry of Finance on Instructions on financial settlement and business valuation in transformation of wholly state-owned enterprises into joint-stock companies;
- Circular No. 196/2011/TT-BTC dated 26/12/2011 by the Ministry of Finance on Guiding the initial sale of shares and the management and use of proceeds from the equitization of enterprises with 100% state capital into joint-stock companies;
- Circular No. 115/2016/TT-BTC dated 30/06/2016 by Ministry of Finance on Amending and adding some articles of the circular No. 196/2011/TT-BTC dated 26/12/2011 of the Ministry of Finance guiding the initial sale of shares and management and use of proceeds from equitization of wholly state-owned enterprises;
- Circular No. 33/2012/TT-BLDTBXH dated 20/12/2012 by the Ministry of Labor - Invalids and Social Affairs on Guiding the implementation of policies for employees under Decree No. 59/2011/NĐ-CP dated July 18th 2011 by the Government of Vietnam on transformation of stated-owned enterprises into joint-stock companies;
- Decision No. 817/QĐ-BLDTBXH dated 28/5/2013 by Ministry of Labor - Invalids and Social Affairs on Corrections of Circular No. 33/2012/TT-BLDTBXH dated 20/12/2012 by the Ministry of Labor - Invalids and Social Affairs on Guiding the implementation of policies for employees under Decree No. 59/2011/NĐ-CP dated July 18th 2011 by the Government of Vietnam on transformation of stated-owned enterprises into joint-stock;
- Decision No. 58/2016/QĐ-TTg dated 28/12/2016 by Prime Minister on Criteria for classification of wholly state-owned enterprises, partially state-owned enterprises and list of state-owned enterprises undergoing restructuring in 2016 – 2020;
- Resolution No. 84 / NQ-CP dated 06/09/2017 on the regular Government meeting in August 2017.

1.2. Legal basis for the equitization of PetroVietnam Power Corporation

- No. 428/QĐ-TTg dated 18/3/2016 by Prime Minister on The approval of revisions to the national power development plan from 2011 to 2020 with visions extended to 2030;
- Decision No. 168/QĐ-TTg dated 07/02/2017 by Prime Minister on Approval for project for restructuring of electricity sector in the period of 2016 – 2020 with an orientation to 2025;

- Decision No. 46/QĐ-TTg dated 05/01/2013 by Prime Minister on Approving the scheme on restructure of Vietnam Petroleum Group in period 2012-2015;
- Decision No. 1011/QĐ-TTg dated 03/07/2015 by Prime Minister on Amending the scheme on restructure of Vietnam Petroleum Group in period 2012-2015;
- Decision No. 1759/QĐ-DKVN dated 28/7/2015 by Board of Members of Vietnam Petroleum Group on Equitization of PetroVietnam Power Corporation;
- Decision No. 976/QĐ-DKVN dated 17/5/2016 by Vietnam Petroleum Group on Approval of restructuring plan of PetroVietnam Power Corporation in the period 2016-2020;
- Decision No. 4437/NQ-DKVN dated 13/07/2017 by Board of Members of Vietnam Petroleum Group on Approval business plan for 5 years after equitization to be used in equitization plan of PetroVietnam Power Corporation;
- Decision No. 1364/QĐ-BCT dated 20/4/2017 by Ministry of Industry and Trade on Valuation of PetroVietnam Power Corporation (under Vietnam Petroleum Group) for equitization.
- Decision No. 1977/QĐ-TTg dated 8/12/2017 by Prime Minister on Approval of Equitization Plan of PetroVietnam Power Corporation – the Parent Company (under PVN).

2. RELATED PARTIES OF THE AUCTION

2.1. The Auctioneer

HANOI STOCK EXCHANGE

Name : HANOI STOCK EXCHANGE
 Head office : No. 2 Phan Chu Trinh, Hoan Kiem, Hanoi, Vietnam
 Tel : (024) 39412626
 Fax : (024) 39347818
 Website : www.hnx.vn

2.2. The Issuer

PETROVIETNAM POWER CORPORATION ONE MEMBER LIMITED LIABILITY COMPANY

Abbreviated name : PV Power
 Head office : 8th, 9th Floor, Vietnam Petroleum Institute Building, Trung Kinh, Yen Hoa, Cau Giay, Hanoi, Vietnam
 Tel : (024) 22210288
 Fax : (024) 22210388
 Website : www.pvpower.vn

2.3. The Advisor

VIET CAPITAL SECURITIES JOINT STOCK COMPANY

Head office : 15th Floor, Bitexco Financial Tower, No. 2 Hai Trieu St,
Dist 1, HCMC
Tel : (028) 3914 3588
Fax : (028) 3914 3209
Website : www.vcsc.com.vn

Hanoi Branch

Address : 6th Floor, Capital Tower, No. 109 Tran Hung Dao St,
Hoan Kiem Dist, Hanoi
Tel : (024) 6262 6999
Fax : (024) 6278 2688

3. ABBREVIATION AND GLOSSARY

PV Power : PetroVietnam Power Corporation One Member
Limited Liability Company
The Corporation : PetroVietnam Power Corporation One Member
Limited Liability Company
The Joint Stock Company : PetroVietnam Power Corporation Joint Stock
Company
EVN : Vietnam Electricity Group
PVN : Vietnam Oil and Gas Group
Ltd., : Limited company
JSC. : Joint – stock company
ROA : Return on total assets
ROE : Return on equity
VND : Vietnamese Dong

4. FORWARD-LOOKING STATEMENTS

This Prospectus contains a number of forward-looking statements regarding to plan, intention, belief, expectation and forecast of PV Power’s businesses, especially in the Part “ Investment plans and development strategies of PV Power post equitization”. Essentially, the forward-looking statements might not become actual in the future.

Forward-looking statements presented in this Prospectus include, but are not limited to:

- Post-equitization organizational structure;
- Capital structure;
- Post-equitization development plans and strategies.

In addition, the following statements are also forward-looking statements: the statements regarding to financial performance, targets, strategies, organization structure and operation post equitization; the cooperation and relationships between PV Power and strategic investors and the ability of the strategic investors to support PV Power to enhance business activities and to revolutionize in corporate governance; and PV Power's plans and solutions. In some cases, PV Power uses the words "anticipate", "believe", "estimate", "expect", "intend", "may", "plan", "probability", "risk", "should" and similar expressions to identify forward-looking statements.

Though PV Power believes that the forward-looking statements are reasonable, these statements are not necessarily accurate indications of the future results.

Post equitization, except for the disclosures as requested by laws that are applied for joint-stock companies, public companies or listed companies, PV Power takes no obligation to update, disclose or revise any forward-looking statements in this Prospectus, even there are new information, future events or any other circumstances. The investors should pay attention to the above cautions when assessing the forward-looking statements presented in this Prospectus.

PART 3: OVERVIEW OF PV POWER PRIOR TO THE EQUITIZATION

1. GENERAL INFORMATION OF THE EQUITIZED CORPORATION

1.1. General information

Vietnamese name : TONG CONG TY DIEN LUC DAU KHI VIET NAM

English name : PETROVIETNAM POWER CORPORATION

Transaction name : PETROVIETNAM POWER CORPORATION

Abbreviated name : PV Power

Head office : 8th, 9th Floor, Vietnam Petroleum Institute Building,
Trung Kinh, Yen Hoa, Cau Giay, Hanoi

Tel : (84-24)22210288

Fax : (84-24) 22210388

Email : truyenthong@pvpower.vn

Website : www.pvpower.vn

Logo :



Certificate of business registration : 0102276173 first issued by the Department of Planning and Investment of Hanoi on 31/05/2007, 12th amendment dated 27/10/2016

Legal representative : Nguyen Xuan Hoa

Charter capital according to Certificate of business registration No. 0102276173 first issued by the Department of Planning and Investment of Hanoi on 31/05/2007, 12th amendment dated 27/10/2016 : 21,774,301,577,676 VND (in words: twenty one thousand, seven hundred and seventy four billion, three hundred and one million, five hundred and seventy seven thousand, six hundred and seventy six Vietnam Dong)

1.2. Business activities

PV Power's business activities are as follows:

- Power production, transmission and distribution, in detail:
 - Power production and trading;
 - Invest in and develop power businesses;
 - Invest in construction and development of electric power infrastructure, including synchronous medium and low voltage electricity distribution and selling industrial and consumer electricity;
 - Provide technical services in electricity production and trading;
 - Construction management and operation of power plants
 - Provide solutions for reducing greenhouse gas emissions (CERs) of power projects;
 - Construct, develop and manage the implementation of Clean development mechanism (CDM) projects;
 - Provide technical services, operation and training human resources for operation management, repair and maintenance for electricity production and trading;
- Warehouse and storage of goods (excluding real estate business)
- Wholesale of solid, liquid, gaseous fuels and related products:
 - Wholesale of coals;
 - Export energy and fuel for electricity generation and trading.
- Electricity system installation: install electricity system for buildings.
- Other construction activities:
 - Invest in constructing new independent power plants (IPP);
 - Export equipment, materials, accessories for electricity production and trading.
- IT services and related services: investment and providing services of information technology;
- Other professional, scientific and technological activities:
 - Provide solutions for reducing greenhouse gas emissions (CERs) of power projects;
 - Research and apply new technological advances to development of power projects such as wind, solar, and nuclear power;
- Management consulting activities: provide project management services and consultancy services for power projects;
- Activities that support other businesses: export the Corporation's products;
- Other wholesale: trading ash, slag and scrap products;

- Rental of machinery, equipment and other tangible materials: rental of transportation vehicle, cranes and tractors;
- The Corporation operates conditional businesses only if the Corporation meets requirement by laws.

1.3. Products and services

Currently, PV Power is operating in the following businesses: electricity production; coal importing, trading and distributing; repairing, maintenance and supplying tools & equipment for power plants. However, the majority of revenue comes from electricity production, while the remaining businesses are complementary to the Corporation's core business, with a low proportion of revenue compared to the power generation business.

1.3.1. Power generation

- **Power generation:**

PV Power's development focus is on gas power plants. Up to now, PV Power has invested and put into operation four gas power plants which are Ca Mau 1 & 2, Nhon Trach 1 and Nhon Trach 2 with total capacity of 2,700 MW. These power plants are located in southern provinces where electricity demand is very high and often in the power shortage, thus the power plants partially reduce the shortage in the area. Apart from gas power plants, PV Power also invested in some hydropower projects such as Hua Na hydropower in Nghe An province with an installation capacity of 180 MW and came to operation in 2013, DakDrinh hydropower in Quang Ngai with installation capacity of 125 MW, Nam Cathydropower in Bac Kan with installation capacity of 3.2 MW. PV Power also invested in a wind power project that is Phu Quy wind power plant in Binh Thuan province with the capacity of 6 MW, but the Corporation handed over the plant to EVN¹. In the end of 2015, PV Power took over Vung Ang 1 coal – fired thermal power plant from PVN. The Corporation has officially recorded revenue of the thermal power plants since 2016.

With the development strategy based on thermal power plants, in the future, PV Power will divest from Hua Na, DakDrinh and Bac Kan hydropower plants to focus on developing new gas power projects.

¹Approved by the Prime Minister in Official Letter No. 145/TTg-KTN dated 27/01/2014, PV Power completed the handover of assets relating to the operation of Phu Quy wind power plant to Southern Power Corporation (a subsidiary of EVN) according to the transfer report of Phu Quy wind power plant from PVN to EVN on 21/12/2015.

Installation capacity

As of 31/03/2017, the total installation capacity of PV Power's plants reached 4,208.2 MW:

Table 1: PV Power's power plants

No.	Power plants	Installation capacity (MW)	Year of operation	Participate in competitive power generation market
1	Ca Mau 1 thermal power plant	750	03/2008	Not participate in
2	Ca Mau 2 thermal power plant	750	12/2008	Not participate in
3	Nhon Trach 1 thermal power plant	450	Turbine GT11: 05/2008 Turbine GT12: 07/2008 Turbine ST18: 04/2009 Mixed cycle: 08/2009	01/07/2012
4	Nhon Trach 2 thermal power plant	750	Turbine GT11: 21/2/2011 Turbine GT12: 07/3/2011 Mixed cycle: 16/10/2011	01/07/2012
5	Nam Cat hydropower	3.2	2013	Not participate in
6	Hua Na hydropower	180	2013	2013
7	DakDrinh hydropower	125	2014	2015
8	Vung Ang 1 thermal power plant	1,200	2015	2016
	Total	4,208.2		

Source: Equitization plan of PV Power

Power outputs:

- In the period from 2013 to 2016, total power output of PV Power was 70.89 billion kWh.
- The growth rate of electricity output in this period reached over 9% per year.

Table 2: electricity outputs for the period 2013 – 2016

Unit: million kWh

No.	Power plant	2013	2014	2015	2016
1	Ca Mau 1&2	8,052	7,446	7,900	8,127
2	Nhon Trach 1	2,774	2,789	3,314	3,562
3	Nhon Trach 2	4,670	4,764	5,350	5,222
4	Nam Cat	9	16	15	15
5	Hua Na	643	690	450	558
6	DakDrinh	-	354	525	464
7	Vung Ang 1				3,184

Source: Equitization plan of PV Power

Note: the electricity output does not include power in testing phase and operation lease.

▪ **Participation in the competitive power generation market**

The competitive power generation market started operating from July 2012. PV Power has two power plants (Nhon Trach 1 & 2) entering the market from the beginning of operation. Then, other plants of the Corporation also participated in the competitive power generation market that are Hua Na hydropower (2013), DakDrinh hydropower (2015) and Vung Ang 1 thermal power plant (2016). After more than 5 years of joining the market, PV Power in general and the power plants of PV Power in particular have gained remarkable achievements, met the output and revenue targets, and been profitable (*except for the overhaul phase of Nhon Trach 1 due to lack of capacity to cover fixed costs during time*).

In order to participate in the competitive power generation market, PV Power must always try to find out price offering options and operating plans to optimize profits while still ensuring technical issues, minimizing negative effects on turbines due to capacity changes (*for gas-fired power plants*) and optimizing the use of limited primary energy sources (*for hydropower plants*). Therefore, the participation in the competitive power generation market has significantly contributed to improve the efficiency of production and business activities of PV Power.

1.3.2. Electrical technical services

Along with the power generation, the development of electrical technical services is one of the important objectives in PV Power's business plan. On 27/11/2007, PV Power Services JSC (PVPS) was established under the direction of PVN and PV Power, aiming to master the technology, efficiently operate modern equipment, step by step replace foreign contractors and

take the initiative in performing regular repairs, maintenance, overhaul for power plants of PV Power.

PV Power Services JSC has well performed the repair and maintenance of PV Power's power plants with the aim to promote internal strength and gradually improve the professional skills of technical staff and workers; take initiative in the repair and maintenance of power plants, build up a roadmap to minimize the maintenance costs of OEM subcontractors, ensure timely completion of work, good quality and maximizing cost savings. Up to now, the company has successfully completed maintenance/overhaul of Ca Mau 1 power plant, maintenance of Ca Mau 2 power plant, maintenance/overhaul of Nhon Trach 1 power plant, expanded Nhon Trach 2 power plant (completed ahead of schedule), Hua Na hydropower maintenance. The success of the maintenance/overhaul marks an important milestone in the development of electricity technical services of PV Power Services, proving that PV Power Services staff can meet the power plant maintenance and repair requirements and be ready for more missions and to gradually replace foreign experts for reducing costs.

Total revenue from electrical technical services was around 7,700 billion VND, accounting for 5% of the Corporation's total revenue (for the whole period of 2011-2016). However, most of the revenue still came from subcontractors (original equipment manufacturers), as the company's contract value was still mainly for equipment replacement. In the period of 2012 - 2015, the revenue came from activities that PV Power Services executed by itself was around 725 billion VND, accounting for about 15% of total revenue of PV Power Services. In 2016, PV Power Services's revenue reached 1,257 billion VND.

PV Power faces difficulties in increasing the localization of electrical technical services due to the difficulties in negotiation with subcontractors on changing the form of contracts and difficulties in intensive training to the Corporation's staff since the original equipment manufacturers only provide training courses to their staff but not to their clients while the equipment is high technology and not easy to be manufactured in Viet Nam.

1.3.3. Coal supply services

PV Power established a company for supplying fuel to thermal power plants of PVN based on the restructuring scheme of PVN for the period 2012-2015 approved by the Prime Minister in Decision No. 46/QD-TTg dated 05/01/2013. PV Power Coal Import and Distribution Company – a branch of PV Power was established under Decision No. 86/QD/HDTV-DLTK dated

19/03/2013 by Board of Member of PV Power on the basis of receiving original status of capital, assets, human resources, and inherit all rights and obligations of contracts of PetroVietnam Coal Import and Distribution Company –a branch of PVN. PV Power Coal has the responsibility to ensure the stable coal supply (domestic and import) for power plants of PVN and PV Power.

By the end of 2015, PV Power Coal had performed the following tasks:

- Complete the study and elaboration of the coal import scheme;
- Propose management mechanisms and regulations to prepare for the supply of imported coal for power projects of PVN and PV Power;
- Source coal resources from Australia, Indonesia, Russia ... and signed long-term coal purchase agreements (COFA/MOU) for power projects;
- Negotiate coal purchase agreement with Vinacomin for coal supply for Vung Ang 1 power plant; implement coal reception effectively and safely with the coal volume delivered to Vung Ang 1 power plant of nearly 2 million tons; carry out monitoring of coal delivery to the factory; negotiat coal supply agreement for commercial operation of Vung Ang 1 power plant;
- Negotiate and reach an agreement with Vinacomin on coal supply to Thai Binh 2 power plant as a basis for investment preparation (design), testing operation and for the next 5 years of commercial operation phase; contribute suggestions to Thai Binh 2 power plant Project Management Committee in investigating and researching the operation plan of the power plant.

1.4. Development history

PetroVietnam Power Corporation is an one-member limited liability company with 100% of the charter capital owned by PetroVietnam. PV Power was established under Decision No. 1468/QD-DKVN of PetroVietnam’s Board of Directors (PetroVietnam’s Board of Members, currently) dated 17/05/2007 and Certificate of business registration No. 0102276173 first issued by the Department of Planning and Investment of Hanoi on 31/05/2007, 12th amendment dated 27/10/2016.

Historical milestones:

- 17/05/2007: Chairman of PetroVietnam issued Decision 1468/QD-DKVN on the

establishment of PetroVietnam Power Corporation – the Parent Company.

- 12/2007: PV Power established 5 subsidiaries which are Project Management PMC1 One Member Limited Liability Company, Project Management PMC2 One Member Limited Liability Company, PetroVietnam Power Services Jsc, PetroVietnam Power Engineering Consulting Jsc, and Petroleum Power Property Jsc (PV Power Land).
- 03/2008: start the construction of Hua Na Hydro Power Plant
- 12/2008: signed contracts with Vietnam Electricity (EVN) to sell electricity generated by Ca Mau 1&2 Power Plant and Nhon Trach 1 Power Plant.
- 06/2009: start the construction of Nhon Trach 2 Power Plant – a large power plant in Nhon Trach Power Center.
- 08/2009: inaugurated Nhon Trach 1 Power Plant.
- 11/2010: start the construction of Phu Quy Wind Power Plant, the first renewable energy project of PV Power.
- 12/2010: Nhon Trach 2 Power Plant joined the national electricity grid.
- 01/2011: start the construction of DakDrinh Hydroelectric Power Plant.
- 11/2011: inaugurated Nhon Trach 2 Power Plant and awarded the 3rd class labor medal.
- 4/2013: established a branch of PV Power - PV Power Coal after receiving PV Coal from PetroVietnam.
- 09/2013: inaugurated Hua Na Hydro Power Plant
- 2014: operated DakDrinh Hydro Power Plant
- 11/2014: established a branch of PV Power – PV Power Ha Tinh in order to take over and operate Vung Ang 1 Thermal Power Plant that previously belonged to PetroVietnam, and dismissed Vung Ang 1 Petro Power Production Preparation Committee.
- 12/2015: completed transferring PhuQuy Wind Power Plant to Southern Power Corporation (a subsidiary of EVN).
- 12/2015: completed merging PV Power Renewable Energy Ltd., into PV Power at 0:00 on 29/12/2015.
- 12/2015: received the transfer of Vung Ang 1 Thermal Power Plant from PetroVietnam which is the first thermal power plant of Vietnam with total capacity of 1,200MW.
- 12/2017: Prime Minister issued Decision No. 1977/QĐ-TTg on approval of equitization plan of PV Power.

1.5. Management and organization structure

According to Decision 2092/QĐ-DKVN dated 05/07/2007 of the Board of Directors of PetroVietnam on the approval of PV Power's Charter of Organization and Operation, Decision No. 2015/QĐ-DKVN dated 19/08/2008, Decision No. 1991 / QĐ-DKVN dated 13/07/2011, Decision No. 1993/QĐ-DKVN dated 02/10/2012 and Decision No.895/QĐ-DKVN dated 04/4/2014 of PetroVietnam on the amendment and supplement of a number of articles of PV Power's Charter on Organization and Operation, PV Power is a one member limited liability company, 100% owned by PetroVietnam and organized and operated in the form of parent company - subsidiary in accordance with Vietnamese laws.

Currently, PV Power had the following organization structure:

- Board of Members;
- Board of Managements;
- Supervisors;
- Functional departments (Administration department and 9 specialized departments);
- Dependent accounting units (5 branches): PetroVietnam Power Ca Mau, PetroVietnam Power Nhon Trach, PetroVietnam Power Ha Tinh and PetroVietnam Power Coal Import and Distribution; Committee of Investment Preparation for Gas Power Projects;
- Subsidiaries (6 subsidiaries);
- Affiliates and long-term financial investments (in 11 companies).

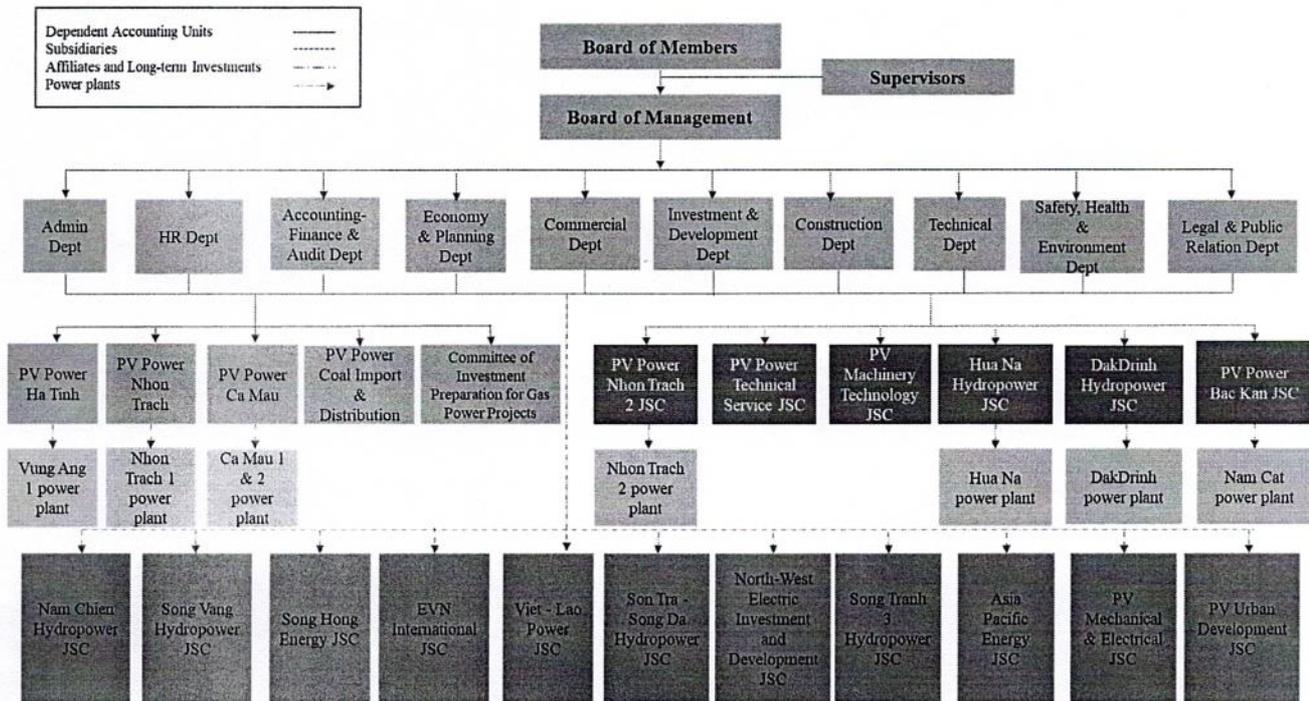
PV Power established Legal & Public Relation Department in 2016, with the purpose of focusing on the legal issues, public relation and brand development of the Corporation.

In April 2016, PV Power also fully divested its capital at Petrovietnam Southern Housing Development and Management JSC (PVFCCo-SBD), reducing the number of affiliates and long-term financial investments from 12 to 11.

In addition, in the first quarter 2017, the Corporation completed the related procedures to establish a branch of PV Power - Committee of Investment Preparation for Gas Power Projects (based on Resolution No. 40/NQ-DKVN dated 9/1/2017 of PetroVietnam's Board of Members).

PV Power's current organization structure is illustrated as below:

Chart 1: Management and organization structure prior to equitization



Source: PV Power

Functional departments of PV Power

Functional departments are under the direct management of the General Director, have functions of consulting and assisting the Board of Members and General Director in managing, operating, and exercising the rights and obligations of PV Power - the Parent Company, which is stipulated in the Charter of organization and operation of PV Power as well as its subsidiaries and member units.

▪ **Administration Department:**

Advise and assist PV Power’s Board of Management in administration – management; secretary – general tasks; clerical tasks – archive; and management of security and defense of PV Power.

▪ **Human Resource Department**

Advise and assist PV Power’s Board of Management in corporate organization, innovation and development; personnel arrangement; inspection, settlement of complaints and denunciations and corruption prevention; labor, payrolls and benefit policies; training and development of human resource; reward and social welfare.

▪ **Accounting – Finance and Audit Department**

Advise and assist PV Power’s Board of Management in accounting, finance and audit of the Corporation.

▪ **Economy – Planning Department**

Advise and assist PV Power’s Board of Management in planning and statistics; expense estimation of periodic maintenance and repair of power plants; bidding activities for investing and developing projects of which PV Power is the developer; supplying input fuels (such as gas, oil and coal) and ash and slag consumption; supervision and assessing the representatives of PV Power’s capital in other companies.

▪ **Commercial Department**

Advise and assist PV Power’s Board of Management in commercial activities (excluding fuel supply and ash and slag consumption), markets, import and export, and service development of PV Power.

▪ **Investment and Development Department**

Advise and assist PV Power’s Board of Management in investment; assessment and supervision of investment and development, and capital divestment.

▪ **Construction Department**

Advise and assist PV Power’s Board of Management in construction management activities.

▪ **Technical Department**

Advise and assist PV Power’s Board of Management in operational techniques, maintenance and repair of the power plants; technology of projects; research and development, equipment and information technology of PV Power.

▪ **Safety – Health – Environment Department**

Advise and assist PV Power’s Board of Management in safety, health and environmental issues of PV Power; internal protection for power plants and investment projects of PV Power.

▪ **Legal and Public Relation Department**

Advise and assist PV Power’s Board of Management in legal issues, public relation, culture and brand name development; coordination with domestic and international institutions.

1.6. Branches, subsidiaries, affiliates and long-term financial investments

1.6.1. Branches

Table 3: List of PV Power's branches

No.	Branch	Date of establishment	Businesses	Location
1	PetroVietnam Power Ca Mau Company	04/09/2008	Electricity production	Khanh An commune, U Minh district, Ca Mau province
2	PetroVietnam Power Nhon Trach Company	11/9/2008	Electricity production	Village 3, Phuoc Khanh commune, Nhon Trach district, Dong Nai province
3	PetroVietnam Power Ha Tinh Company	14/11/2015	Electricity production	Hai Phong Village, Ky Loi commune, Ky Anh district, Ha Tinh province
4	PetroVietnam Power Coal Import and Distribution Company	18/4/2013	Supply and deliver coal to power plants	Level 2, HL Tower, Block A2B, Duy Tan street, Dich Vong ward, Cau Giay district, Hanoi
5	Committee of Investment Preparation for Gas Power Projects	06/02/2017	Investment Preparation for Gas Power Projects	Level 14, Vietnam Petroleum Institute Building, Trung Kinh ward, Cau giay district, Hanoi

Source: PV Power's equitization plan

1.6.2. Subsidiaries, affiliates and long-term financial investments of PV Power

Currently, PV Power has 06 subsidiaries, 03 affiliates and 08 long-term financial investments.

As of 31/12/2016, PV Power's total investment in the companies is VND 5,735,543 million (excluding provision for devaluation of the investments).

PV Power mainly invests in electricity production which accounts for 95% of total investment, the remaining 5% is the investment in electrical consultancy and engineering and some other sectors.

Table 4: Detail of PV Power’s investments at 31/12/2016

No.	Type of investment	Number of investments	Investment value (million VND)	Weight
1	Subsidiaries	6	4,906,023	85.54%
2	Associates	3	392,311	6.84%
3	Long-term financial investments	8	437,209	7.62%
	Total	17	5,735,543	100%

Source: PV Power’s equitization plan

PV Power's subsidiaries who generate electricity maintain strong performance and achieve planned business targets. Almost the electricity production companies have exceeded their targeted power volume. In 2016, the profit PV Power received from the subsidiaries was VND575.34 billion which accounts for 11.7% of total investment in the companies.

However, profits from affiliates and long-term financial investments of PV Power was not significant. The reason is that the companies have operated for a short time and have not reached profitable stage.

Therefore, PV Power is aiming to divest its investments in the affiliates and the long-term financial investments.

List of subsidiaries, affiliates and long-term financial investments of PV Power at 04/2017:

Table 5: List of subsidiaries, affiliates and long-term financial investments of PV Power at 04/2017

No.	Company name	Businesses	Location	Charter capital (mil VND)	Capital contribution of PV Power (mil VND)	%
I	Subsidiaries					
1	PV Power Nhon Trach 2 JSC	Electricity generation	Village 3, Phuoc Khanh commune, Nhon Trach district, Dong Nai Province	2,878,760	1,709,261 *	59.37%
2	DakDrinh Hydropower JSC	Electricity generation	Son Tan commune, Son Tay district, Quang Ngai province	1,020,690	967,876	94.83%
3	Hua Na Hydropower JSC	Electricity generation	Dong Van commune, Que Phong district, Nghe An province	2,256,592	1,898,727	84.14%

No.	Company name	Businesses	Location	Charter capital (mil VND)	Capital contribution of PV Power (mil VND)	%
4	PV Power Technical Service JSC	Operation, maintenance power plants	Level 7, HH3 Tower, My Dinh urban area, Nam Tu Liem district, Hanoi	150,000	76,500	51%
5	PV Power Bac Kan JSC	Electricity generation	Bach Thong district, Bac Kan province	85,236	81,436	95.54%
6	PV Machinery Technology JSC	Provide alternative tools and equipment	No. 8, Trang Thi street, Hoan Kiem district, Hanoi	386,386	199,314 *	51.58%
II Associates						
1	Nam Chien Hydropower JSC	Electricity generation	Sub-zone 5, It Ong commune, Muong La district, Son La province	951,250	292,250 *	30.72%
2	Song Hong Hydropower JSC	Electricity generation	Village 6, Phong Du Thuong commune, Van Yen district, Yen Bai province	74,625,72	32,887,5	44.07%



No.	Company name	Businesses	Location	Charter capital (mil VND)	Capital contribution of PV Power (mil VND)	%
3	Song Vang Hydropower JSC	Electricity generation	No. 115, Trung Nu Vuong street, Binh Hien ward, Hai Chau district, Da Nang city	148,206	47,286 *	31.91%
III Long-term financial investments						
1	North-West Electric Investment and Development JSC	Electricity generation	Chieng Xan commune, Muong La district, Son La province	362,548	35,733 *	9.85%
2	Song Tranh 3 Hydropower JSC	Electricity generation	Village 2, Tan An town, Hiep Duc district, Quang Nam province	422,261	29,341	6.95%
3	EVN International JSC	Electricity generation	Block 91, Xo Viet Nghe Tinh street, Cam Le district, Da Nang city	366,771	28,800	7.85%
4	PV Urban Development JSC	Consult and design urban constructions	No. 131, Trang Hung Dao street, An Phu ward, Ninh Kieu district, Can Tho city	280,689	18,202	6.48%



No.	Company name	Businesses	Location	Charter capital (mil VND)	Capital contribution of PV Power (mil VND)	%
5	PV Mechanical & Electrical JSC	Electricity construction	Level 5, Dai Phat building, block A2C, Handicraft industry and light industry, Cau Giay district, Hanoi	10,000	1,000	10%
6	Asia Pacific Energy JSC	Invest, construct and operate of thermal power plant; electricity trading	No. 1, Pham Huy Thong, Dong Da district, Hanoi	11,000	550	5%
7	Viet – Lao Power JSC	Electricity generation	Lao	2,451,530	308,050 *	12.57%
8	Son Tra – Song Da Hydropower JSC	Electricity generation	No. 21, Phan Dinh Phung street, Quang Ngai province	6,319.84	1,228.8	19.44%

Note: * par value of the investment

Source: PV Power

1.7. Operating power plants of PV Power

1.7.1. *Ca Mau 1 & 2 power plant*

- Location: Khanh An commune, U Minh district, Ca Mau province.
- Managed by: PetroVietnam Power Ca Mau Company.
- Technology: combined cycle gas thermal power, using modern, advanced technology developed by Siemens Group of Germany. Each plant has a 2-2-1 configuration, (2 F generation gas turbines, 2 heat recovery steam generators with horizontal gas flow, natural circulation, triple pressure with re-heater, 1 steam turbine).
- Fuel: the main fuel for the plants is natural gas from the PM3 - CAA gas system and Block 46 Cai Nuoc with the consumption of about 6 million m³/day and the backup fuel is DO oil.
- Total capacity: 1,500 MW (750 MW x 2)
- Information of PPA: already signed long-term power purchasing agreement for 20 years (from the time of commercial operation).
- Power plant Ca Mau 1: officially joined the national grid on 04/04/2007, commercially operated in 3/2008.
- Power plant Ca Mau 2: officially joined the national grid in 8/2008, commercially operated in 12/2008.
- Corporate income tax incentive: tax exemption for the first 4 operating years and 50% tax discount for the next 7 years. 2017 is the 5th year when PV Power applied 50% tax discount.

1.7.2. *Nhon Trach 1 thermal power plant*

- Location: Village 3, Phuoc Khanh commune, Nhon Trach district, Dong Nai province.
- Managed by: PetroVietnam Power Nhon Trach Company.
- Technology: the main fuel for the plants is natural gas Cuu Long and Nam Con Son fields, backup fuel is DO oil. The plant has a 2-2-1 configuration, (2 gas turbines, 2 heat recovery steam generators, 1 steam turbine).
- Total capacity: 450 MW
- Information of PPA: signed long-term power purchase agreement for 10 years from the time of commercial operation or until the end of competitive generation market regulated

by the government.

- Generator GT11, GT12, ST18 and Combined Cycle joined the national grid in 05/2008, 07/2008, 04/2009 and 08/2009, respectively.
- Nhon Trach 1 power plant officially operated Single Cycle on 30/6/2008 and Combined Cycle on 22/8/2009.
- Corporate income tax incentive: tax rates applied are 20% for the first 10 years of operation and not higher than 28% for the following years, tax exemption for the first 2 profitable years and 50% tax discount for the next 3 years.

1.7.3. Nhon Trach 2 thermal power plant

- Location: Ong Keo industrial zone, Phuoc Khanh commune, Nhon Trach district, Dong Nai province.
- Managed by: PetroVietnam Power Nhon Trach 2 JSC.
- Technology: combined cycle gas thermal power, using F generation gas turbines that are the most advanced technology currently, high performance and very environmentally friendly. The plant has a 2-2-1 configuration that has 2 F generation gas turbines, 2 heat recovery steam generators with horizontal gas flow, natural circulation, triple pressure with re-heater, 1 steam turbine with triple pressure which is suitable with heat recovery generators).
- The whole plant is automatically operated on the SPPA-T3000 control system which is the most advanced control system of Siemens Group in Germany. Up to now, among the similar power plants in Vietnam, only Nhon Trach 2 has used this advanced technology.
- Fuel: the main fuel for the operation of the plant is natural gas (approximated 3 million m³/day) and the backup fuel is DO oil. During the operation, if there is any a problem with the gas supply, the plant will automatically switch to the operation of the backup fuel - DO oil.
- Total capacity: 750 MW
- Every year, the plant provides to the national power grid an average of 5 billion kWh through a 220 kV distribution station, contributing to ensuring energy security for the country, especially in the South East.
- Information of PPA: signed long-term power purchase agreement for 10 years with EPTC.
- Commercial operation: in 10/2011.

- Corporate income tax incentive: tax rate applied is 10% for the first 15 years of operation. Tax exemption is applied for period of 2011 – 2014 and 50% tax discount is applied for the next 9 years after 2014. 2016 is the 2nd year applying 50% tax discount.

1.7.4. Nam Cat hydropower plant

- Location: Don Phong commune, Bach Thong district, Bac Kan province.
- Managed by: PV Power Bac Kan JSC.
- Total capacity: 3.2 MW, supply to the national electricity system about 13 million kWh, meet up to 1/3 of electricity demand and significantly contribute to industrial growth of Bac Kan province.
- Information of PPA: signed long-term power purchase agreement for 20 years from the date of commercial operation with EVNNPC.
- The project's construction was started in April 2011, went into operation and joined the National electricity grid on 17/4/2012 and inaugurated the plant on 10/5/2012.
- Corporate income tax incentive: tax rate applied is 10% for the first 15 years of operation, tax exemption is applied for the first 4 years of taxable income incurring and 50% tax discount is applied for the next 9 years.
- Other incentives: import tax exemption, land use fee exemption, land rent exemption for 15 years, post-investment support, access government loans and investment credit guarantee.

1.7.5. Hua Na hydropower plant

- Location: Dong Van commune, Quy Phong district, Nghe An province.
- Managed by: Hua Na Hydropower JSC.
- Total capacity: 180 MW.
- Information of PPA: signed long-term power purchase agreement for 20 years from the commercial operation (2013), in which the average electricity prices for the whole project's life are stipulated. Hua Na is currently re-negotiating electricity prices in accordance with the investment capital settlement, with an expected average annual electricity output of 716.6 million kWh.
- Corporate tax incentive: the project is under the National power master plan (Power master plan VII); thus it follows 797/400 mechanism. According to Law on enterprise income tax No. 14/2008/QH12 dated 3/6/2008 and Law on the amendments to the Law on enterprise

income tax No. 32/2013/QH13 dated 19/6/2013, tax rate applied is 10% for the first 15 years of commercial operation, tax exemption for the first 4 years incurring taxable income (from 2013), 50% tax discount for the next 9 years (from 2017).

- Other incentives: land rent incentive and offset to project land clearance cost, water surface rent incentives.

1.7.6. DakDrinh hydropower plant

- Location: Son Tan commune, Son Tay district, Quang Ngai province. This is the largest power project by capacity in Tra Khuc hydropower plan.
- Managed by: DakDrinh Hydropower JSC.
- Total capacity: 125 MW.
- The plant is designed with two generators and one 110kV distribution station, which is responsible for supplying electricity to the national power system with an annual output of 540.9 million kWh and at the same time increasing water supply in dry season and reducing flood in rainy season, especially providing fresh water for Dung Quat economic zone.
- Information of PPA: signed long-term power purchase agreement for 10 years from the official commercial operation. The agreement is valid from 1/5/2014.
- Official commercial operation: 6/2014.
- Corporate tax incentive: tax exemption for the first 4 years from 2014 to 2017, 50% tax discount for the next 9 years from 2018 to 2026 (tax rate is 10%).
- Other incentives: land rent and water surface incentives and offset to project land clearance cost, import tax incentive, incentives for accessing investment credit loans.

1.7.7. Vung Ang 1 thermal power plant

- Location: Hai Phong village, Ky Loi commune, Ky Anh district, Ha Tinh province.
- Total capacity: 1,200 MW (2x600 MW).
- Technology: using advanced direct injection coal-fired technology, high efficiency, meeting the requirements of environmental protection; the plant provides to the electricity system about 7.2 billion kWh annually, contributing to meet the demand of power consumption in the region in particular and the national power system in general. This is one of the largest thermal power plants in Vietnam by capacity and one of the few coal-

fired thermal power plants that has reached the localization level of about 30% for design, manufacture, domestic tools and equipment including the package with localization rate up to 55% produced by local companies. Coal for the factory is domestic coal and dust coal 5 with the expected consumption of 2.9 million tons per year.

- Generator No. 1 and Generator No. 2 went to commercial operation on 31/12/2014 and 12/5/2015, respectively. The plant has provided to the national power system 7.5 billion kWh. Up to 3/2017, the plant has generated 7.577 billion commercial electricity output and used almost 3.387 million tons of coal, 650 tons of DO oil and 13,356 tons of HFO oil.
- Information of PPA: signed long-term power purchase agreement for 10 years from the commercial operation with EVN.
- Expected annual revenue of the plant is around 7,000 – 8,000 billion VND, contributes to revenue of PVN and state budget. Investment fund contains of equity from PVN and loans with the rate of 30% and 70%, respectively.
- Corporate tax incentive: tax rates applied are 10% for the first 15 years of operation; tax exemption for the first 4 years of taxable income incurring, 50% tax discount for the next 9 years.
- Other incentives: 50% reduction of personal income tax for Vietnamese and foreign workers who have regular and irregular income; land rent exemption for 15 years; land rent and land use fee exemption for house construction for labor; import tax exemption for 5 years from the start of manufacturing for raw materials, components and semi-finished products that cannot produced domestically.

1.8. Management team

1.8.1. Management team

The organizational structure and management team of PV Power include:

Board of Members: is the authorized representative of the owner –Petro Vietnam; exercise the rights and obligations of the owner at PV Power, the rights and obligations of the owner for the capital contribution of PV Power at other enterprises.

General Director: is the legal representative who manages the daily operations of PV Power in accordance with the objectives, plans and resolutions and decisions of the Board of Members in accordance with the Charter of PV Power and regulations of laws; take

responsibility before the law and the Board of Members for the exercise of assigned rights and tasks.

Supervisors: is responsible for examining the legality, honesty and prudence of the Board of Members, the General Director of the Corporation in the exercise of owner's rights and in the management and operation of the Corporation's business activities.

Deputy General Directors, Chief Accountant: PV Power has 05 Deputy General Directors and 01 Chief Accountant proposed by the General Director and appointed, dismissed, compensation and other benefits offered by the Board of Members.

Deputy General Directors assist General Director in operating PV Power under the assignment and authorization of General Director; take responsibility before General Director and before the laws for the tasks assigned or authorized by General Director. Chief Accountant is responsible for organizing accounting and setting up the accounting system of PV Power; proposes financial solutions to ensure capital for production and investment of PV Power; assists General Director in supervising the Corporation's finance and in promoting financial resources of PV Power in accordance with the laws on finance and accounting; has the rights and obligations as prescribed by law. Chief Accountant is responsible before General Director and the law for the tasks assigned or authorized.

Assistant team: contains of Administration Department and Functional Departments of PV Power; assists and advises Board of Members, General Director in managing and operating the Corporation.

1.8.2. Members of Board of Members and Board of Management

Board of Member

- Mr. Ho Cong Ky: Chairman
- Mr. Nguyen Xuan Hoa: Member
- Mr. Nguyen Huu Quy: Member
- Mr. Ha Duc Thu: Member
- Mr. Vu Huy An: Member

Board of Management and Chief Accountant

- Mr. Nguyen Xuan Hoa: CEO
- Mr. Hoang Van Nghiep: Deputy General Director

- Mr. Pham Xuan Truong: Deputy General Director
- Ms. Nguyen Thi Ngoc Bich: Deputy General Director
- Mr. Nguyen Duy Giang: Deputy General Director
- Mr. Nguyen Manh Tuong: Deputy General Director
- Ms. Ha Thi Minh Nguyet: Chief Accountant

Supervisors

- Mr. Vu Quoc Hai: In charge supervisor
- Ms. Vu Thi Ngoc Dung: Supervisor
- Ms. Ly Thi Thu Huong: Supervisor

1.9. Total number of employees moved to PV Power JSC

At the time of announcing the enterprise value for equitisation, PV Power had 1,181 employees. The number of employees depends on the scale of the Corporation. 68% of PV Power’s employees have university and postgraduate degrees in electricity major and other technical majors. Although the technical staff of PV Power are young, have mastered the technology and smoothly operated the Corporation’s power plants.

Total number of employees moved to PV Power JSC is 1,181. Detail of labor structure is as below:

Table 6: Labor structure moved to PV Power JSC

Breakdown by	Number of employees	%
Education	1,181	100%
- Bachelor and postgraduate	807	68.33%
- College	89	7.54%
- Intermediate level	77	6.52%
- Technical and manual workers	208	17.61%
Labor contract	1,181	100%
- Non-compulsory contracts	14	1.19%
- Indefinite contracts	643	54.45%
- 1-3 year contracts	519	43.95%
- Less than 1 year contracts	5	0.42%

Breakdown by	Number of employees	%
Gender	1,181	100%
- Male	956	80.9%
- Female	225	19.1%
Dismissed employees	0	0%

Source: PV Power's equitization plan

2. ENTERPRISE VALUE AND STATE CAPITAL VALUE

2.1. The actual enterprise value and the actual state capital value in the enterprise on 31/12/2015

According to the Decision No. 1364/QD-BCT dated 20/4/2007 of the Ministry of Industry and Trade on the valuation of PV Power (directly under PVN) for equitization **the actual value of PV Power's enterprise for equitization at the time of enterprise valuation on 31/12/2015 is VND 60,623,284,088,550, of which the actual state capital value in the enterprise is 33,556,542,680,659.**

Note: According to Decision No. 1977/QD-TTg dated 8/12/2017 on approving the Equitization Plan of PV Power – the Parent Company, PV Power executes the sale of shares for a period of 3 months from the date of signing the Decision No. 1997/QD-TTg without revaluation of the enterprise value.

Table 7: Detail of PV Power's valuation
Unit: VND

No.	Item	Book value after financial adjustment	Value after revaluation	Difference between value after revaluation and book value after financial adjustment
(1)	(2)	(3)	(4)	(5) = (4) - (3)
A.	In use assets	50,485,457,325,456	60,623,284,088,550	10,137,826,763,094
I.	Long-term assets	41,828,336,190,221	51,349,240,852,791	9,520,904,662,570
1.	Fixed assets	35,061,075,952,031	40,634,339,009,370	5,573,263,057,339
	- Tangible fixed assets	35,050,967,885,735	40,624,230,943,074	5,573,263,057,339
	- Intangible fixed assets (exclude land use rights)	10,108,066,296	10,108,066,296	-
2.	Unfinished long-term assets	229,235,994,501	229,235,994,501	-
3.	Long-term financial investment	5,745,643,994,567	9,664,206,456,179	3,918,562,461,612

No.	Item	Book value after financial adjustment	Value after revaluation	Difference between value after revaluation and book value after financial adjustment
(1)	(2)	(3)	(4)	(5) = (4) - (3)
4.	Long-term receivables	221,050,000	221,050,000	-
5.	Other long-term assets	792,159,199,122	821,238,342,741	29,079,143,619
II.	Short-term assets	8,641,211,827,398	8,659,295,279,284	18,083,451,886
1.	Cash and cash equivalent	4,358,144,851,866	4,358,141,076,098	(3,775,768)
2.	Short-term financial investment	50,000,000,000	50,000,000,000	-
3.	Short-term receivables	3,482,848,889,614	3,482,848,889,614	-
4.	inventories	637,377,144,446	655,464,372,100	18,087,227,654
5.	Other short-term assets	112,840,941,472	112,840,941,472	-

No.	Item	Book value after financial adjustment	Value after revaluation	Difference between value after revaluation and book value after financial adjustment
(1)	(2)	(3)	(4)	(5) = (4) - (3)
III.	Goodwill	-	595,955,275,857	595,955,275,857
1.	Brand name value	-	38,036,657,389	38,036,657,389
2.	Value of development potential	-	557,918,618,468	557,918,618,468
IV.	Land use rights	15,909,307,837	18,792,680,618	2,883,372,781
B.	Assets waiting for liquidation	-	-	-
I.	Long-term assets	-	-	-
1.	Fixed assets	-	-	-
	Cost	3,116,065,057	3,116,065,057	-

No.	Item	Book value after financial adjustment	Value after revaluation	Difference between value after revaluation and book value after financial adjustment
(1)	(2)	(3)	(4)	(5) = (4) - (3)
	Accumulated depreciation and amortization	(3,116,065,057)	(3,116,065,057)	-
	TOTAL ACTUAL VALUE OF ASSETS (Category A)	50,485,457,325,456	60,623,284,088,550	10,137,826,763,094
C.	LIABILITIES	27,066,741,407,891	27,066,741,407,891	-
	TOTAL ACTUAL VALUE OF STATE CAPITAL AT THE ENTERPRISE {A+B- C}	23,418,715,917,565	33,556,542,680,659	10,137,826,763,094

Source: PV Powervaluation report

2.2. Assets excluded from enterprise value

Assets excluded from enterprise value are:

- Un-used assets, waiting for liquidation:
 - Cost: VND 3,116,065,057
 - Accumulated depreciation: VND 3,116,065,057
- Tools after using that are stored, have book value of VND 0 and waiting for liquidation

2.3. Some issues that need to be noted in relation to enterprise value for equitization

- Financial data at 0h 01/01/2016 to determine enterprise value of the Corporation has been adjusted according to investigation results of the Inspectorate of Ministry of Finance (Document No. 65771/CT- KTT2 dated 21/10/2016 of the Hanoi Tax Department on the tax finalization to determine the enterprise value, Hanoi Tax Department has proposed to base on the conclusion of the Inspectorate of Ministry of Finance to determine the enterprise value of the Corporation).
- The enterprise value for equitization includes the value of the 500KV distribution station of Vung Ang Power Center which is 218.48 billion VND. However, PVN has accepted receiving this property but has not yet made the transfer of the asset. The enterprise value will be adjusted downward corresponding to the above mentioned value after PVN and PV Power transfer the asset.
- According to PV Power's valuation report for equitization:

The Corporation is divesting the capital in Hua Na Hydropower JSC. As the procedures for the divestment have not been completed, the value of the Corporation's financial investment in Hua Na Hydropower JSC has been evaluated and included in the enterprise value for equitization. If during the period from the time of enterprise valuation to the time when the Corporation is officially transferred to a joint stock company, PV Power completes the procedures for the divestment and proceeds the divestment from Hua Na Hydropower JSC, the enterprise value will be adjusted at the time of equitization settlement as regulated.

Up to now, PV Power has not divested the capital in Hua Na Hydropower JSC, hence the value of financial investment in Hua Na Hydropower JSC is still included in the enterprise value for equitization.

3. PV POWER'S ASSETS PRIOR TO EQUITIZATION

3.1. Fixed assets

Table 8: Fixed assets of PV Power – Consolidation on 31/12/2016

Unit: Million VND

No.	Items	Cost	Accumulated depreciation and amortization	Net assets	Net assets/cost (%)
I	Tangible fixed assets	68,968,940	20,968,478	48,000,462	70%
1	Buildings	17,770,869	2,924,222	14,846,647	84%
2	Equipment	48,658,338	17,671,031	30,987,307	64%
3	Transportation vehicle	306,835	205,191	101,644	33%
4	Office tools	109,193	79,276	29,917	27%
5	Other fixed assets	2,123,704	88,757	2,034,947	96%
II	Intangible fixed assets	91,910	23,944	67,966	74%
1	Land use rights	52,995		52,995	100%
2	Computer software	38,915	23,944	14,972	38%
	Total	69,060,850	20,992,422	48,068,428	70%

Source: audited consolidated financial statement 2016 of PV Power

Table 9: Fixed assets of PV Power – the Parent company on 31/12/2016

Unit: Million VND

No.	Items	Cost	Accumulated depreciation and amortization	Net assets	Net assets/cost (%)
I	Tangible fixed assets	46,874,026	15,044,530	31,829,496	68%
1	Buildings	6,313,172	1,182,401	5,130,771	81%
2	Equipment	38,148,658	13,558,570	24,590,088	64%
3	Transportation vehicle	214,495	153,816	60,679	28%
4	Office tools	73,997	60,986	13,011	18%
5	Other fixed assets	2,123,704	88,757	2,034,947	96%

II	Intangible fixed assets	33,587	19,535	14,052	42%
1	Land use rights	5,260		5,260	100%
2	Computer software	28,327	19,535	8,792	31%
	Total	46,907,613	15,064,065	31,843,548	68%

Source: audited separate financial statement 2016 of PV Power

3.2. Lands that are managed and used by PV Power

Total land area that PV Power is managing and using is 1,920,878.9 m². In which:

- PV Power Ca Mau Company: 605,318.3m²;
- PV Power Nhon Trach Company: 335,653.9m²;
- PV Power Ha Tinh Company: 979,906.7m².

3.2.1. PV Power Ca Mau Company

a) Land for construction of power plant Ca Mau 1:

- Location: Khanh An commune, U Minh district, Ca Mau province
- Area: 240,792.3 m², in which:
 - Construction area of office is 1,058.4 m², 04 floors with the main structure of reinforced concrete.
 - Construction area power plant is: 239,733.9 m², constructed with the main structure of reinforced concrete.
- Legal document:
 - Decision No. 81/QD-UBND dated 08/07/2016 of the People's Committee of Ca Mau province on approving the land use plan of PV Power.
 - Decision No. 121/QD-UBND dated 01/11/2012 by People's Committee of Ca Mau Province on land acquisition of Ca Mau Gas-Power-Fertilizer Project Management Committee in Khanh An Commune, U Minh District, and handing over the land to PV Power Ca Mau Company;
 - Certificate of land use rights No. BQ815167 issued by People's Committee of Ca Mau province on 23/10/2013.
- Form of land using: pay one-time rent for the entire lease term.
- Land use term: by 01/11/2032.

b) Land for construction of power plant Ca Mau 2

- Location: Khanh An commune, U Minh district, Ca Mau province

- Area: 109,434.2 m², constructed with the structure of reinforced concrete
- Legal document:
 - Decision No. 81/QD-UBND dated 08/07/2016 of the People's Committee of Ca Mau province on approving the land use plan of PV Power.
 - Decision No. 26/QD-UBND dated 9/4/2012 by People's Committee of Ca Mau Province on land acquisition of Ca Mau Gas–Power-Fertilizer Project Management Committee in Khanh An Commune, U Minh District, and handing over the land to PV Power Ca Mau Company;
 - Certificate of land use rights No. CT000045 issued by People's Committee of Ca Mau province on 23/10/2013.
- Form of land using: pay one-time rent for the entire lease term.
- Land use term: by 09/04/2037.
- c) ***Land for construction of DO oil Port - Power Plant Ca Mau 1:***
 - Location: Khanh An commune, U Minh district, Ca Mau province
 - Area: 103,445.3m², in which land area for the port construction is 87,231.6m² and water area is 16,213.7m².
 - Legal document:
 - Decision No. 81/QD-UBND dated 08/07/2016 of the People's Committee of Ca Mau province on approving the land use plan of PV Power.
 - Decision No. 89/QD-UBND dated 12/10/2015 by People's Committee of Ca Mau Province on land acquisition of Ca Mau Gas–Power-Fertilizer Project Management Committee in Khanh An Commune, U Minh District, and handing over the land to PV Power Ca Mau Company for power generation;
 - Decision No. 101/QD-UBND dated 16/11/2015 by People's Committee of Ca Mau Province on amending and supplementing Decision No. 89/QD-UBND dated 12/10/2015 by People's Committee of Ca Mau Province on land acquisition of Ca Mau Gas–Power-Fertilizer Project Management Committee in Khanh An Commune, U Minh District, and handing over the land to PV Power Ca Mau Company for power generation;
 - Certificate of land use rights No. CD925085 issued by the Department of Natural Resources and Environment of Dong Nai province on 26/9/2016 (for the land area for port construction);

- Certificate of land use rights No. CD925086 issued by the Department of Natural Resources and Environment of Dong Nai province on 26/9/2016 (for the water area);
 - Form of land using: pay one-time rent for the entire lease term.
 - Land use term: by 1/11/2032.
- d) *Green Corridor Area –Power plant Ca Mau 1:***
- Location: Khanh An commune, U Minh district, Ca Mau province
 - Area: 84,739.8m²
 - Legal document:
 - Decision No. 81/QD-UBND dated 08/07/2016 of the People's Committee of Ca Mau province on approving the land use plan of PV Power.
 - Decision No. 88/QD-UBND dated 12/10/2015 by People's Committee of Ca Mau Province on land acquisition of Ca Mau Gas–Power-Fertilizer Project Management Committee in Khanh An Commune, U Minh District, and handing over the land to PV Power Ca Mau Company for power generation;
 - Certificate of land use rights No. CD925087 issued by the Department of Natural Resources and Environment of Dong Nai province on 26/9/2016;
 - Certificate of land use rights No. CD925088 issued by the Department of Natural Resources and Environment of Dong Nai province on 26/9/2016;
 - Form of land using: pay one-time rent for the entire lease term.
 - Land use term: 1/11/2032.
- e) *Land for construction of houses for employees in phase 1 for management and operation of power plant Ca Mau 1 and power plant Ca Mau 2:***
- Location: commune 1, Ca Mau city, Ca Mau province.
 - Area: total area for construction of the management building and houses for employees in phase 1 is 33,806 m², of which the land area was assigned to PV Power Ca Mau for management and use is 19,266.9m² (calculated according to the allocation in Decision 279/QD-DKVN and Decision No. 280/QD-DKVN of PVN), comprising of the following residential blocks:
 - The houses for single people, consists of 6 blocks, each block has 5 houses;
 - The housesfor family, consists of 2 blocks, each block has 5 houses;
 - Legal document:
 - Decision No. 81/QD-UBND dated 08/07/2016 of the People's Committee of Ca Mau

province on approving the land use plan of PV Power.

- Decision No. 01/QD-UBND dated 13/1/2005 by People's Committee of Ca Mau Province on land acquisition of PTN Minh Hai Company and 23 households, and handing over the land to Ca Mau Gas-Power-Fertilizer Project Management Committee for residential house construction in the first phase with total area of 33,806 m².
 - Decision No. 279/QD-DKVN dated 11/01/2011 by PVN on approving the final settlement of the project of power plant Ca Mau 1;
 - Decision No. 280/QD-DKVN dated 11/01/2011 by PVN on approving the final settlement of the project of power plant Ca Mau 2;
 - Form of land using: pay one-time rent for the entire lease term.
 - Land use term: 20 years (since the Coporation has not had land lease contracts with the Government, there has not been the detail of land use term).
- f) Land for construction of houses for employees in phase 2 for management and operation of power plant Ca Mau 1 and power plant Ca Mau 2:*
- Location: commune 1, Ca Mau city, Ca Mau province.
 - Area: total area for construction of the management building and houses for employees in phase 2 is 47,639.8m² (calculated according to the allocation in Decision 279/QD-DKVN and Decision No. 280/QD-DKVN of PVN), including residential and public constructions. Total house construction area is 9,100 m², comprising of the following blocks:
 - The houses for family: 12 blocks
 - The houses for single people: 6 blocks

The remaining area is for public constructions such as medium voltage lines, lighting system, underground water tank, pumping station, water supply and drainage system, waste water treatment system, fire prevention and fighting system, car park, fountain, internal roads, fences, trees, television cable system. Land area is allocated to PV Power and PV Gas at the proportion of 81.8% and 18.2%, respectively.

- Legal document:
 - Decision No. 81/QD-UBND dated 08/07/2016 of the People's Committee of Ca Mau province on approving the land use plan of PV Power.
 - Decision No. 153/QD-UB dated 18/9/2007 by People's Committee of Ca Mau Province on land acquisition of 37 households for construction of operation office and houses of

Ca Mau Gas–Power-Fertilizer Project Management Committee with total area of 58,169 m².

- Decision No. 279/QD-DKVN dated 11/01/2011 by PVN on approving the final settlement of the project of power plant Ca Mau 1;
- Decision No. 280/QD-DKVN dated 11/01/2011 by PVN on approving the final settlement of the project of power plant Ca Mau 2;
- Form of land using: pay one-time rent for the entire lease term.
- Land use term: 20 years (since the Coporation has not had land lease contracts with the Government, there has not been the detail of land use term).

3.2.2. *PV Power Nhon Trach Company*

a) *Land for construction of power plant Nhon Trach 1*

- Location: village 3, Phuoc Khanh commune, Nhon Trach district, Dong Nai province.
- Area: total area for construction of power plant Nhon Trach 1 is 314,155m² comprising of the following area:
 - The construction area for working office is 727.3 m²,
 - The area for building power plant: 302,520.9 m²,
 - Construction area of water pumping station: 10,906.8 m².
- Legal document:
 - Document No. 8396/UBND-CNN dated 23/08/2017 by the People's Committee of Dong Nai Province on the land use plan of PV Power.
 - Decision No. 2135/QD-UBND dated 13/7/2007 of Dong Nai People's Committee on leasing the land to Phu My Gas Pipeline Project Management Committee - Ho Chi Minh City for construction of power plant Nhon Trach 1 in Phuoc Khanh commune, Nhon Trach district;
 - Land lease contract No. 16/HDTD dated 15/02/2008 between the lessor - the People's Committee of Dong Nai province and the lessee - PV Power Nhon Trach One Member Liability Limited Company (currently is a branch of PV Power - PV Power Nhon Trach Company under Certificate of Business Registration and Tax Registration of the branch on 20/11/2009); Extention term is stipulated in the contract appendix No. 16/PLHDTD-01 dated 16/7/2013.
 - Certificate of land use rights No. T00010 issued by People's Committee of Dong Nai Province on 14/3/2008, validated until 07/8/2057.

- Form of land using: rent from the government, pay rental fees annually.
 - Land use term: 50 years, until 7/8/2057
- b) Land for construction of booster pumping station of power plant Nhon Trach 1:**
- Location: Doan Ket village, Vinh Thanh commune, Nhon Trach district, Dong Nai province.
 - Area: 2,121m².
 - Legal document:
 - Document No. 8396/UBND-CNN dated 23/08/2017 by the People's Committee of Dong Nai Province on the land use plan of PV Power.
 - Decision No. 3942/QD-UBND dated 12/11/2007 of the People's Committee of Dong Nai Province on land acquisition for compensation and site clearance for implementation of investment project on construction of the booster pumping station in Vinh Thanh commune - Nhon Trach district;
 - Decision No. 1009/QD-UBND dated 13/3/2008 by the People's Committee of Nhon Trach District approving the compensation, support and resettlement plan for the construction of the booster pumping station of power plant Nhon Trach at Vinh Thanh commune, Nhon Trach district, Dong Nai province;
 - Decision No. 4446/QD-UBND dated 26/12/2016 of the People's Committee of Dong Nai Province on leasing land for PV Power for construction of the booster pumping station of power plant Nhon Trach 1 at Vinh Thanh commune, Nhon Trach district;
 - Land lease contract No. 55/HDTD dated 3/8/2017 between the People's Committee of Dong Nai Province and PV Power.
 - Form of land using: rent from the government, pay rental fees annually.
 - Land use term: 50 years, until 28/12/2057.
- c) Land for construction of employee houses – Sub-zone 1**
- Location: Phuoc An – Long Tho residential area, Nhon Trach district, Dong Nai province.
 - Area: 8,410 m², in which construction area is 4,568.56 m² including:
 - The 5 floor - residential building of 5-storey with structure of reinforced concrete frame, compress of: Block A with construction area of 1,320 m², floor area of 5,183.7 m²; and Block B with construction area of 1,320 m², floor area of 5,183.7 m²;
 - The 2 floor - club building: construction area is 350m², floor area is 670.9 m²;
 - Tennis court: construction area is 702.45 m²;

- Volleyball court: construction area is 705.45m².
- Legal document:
 - Document No. 8396/UBND-CNN dated 23/08/2017 by the People's Committee of Dong Nai Province on the land use plan of PV Power.
 - On 01/02/2007, Nhon Trach Gas - Electricity Project Management Committee - Ho Chi Minh City has signed a land use right transfer contract with Water Electrical Mechanical Installation And Construction JSC (COWAELMIC) No. 02/2007/GPPPMB-COWAELMIC, the tender package "Land acquisition with infrastructure for construction of housing for employees";
 - On 20/6/2008, PV Power, Nhon Trach Gas – Electricity Project Management Committee (PV Power Project Management Consulting 2) and COWAELMIC signed the Appendix No. 01 on the change of ownership of the Contract No. 02/2007/GPPPMB-COWAEMIC to PV Power;
 - On 6/11/2009, PV Power and COWAELMIC signed the Appendix 02 of the Contract No. 02/2007/GPPPMB-COWAEMIC, whereby the two parties agree to transfer a part of the land area of apartment building CC1 belonging to the area No. 1 of Phuoc An - Long Tho residential area for construction of employee houses of power plant Nhon Trach 1 - Sub-zone 1 - with an area of 8,410 m²;
 - The employee houses of power plant Nhon Trach 1 - Sub-zone 1 has been used since 2008. COWAELMIC has been granted the land use right certificate by the Department of Natural Resources and Environment of Dong Nai Province. PV Power is completing the procedure of transferring the land use right certificate to the Corporation.
- Form of land using: the government allocates the land and charges land use fees.
- Land use term: long-term use.
- d) Land for construction of employee houses – Sub-zone 2**
 - Location: Phuoc An – Long Tho residential area, Nhon Trach district, Dong Nai province.
 - Area: 10,967.9 m², in which construction area is 2,140 m², including:
 - The block of double – villas: consists of 4 villas, construction area of 540 m², reinforced concrete frame structure, not yet in use;
 - The block of single – villas: consists of 16 villas, construction area of 1,600 m², reinforced concrete frame structure, not yet finished the raw part;
 - Legal document:

- Document No. 8396/UBND-CNN dated 23/08/2017 by the People's Committee of Dong Nai Province on the land use plan of PV Power.
 - On 01/02/2007, Nhon Trach Gas - Electricity Project Management Committee - Ho Chi Minh City has signed a land use right transfer contract with Water Electrical Mechanical Installation And Construction JSC (COWAELMIC) No. 02/2007/GPPMB-COWAELMIC, the tender package "Land acquisition with infrastructure for construction of housing for employees";
 - On 20/6/2008, PV Power, Nhon Trach Gas – Electricity Project Management Committee (PV Power Project Management Consulting 2) and COWAELMIC signed the Appendix No. 01 on the change of ownership of the Contract No. 02/2007/GPPMB-COWAEMIC to PV Power;
 - On 6/11/2009, PV Power and COWAELMIC signed the Appendix 03 of the Contract No. 02/2007/GPPMB-COWAEMIC, whereby the two parties agree to transfer the land area for construction of infrastructure developed by COWAEMIC and approved by authorized agency to PV Power for construction of employee houses of power plant Nhon Trach 1 - Sub-zone 2. Total transferred area of the land BT13 is 10,984 m², consists of 20 villas (from BT13-1 to BT13-20).
- COWAELMIC has been granted the land use right certificate for the Sub-zone 2 (20 villas) by the Department of Natural Resources and Environment of Dong Nai Province. PV Power is completing the procedure of transferring the land use right certificate to the Corporation.
 - Form of land using: the government allocates the land and charges land use fees.
 - Land use term: long-term use.
- 3.2.3. PV Power Ha Tinh Company**
- a) Land for construction of thermal power plant Vung Ang 1*
- Location: Ky Loi commune, Ky Anh district, Ha Tinh province.
 - Area: total area is 427,735.4 m²
 - Legal document:
 - Decision No. 4599/UBND-NL2 dated 09/09/2016 of the People's Committee of Ha Tinh province on the land use plan of PV Power.
 - Document No. 4599/UBND-NL2 dated 09/9/2016 of the People's Committee of Ha Tinh province on land use plan of PV Power;

- Decision No. 1865/QD-UBND dated 30/6/2010 of the People's Committee of Ha Tinh province on the land acquisition, adjustment of land area for PVN to build thermal power plant Vung Ang 1;
- Land lease contract 53/2010/HDTD dated 14/9/2010 between Department of Natural Resources and Environment and representative of PVN - Management committee of PetroVietnam Power Vung Ang – Quang Trach Project.
- Form of land using: rent from the government, pay rental fees annually.
- Land use term: until 31/10/2057.
- b) *Land for construction of houses for employees in management and operation stage of thermal power plant Vung Ang 1***
- Location: Ky Thinh commune, Ky Long commune, Ky Anh town, Ha Tinh province.
- Area: total area is 45,040 m², construction area is 7,398m², in which:
 - Land for construction of houses: 5 blocks that have 5 floors and reinforced concrete structure, construction area of 4,440 m² and floor area of 20,615 m²;
 - Land for artificial football field: 1,500 m²;
 - Land for tennis court: 703 m²;
 - Land for construction of sports hall with reinforced concrete frame structure, construction area of 755 m².
- Legal document:
 - Decision No. 4599/UBND-NL2 dated 09/09/2016 of the People's Committee of Ha Tinh province on the land use plan of PV Power.
 - Document No. 4599/UBND-NL2 dated 09/9/2016 of the People's Committee of Ha Tinh province on land use plan of PV Power;
 - Decision No. 329/QD-UBND on PVN to lease the land for the construction of employee housing area in operation stage of thermal power plant Vung Ang 1;
 - Land lease contract No. 15/2015/HDTD-KKT dated 20/7/2015 between Management Committee of Ha Tinh Economic Zone and representative of PVN – Management Committee of Vung Ang - Quang Trach PetroVietnam Power Project;
 - Appendix that amends the land lease contract No. 15B/2015/HDTD-KKT dated 7/6/1977, signed by the Management Committee of Ha Tinh Economic Zone and PV Power.
- Form of land using: rent from the government, pay rental fees annually.

- Land use term: until 31/10/2057.
- c) ***Land for construction of 500kV distribution station in Vung Ang Electricity Center***
 - Location: Ky Loi commune, Ky Anh district, Ha Tinh province.
 - Area: 106,420 m2.
 - Legal document:
 - Decision No. 4599/UBND-NL2 dated 09/09/2016 of the People's Committee of Ha Tinh province on the land use plan of PV Power.
 - Document No. 4599/UBND-NL2 dated 09/9/2016 of the People's Committee of Ha Tinh province on land use plan of PV Power;
 - Decision No. 556/QD-KKT dated 16/12/2015 of the Management Committee of the province's Economic Zone on adjusting the area of land lease under Decision No. 495/QD-KKT dated 13/11/2015 of the Management Committee of the province's Economic Zone on PVN to lease the land for construction of 500kV distribution station in Vung Ang Electricity Center in Ky Loi Commune, Ky Anh district;
 - Land lease contract No. 22/2015/HDTD-KKT dated 18/12/2015 for investment project of 500kV distribution station in Vung Ang Electricity Center in Ky Loi Commune, Ky Anh district between Management Committee of Ha Tinh Economic Zone and PVN;
 - Appendix of land lease contract No. 22B/2015/HDTD-KKT dated 7/6/2017, signed by the Management Committee of Ha Tinh Economic Zone and PV Power.
 - Form of land using: rent from the government, pay rental fees annually.
 - Land use term: until 31/10/2057.
- d) ***Other land areas of PV Power Ha Tinh Company for operation of thermal power plant Vung Ang 1***
 - To ensure the equitization process, PVN/Management Committee of PetroVietnam Power Vung Ang – Quang Trach Project has completed the land lease contracts for the remaining land areas of power plant Vung Ang 1 under direction of the People's Committee of Ha Tinh province:
 - Land for construction of circulating pump station and cooling water intake: area of 165,413m2, located in Ky Loi commune, Ky Anh district, Ha Tinh province: Land lease contract No. 16/2016/HDTD- KKT dated 22/9/2016 between the Management Committee of Ha Tinh Economic Zone and PVN/Management Committee of Vung Ang - Quang Trach PetroVietnam Power Project and the Appendix of land lease contract No. 16B/2016/HDTD-KKT dated 07/6/2017 signed between the Management

Committee of Ha Tinh Economic Zone and PV Power.

- Land for construction of cooling water channel and coal conveyor belt, area of 23,451 m², located in Ky Loi commune, Ky Anh district, Ha Tinh province: land lease contract No. 10/2016/HDTD-KKT dated 26/7/2016 between the Management Committee of Ha Tinh Economic Zone and PVN/Management Committee of Vung Ang - Quang Trach PetroVietnam Power Project and the Appendix of land lease contract No. 10B/2016/HDTD-KKT dated 07/6/2017 signed between the Management Committee of Ha Tinh Economic Zone and PV Power.
- Land for construction of water pipelines of circulating pump station, area of 15,602.3 m², located in Ky Loi commune, Ky Anh district, Ha Tinh province: land lease contract No. 13 and 14/2016/HDTD- KKT dated 29/8/2016 between the Management Committee of Ha Tinh Economic Zone and PVN/Management Committee of Vung Ang - Quang Trach PetroVietnam Power Project and the Appendix of land lease contract No. 13B/2016/HDTD-KKT and the Appendix of land lease contract No. 14B/2016/HDTD-KKT dated 07/6/2017 signed between the Management Committee of Ha Tinh Economic Zone and PV Power.
- Land for construction of slag dumping ground, area of 196,245 m², located in Ky Loi commune, Ky Anh district, Ha Tinh province: land lease contract No. 15/2016/HDTD-KKT dated 22/9/2016 between the Management Committee of Ha Tinh Economic Zone and PVN/Management Committee of Vung Ang - Quang Trach PetroVietnam Power Project and the Appendix of land lease contract No. 15B/2016/HDTD-KKT dated 07/6/2017 signed between the Management Committee of Ha Tinh Economic Zone and PV Power.
- Form of land using: rent from the government, pay rental fees annually.
- Land use term: until 31/10/2057.



Table 10: Current lands of PV Power before the equitization

No.	Location	Area (m ²)	Entity that owns, manages, uses the land	Land use right transfer	Form of land using				Land and property use purpose	Land use right value counted for enterprise value (VND)
					Allocated land (m ²)		Leased land (m ²)			
					Levy liable land	Free - levy land	Land with one time rent payment	Land with annual rent payment		
1	PV PowerCa Mau Company Khanh An commune, U Minh district, Ca Mau province	605,318.3						605,318.3		
1	Khanh An commune, U Minh district, Ca Mau province	240,792.3	PV Power Ca Mau Company					240,792.3		Construction of power plant Ca Mau 1, office building
2	Khanh An commune, U Minh district, Ca Mau province	109,434.2	PV Power Ca Mau Company					109,434.2		Construction of power plant Ca Mau 2
3	Khanh An commune, U Minh district, Ca Mau province	103,445.3	PV Power Ca Mau Company					103,445.3		Construction of DO oil port - power plant Ca Mau 1



No.	Location	Area (m ²)	Entity that owns, manages, uses the land	Form of land using					Land and property use purpose	Land use right value counted for enterprise value (VND)	
				Land use right transfer	Allocated land (m ²)		Leased land (m ²)				
					Levy liable land	Free - levy land	Land with one time rent payment	Land with annual rent payment			
4	Khanh An commune, U Minh district, Ca Mau province	84,739.8	PV Power Ca Mau Company			84,739.8			Construction of green corridor area – power plant Ca Mau 1		
5	Commune 1, Ca Mau city, Ca Mau province	19,267	PV Power Ca Mau Company			19,267			Construction of houses for employees in phase 1 of power plant Ca Mau 1 and power plant Ca Mau 2		
6	Commune 1, Ca Mau city, Ca Mau province	47,639.8	PV Power Ca Mau Company			47,639.8			Construction of houses for employees in phase 2 of power plant Ca Mau 1 and power plant Ca Mau 2		
	PV PowerNhon Trach Company	335,653.9					19,377.9			316,276	18,792,680,618



No.	Location	Area (m ²)	Entity that owns, manages, uses the land	Form of land using					Land use right value counted for enterprise value (VND)	
				Land use right transfer	Allocated land (m ²)		Leased land (m ²)			
					Levy liable land	Free - levy land	Land with one time rent payment	Land with annual rent payment		
1	Village 3, Phuoc Khanh commune, Nhon Trach district, Dong Nai province	314,155	PV Power Nhon Trach Company					314,155	Construction of office, canteen, power plant Nhon Trach 1	
2	Doan Ket village, Vinh Thanh commune, Nhon Trach district, Dong Nai province	2,121	PV Power Nhon Trach Company					2,121	Construction of operation office, booster pumping station – power plant Nhon Trach 1	
3	Phuoc An – Long Tho resident area, Nhon Trach district, Dong Nai province	8,410	PV Power Nhon Trach Company			8,410			Construction of houses for employees in Sub-zone 1, club, sport court	8,143,298,800

No.	Location	Area (m ²)	Entity that owns, manages, uses the land	Land use right transfer	Form of land using				Land use right value counted for enterprise value (VND)	
					Allocated land (m ²)		Leased land (m ²)			
					Levy liable land	Free - levy land	Land with one time rent payment	Land with annual rent payment		
4	Phuoc An – Long Tho resident area, Nhon Trach district, Dong Nai province	10,967.9	PV Power Nhon Trach Company	10,967.9					Construction of houses for employees in Sub-zone 2	10,649,381,818
	PV PowerHa Tinh Company	979,906.7					979,906.7			
1	Ky Loi commune, Ky Anh district, Ha Tinh province	427,735.4	PV Power Ha Tinh Company					427,735.4	Construction of thermal power plant Vung Ang 1, operation office, construction auxiliary area	
2	Ky Thinh commune, Ky Anh town, Ha Tinh province	45,040	PV Power Ha Tinh Company					45,040	Construction of houses for employees in the stage of management and operation of power plant Vung An 1, sport court	



No.	Location	Area (m ²)	Entity that owns, manages, uses the land	Land use right transfer	Form of land using				Land and property use purpose	Land use right value counted for enterprise value (VND)
					Allocated land (m ²)		Leased land (m ²)			
					Levy liable land	Free - levy land	Land with one time rent payment	Land with annual rent payment		
3	Ky Loi commune, Ky Anh district, Ha Tinh province	106,420	PV Power Ha Tinh Company					106,420	Construction of 500kV distribution station in Vung Ang Electricity Center	
4	Ky Loi commune, Ky Anh district, Ha Tinh province	165,413	PV Power Ha Tinh Company					165,413	Construction of pumping station	
5	Ky Loi commune, Ky Anh district, Ha Tinh province	23,451	PV Power Ha Tinh Company					23,451	Construction of cooling water channel and coal conveyor belt	
6	Ky Loi commune, Ky Anh district, Ha Tinh province	15,602.3	PV Power Ha Tinh Company					15,602.3	Construction of water pipelines of circulating pump station	

No.	Location	Area (m ²)	Entity that owns, manages, uses the land	Form of land using					Land use right value counted for enterprise value (VND)	
				Land use right transfer	Allocated land (m ²)		Leased land (m ²)			Land and property use purpose
					Levy liable land	Free - levy land	Land with one time rent payment	Land with annual rent payment		
7	Ky Loi commune, Ky Anh district, Ha Tinh province	196,245	PV Power Ha Tinh Company					196,245	Construction of slag dumping ground	
Total (I+II+III)		1,920,878.9		19,377.9		605,318.3	1,296,182.7			18,792,680,618

Source: PV Power's valuation report

4. BUSINESS PERFORMANCE PRIOR TO EQUITIZATION

4.1. Consolidated business performance of PV Power in prior to equitization

4.1.1. Consolidated revenue and gross profit breakdown

a) Consolidated revenue breakdown

Revenue of PV Power comes from the following activities: (i) sales of electricity, (ii) service providing, (iii) sales of goods, (iv) construction and installation, (v) sales of real estates and properties. The table below shows the details of revenue breakdown of PV Power prior to equitization:

Table11: Consolidated net revenue breakdown of PV Power

Unit: Million VND

No.	Year Revenue	2014		2015		2016		1 st H 2017	
		Value	Weight (%)	Value	Weight (%)	Value	Weight (%)	Value	Weight (%)
1	Sales of electricity	24,107,269	98.98	21,824,558	93.94	27,209,025	96.45	14,939,824	96.42
2	Service providing	33,589	0.14	607,753	2.62	155,395	0.55	1,956	0.01
3	Sales of goods	212,137	0.87	768,847	3.31	666,301	2.36	538,779	3.48
4	Construction and installation	3,539	0.01	16,186	0.07	181,050	0.64	-	-
5	Sales of real estates and properties	-	-	13,866	0,06	-	-	14,159	0.09
	Total	24,356,534	100	23,231,210	100	28,211,770	100	15,494,718	100

Source: 2014, 2015, 2016 and first half 2017 audited consolidated financial statements of PV Power

Most of revenue of PV Power comes from the sales of electricity. In particular, revenue from this segment accounted for 98.98% of revenue in 2014. In 2015, the Corporation provided operating management service to PVN's Vung Ang 1 power plant, which caused proportion of revenue from sales of electricity in total revenue decline to 93.94%. In 2016, since PV Power no longer rendered those services for PVN and revenue from the sales of electricity of Vung Ang 1 thermal power plant increased, the proportion of revenue from providing electricity in revenue increased slightly from 93.94% to 96.45%. The half-year figure in 2017 stayed almost unchanged compared to the prior comparative period (accounted for 96.42% of revenue).

Most of electricity sold by PV Power comes from thermal power plants and the remainder is from hydro power plants. Electricity is mostly sold to EVN under the power purchase agreements. The power price depends considerably on input fuel costs (gas fuel for gas-fired power plants and coal for coal-fired power plants). Revenue from providing electricity is mainly influenced by electricity output and fuel costs.

Revenue from the sales of electricity reached VND 24,107 billion, VND 21,825 billion and VND 27,209 billion in 2014, 2015 and 2016, respectively. The half-year figure in 2017 increased by 32.6% to 14,940 billion compared with the same period in 2016. Most of the power generation revenue comes from 5 thermal power plants, namely Ca Mau 1&2, Nhon Trach 1 & 2, Vung Ang 1. Since Ca Mau 1&2, Nhon Trach 1 and Vung Ang 1 thermal power plants are the dependent accounting units of the parent company PV Power, the most proportion of the consolidated revenue of PV Power arises from the Parent Company.

In 2014, although DakDrinh hydropower plant has been put into operation and generated 354 million kWh, the amount of electricity generated by PV Power still decreased slightly since Ca Mau 1&2 power plants were overhauled and the supply of natural gas was interrupted. However, revenue from the sale of electricity still rose slightly due to the significant increase in revenue of Nhon Trach 1 & 2 power plants (VND 1,200 billion for Nhon Trach 2 power plant and VND 400 billion for Nhon Trach 1 power plant). The increase in revenue of Nhon Trach 2 power plant is partly due to the adjustment of revenue for the prior periods with the amount of VND 650 billion on the retrospective basis.

In 2015, it experienced a contrasted situation. Although the amount of electricity generated soared by nearly 10% to 17.6 billion kWh in 2015 compared to the prior period, revenue from the sale of electricity decreased by over VND 2,000 billion. The reason for the decrease in revenue from the sale of electricity is due to the decline in the oil price which caused the price of gas to decline. This made the selling price of electricity generated by gas-fired power plants (Ca Mau 1 & 2, Nhon Trach 1 & 2) decrease. The selling price of electricity generated by Ca Mau 1&2 decreased the most, from 1,631 VND/kWh to only 1,141 VND/kWh. Apart from the decline in electricity price, in 2015, Nhon Trach 2 recognized VND 317 billion of retrospective gas costs from EVN/EPTC, causing to the decrease of the same amount in revenue. In 2015, PV Power – the Parent Company recognized VND 1,044 billion of retrospective revenue for Nhon Trach 1 power plant.

In 2016, PV Power started recognizing revenue from the sale of electricity generated by Vung Ang 1 thermal power plant therefore the revenue increased significantly by more than VND 4,980 billion.

Consolidated revenue increased by 32,1% in 2017 compared to the same period in 2016 mainly due to the increase in revenue from the sale of electricity.

b) Gross profit

Table 12: Consolidated gross profit breakdown of PV Power

Unit: Million VND

No.	Year Gross profit	2014		2015		2016		1 st H 2017	
		Value	Weight (%)	Value	Weight (%)	Value	Weight (%)	Value	Weight (%)
1	Sales of electricity	3,727,908	99.74	5,061,270	96.81	3,637,646	96.17	2,224,941	99.48
2	Service providing	5,182	0.14	156,824	3.00	109,394	2.89	786	0.04
3	Sales of goods	4,317	0.12	8,517	0.16	12,366	0.33	7,337	0.33
4	Construction and installation	276	0.01	1,005	0.02	23,154	0.61	-	-
5	Sales of real estates and properties	-	-	548	0.01	-	-	3,444	0.15
	Total	3,737,682	100	5,228,164	100	3,782,550	100	2,236,508	100

Source: 2014, 2015, 2016 and first half 2017 audited consolidated financial statements of PV Power

Note: the total gross profits shown in the table above take into account the effect of revenue deductions in 2015 and 2016 which are 833 and 10 million VND, respectively.

Consolidated gross profit of PV Power increased by nearly VND 1,000 billion in 2014 compared to the year-ago period mainly due to significant rise in gross profit of Nhon Trach 2 power plant. This rise is due to VND 650 billion of retrospective revenue of Nhon Trach 2 and D&A expenses decreased by VND 140 billion (due to change in estimated useful lives for machinery and equipment from 10 to 14 years) compared to the year-ago period while the electricity price was not affected by the decline of D&A since it is based on power purchase agreements.

Consolidated gross profit of PV Power kept increasing significantly in 2015 compared to in 2014 thanks to the increase in gross profit of dependent units. Noticeably, revenue from Nhon

Trach 1 power plant is adjusted to increase by over 1,044 billion VND due to the retrospective revenue, which results in the increase in the Corporation's gross profit.

Consolidated gross profit declined by 27.65% to 3,783 billion VND in 2016 compared to 2015. This is mainly because Vung Ang 1 thermal power plant has been put into operation for a short time and therefore has not reached the stable operation, which results in a loss of over VND 800 billion. Besides, there was not any significant retrospective revenue in 2016 as in 2015.

In the first half of 2017, consolidated gross profit of PV Power increased by 18.7% to VND 2,237 billion thanks to a positive performance of the electricity production.

The power generation contributed the most to the consolidated gross profit and revenue of PV Power (accounted for from 96% to 99% of gross profit each year). Other segments occupied the modest gross profit of PV Power.

c) Total revenue breakdown

Table 13: Consolidated total revenue breakdown of PV Power

Unit: Million VND

No.	Year Revenue	2014		2015		2016		1 st H 2017	
		Value	Weight (%)	Value	Weight (%)	Value	Weight (%)	Value	Weight (%)
1	Sales	24,356,534	95.6	23,231,210	97.7	28,211,770	98.3	15,494,718	98.4
2	Financial income	1,063,833	4.2	522,636	2.2	458,804	1.6	240,533	1.5
3	Other income	69,040	0.3	13,255	0.1	21,393	0.1	6,962	0.04
	Total	25,489,407	100	23,767,101	100	28,691,967	100	15,742,213	100

Source: 2014, 2015, 2016 and first half 2017 audited consolidated financial statements of PV Power

The sales accounted for the most of total revenue, which ranged from 95.6% to 98.4%. Financial income contributed the modest proportion of total revenue (ranged from 4.2% to 5%) and other income accounted for the insignificant proportion.

4.1.2. Business performance

Table 14: Business performance indicators of PV Power on a consolidated basis

Indicators	Unit	2014	2015	2016	30/6/2017
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Indicators	Unit	2014	2015	2016	30/6/2017
1. Liquidity ratios					
- Current ratio	times	1.32	0.94	1.02	1.03
- Quick ratio	times	1.00	0.72	0.84	0.78
2. Capital structure					
- Liabilities/total assets	%	64%	63%	62%	57%
- Liabilities/equity	%	180%	171%	160%	134%
3. Operation ratios					
- Inventory turnover	times	6.52	4.91	8.01	3.73
- Net revenue/total assets	times	0.49	0.39	0.40	0.23
4. Profitability ratios					
- Net profit/net revenue	%	11.34%	11.02%	5.38%	6.81%
- Net revenue/equity	%	16.70%	11.67%	5.71%	3.88%
- Net revenue/total assets	%	5.50%	4.25%	2.15%	1.57%
- Operating profit/net revenue	%	11.74%	12.90%	6.03%	7.47%

Source: Calculated based on 2014, 2015, 2016 and first half 2017 audited consolidated financial statements of PV Power

In 2014, consolidated net profit of PV Power increased strongly due to the favorable move of the foreign exchange rate and the retrospective revenue, which results in the significant improvement of ROE, from 3.82% in 2013 to 16.7% in 2014.

In 2015, net profit remained high. However, PV Power took over Vung Ang 1 power plant at 31/12/2015, its equity rose by nearly 8,700 billion VND, which caused its ROE to decline to 11.67%. ROE in 2015 would be 14.54% if the increase in equity was not taken into account.

In 2016, the Corporation started to recognize revenue and costs from Vung Ang power plant. However, due to early operation and the high borrowing costs (including interest expenses, loan guarantee costs and foreign exchange losses of foreign currency loans) Vung Ang power plant made a loss of more than VND 800 billion in 2016 (financial loss of VND 940 billion), which led to a sharp drop in ROE in 2016.

PV Power's ROE was 3.88% for the first half of 2017.

Debt ratios of PV Power tend to decrease since PV Power is in the stable operation and generated stable cash flow to pay off debts.

4.1.3. Cost structure

Cost structure of PV Power includes: (i) cost of goods sold (ii) financial expenses (iii) selling expenses (iv) general & administration expenses and (v) other expenses. The table below shows the details of cost structure of PV Power prior to equitization:

Table 15: Cost structure of PV Power on the consolidated basis

Unit: Million VND

No.	Year Cost	2014		2015		2016		Half year 2017	
		Value	% of revenue						
1	Cost of goods sold	20,618,851	84.65%	18,002,214	77.49%	24,429,210	86.59%	13,258,210	85.57%
2	Financial expenses	1,516,135	6.22%	1,698,824	7.31%	1,798,363	6.37%	959,529	6.19%
3	Selling expenses	2,652	0.01%	17,083	0.07%	17,072	0.06%	8,293	0.05%
4	G&A expenses	399,065	1.64%	990,769	4.26%	738,774	2.62%	316,944	2.05%
5	Other expenses	16,380	0.07%	6,965	0.03%	27,497	0.10%	2,905	0.02%
	Total	22,553,083	92.60%	20,715,855	89.17%	27,010,916	95.74%	14,545,881	93.88%

Source: 2014, 2015, 2016 and first half 2017 audited consolidated financial statements of PV Power

Cost of goods sold is the largest expense item for PV Power (around 90% of the total costs and expenses), followed by financial expenses (accounted for 6-8% of the total costs and expenses). Other kinds of expenses occupied the insignificant proportion of the total costs and expenses.

Cost of goods sold:

Cost of goods sold (mostly is fuel costs such as coal, oil, and gas costs) is on average of 85% of revenue, annually. In 2015, the figure decreased to over 77% because fuel cost declined sharply and revenue from Nhon Trach 1 power plant is adjusted to increase by over VND 1,044 billion due to the retrospective application.

Financial expenses:

Financial expenses are the second largest expense item for PV Power. Financial expenses of PV Power are VND 1,516 billion, VND 1,699 billion, VND 1,798 billion and VND 960 billion in 2014, 2015, 2016 and the first half of 2017, respectively. Financial expenses mainly comes from interest expenses and foreign currency exchange loss. Foreign currency exchange loss was VND 1,843 billion in 2015, of which foreign exchange loss on loans denominated in foreign currency for Vung Ang 1 power plant was 1,129 billion VND. However, at the time of PV Power's enterprise value announcement, PV Power adjusted to decrease this loss by VND 1,129 billion to VND 714 billion according to the inspection statement of the Ministry of Finance.

Interest expenses of PV Power were VND 1,199billion, VND 864billion, VND 1,330 billion and VND 692 billion in 2014, 2015, 2016 and the first half of 2017, respectively. This expense increased sharply in 2016 because PV Power took over Vung Ang 1 power plant and incurred the bank loans of VND 17,000 billion and interest expense of 736 billion VND associated with this plant in that year.

Selling expenses and G&A expenses:

Since PV Power's main business is electricity generation, its selling expenses are very low. This expense was only VND 2.7billion, VND 17.1 billion, VND 17.1 billion and VND 8.3 billion in 2014, 2015, 2016 and the first half of 2017, respectively, being under 0.1% of revenue. G&A expenses were VND 399 billion, VND 991 billion, VND 739 billion and VND 317 billion in 2014, 2015, 2016 and the first half of 2017, respectively. In general, G&A expenses remained relatively stable and were on average over VND 600 billion each year. In 2015, G&A expenses rose significantly due to the increase in the following expenses: Research and Development expenditure, employee life insurance benefits (including employees working at Ha Tinh branch) and social welfare.

4.1.4. Fuel

Main kinds of fuel for PV Power to generate electricity are natural gas and coal. One of the most advantages of PV Power is that the sources of natural gas which are exploited by units of PVN are close to the location of its power plants. Besides, coal for electricy generation of PV Power is supplied by PV Power Coal.

Gas fuel

Natural gas for gas-fired power plants of PV Power which include Ca Mau, Nhon Trach 1, Nhon Trach 2 power plants is supplied by PVGas through pipeline system stretching from off shore gas fields through processing plant to power plant for use.

In recent years, PV Power has coped with difficulties caused by the interruption of the supply of gas and low gas pressure, which affected adversely the operation of Ca Mau 1 & 2 power plants. In 2014, there were 34 breakdowns and 234 times of low gas pressure. In 2015, there were 43 breakdowns and 368 times of low gas pressure. In next years, it will be more difficult to supply natural gas for Ca Mau 1&2 power plants since PV Power have to find new sources of supply.

Coal fuel

Vung Ang 1 power plant consumes around 3.2 million tons of coal each year which is sourced from coal mines located at Hon Gai, Cam Pha (account for 80% of coal demand) and Vang Danh (account for 20% of coal demand) in Quang Ninh province. Coal is transported by sea to the power plant's coal port. In addition, coal is also transported by land.

Coal port of the power plant is designed for ships of up to 30,000 DWT. Coal is unloaded with the use of overhead crane at a capacity of 2,400 tons/hour and is transported into the open coal storehouse via belt conveyor system or is transported directly into coal bunkers to put coal into furnaces. Coal from coal storehouse is mixed through pilers, overhead crane and then is put into bunker via automated dropper system. There are machines which separate coal from iron and magnetic materials, coal weighting machine, humidity monitoring machine and the quality monitoring system which monitors the quality of coal on overhead crane. Coal storehouse is constructed to store the amount of coal enough to meet the demand for 30-day operation. Coal bunker can store the amount of coal enough to meet the demand for continuous 8-hour operation.

Oil fuel

HFO oil is the fuel during start and low-load operation for Vung Ang 1 thermal power plant (use only oil for lower 30%, combust oil together with coal for 30 - 60%). It is expected that Vung Ang 1 thermal power plant consumes on average around 14,000 tons of FO 2B oil each year.

For Ca Mau 1&2 and Nhon Trach 1 gas-fired power plant, in case the supply of natural gas is interrupted, Diesel oil can be used instead.

The supply of input fuel for PV Power's operation is affected by the following factors:

- The fluctuation of the global oil prices and coal prices
- The effect of natural disasters (storm, flood, drought, forest fire...)
- The fluctuation of foreign exchange rate

The factors listed above could directly affect the business operation, revenue and profit of PV Power.

4.1.5. Technology

PV Power has diversified electricity generation with gas-fired combined-cycle, coal-fired thermal power plants and hydropower plants. At the early of 2015, PV Power took over and operated Vung Ang 1 coal-fired thermal power plant (capacity of 2x600 MW) which has modern-technology and the largest turbines' capacity.

All of power plants operated by PV Power utilize the most advanced and eco-friendly technology at the time of construction and installation. As a leader in electrical technology and services, PV Power's staff including engineers and technical workers who operate, maintain and repair electrical equipment and machine has promoted themselves gradually to master technology and operate efficiently and effectively the modern equipment and machine. The staff can gradually replace foreign contractors in repairing and maintaining periodically equipment and machine of power plants operated by PV Power.

4.1.6. Research and development, application of scientific and technological advances and human resource training

a. Research and development, application of scientific and technological advances

In recent years, PV Power has had a great deal of activities in research & development and application of scientific and technological advances, including: associated and cooperated with associations and agencies interested in the electric industry such as Vietnam Electrical Engineering Association (VEEA), Vietnam Energy Association (VEA), Vietnam Petroleum Institute (VPI); compiled processes and technical standards; learned to improve consulting, criticism and scientific study capacity; signed the comprehensive cooperation agreement on science and technology with VPI and VEEA; coordinated with organizations and agencies interested in the electric industry to hold specialized conferences and seminars to share experience and knowledge.

Research and advanced technology initiative are always interested and implemented in accordance with the applicable law. Besides, PV Power gave directions to initiate inventions and apply research into reality. Therefore, most of staff of PV Power is aware clearly of the importance scientific of research and technological advance initiative to the business performance and scientific and technological research is implemented reasonably and effectively.

Scientific and technological research and advanced technology initiative is managed in the same manner for both the Parent Company and the subsidiaries and the affiliated companies of PV Power. The Corporation established the science and technology committee and the initiative committee at all levels with its role and mission being determined specifically.

PV Power carries out and coordinates with partners in doing scientific and technological research and criticizes numerous scientific and technological theses. Several of these directly contribute to the business operation such as:

- Thesis on the model of training employees who implement the management and operation of thermal power plants of PV Power.
- Thesis on establishing the rule of standardizing data base, technology, tools and equipment of power plants.
- Thesis on determination and examination the ability of Vung Ang 1 thermal power plant to raise capacity over 2015-2016 periods.

PV Power studied technological solutions in order to enhance the efficiency of the operation of power plants such as: spray technology that increases the capacity; replace F7 filter with HEPA filter; apply strictly modern technical solutions, establish the reliable process for the operation and maintenance of power plants; master completely the operation and partly the maintenance of gas-fired combined-cycle power plants.

To date, PV Power has had hundreds of initiatives at the unit level and 84 initiatives at the Corporation level, which contributed to achieve the business plan as well as to promote the movement of creativity at work and save operating costs. One of the most notable initiatives is the initiative on the system “Anti-foaming system before pumping for cooling”. Several initiatives which make the benefit of up to VND 20 billion are as follows:

- Initiative on “Cleaning V94.3A gas turbine by the ultrasound wave together with chemical”

of the staff of PV Power Ca Mau Company.

- Initiative to utilize geological conditions: "Putting concrete into tunnel leading to the construction line" of the staff of Hua Na Hydropower JSC.

In addition, PV Power also applied actively the latest advance of IT to the management, operation and maintenance to reduce costs, enhance quality and efficiency of business operation.

b. Human resource training

In order to improve and promote the human resources, PV Power focuses on regular training for its staff to enhance competence and skills in dealing with tasks. Training can take various forms: internal training, training for managers and managers under planning, regular training on professional skills, training to raise working level for workers, retraining and foreign language training.

Labor recruitment and training to operate power plants has met the working demand which leads to the safe, secure and effective operation of power plants. PV Power recruited and trained 616 employees to operate and maintain power plants owned by PVN, PV Power and PV Power's subsidiaries over the period 2012 – 2015.

Training of high quality human resources for the operation of power plants is always interested and closely directed by PV Power's management team in order to establish high quality employees who can be ready to implement the operation of power plants of PV Power. PV Power assigns the key technical workers and managers working at Ca Mau 1&2 and Nhon Trach 1 power plants to execute the training for employees and operating Nhon Trach 2, Vung Ang 1 power plants...

Regarding advanced training for specialists, PV Power established and implemented the project of advanced training to recognize specialists in power plant operation and maintenance for 50 key technical workers and the project of advanced training on coal supply chain establishment and management and coal import for 27 employees.

4.1.7. Product and service quality management

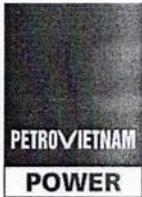
a) Applied quality management system

Currently, PV Power is applying the ISO 9001: 2008 quality management system, which is certified by BSI Group.

b) Quality management division

Quality management system ISO 9001: 2008 is applied, managed and maintained as follows:

- PV Power's ISO Steering Committee is responsible for building up, maintenance and development of the system.
- The Corporation conducts internal assessment 2 times per year and certificate granting organization conducts investigation and assessment once a year to evaluate the quality management system and to detect inappropriate issues (if any) to change and improve the system to be more efficient and suitable with the business activities of the Corporation.

4.1.8. Trademarks and patents

Currently, PVN owns and exploits patents and trademarks registered with National Office of Intellectual Property of Vietnam and authorizes PV Power to exploit the trademarks including "PETROVIETNAM", the fire and "PVPOWER".

4.1.9. Key contracts

The progress of negotiation and signing the Power Purchase Agreements (PPAs) is as follows:

a) Ca Mau 1&2 power plants

- The PPA No. 01/DLDKCM-EVN-2008 dated 08/01/2008 for the sale of electricity generated by Ca Mau 1 and Ca Mau 2 thermal power plants signed between EVN and PV Power Ca Mau Company. Term of the agreement is 20 years since the first day of the operation. A small amount of electricity generated by Ca Mau 2 power plant (around 20MW) is sold to Ca Mau Urea Production Plant.
- Amendment agreements relating to the PPA:
 - The agreement No. 01 dated 27/03/2009;
 - The amendment agreement No. 02 dated 29/12/2009;
 - The amendment agreement No. 03 dated 01/04/2011;
 - The amendment agreement No. 04 dated 30/12/2011.

b) Nhon Trach 1 power plant

- The PPA No. 07/2012/ HD-NMD-NT1 dated 09/07/2012 for the sale of electricity generated by Nhon Trach 1 power plant. The agreement commences on 01/05/2012 and

remains in effect until the closing day of the competitive generation market determined by the competent authority or for a period of 10 years after the first day of the operation.

▪ Amendment agreements relating to the PPA:

- The amendment agreement No. 01 dated 29/05/2012;
- The amendment agreement No. 02 dated 18/04/2014;
- The amendment agreement No. 03 dated 09/01/2014;
- The amendment agreement No. 04 dated 11/12/2015;
- The amendment agreement No. 05 dated 31/12/2015;
- The amendment agreement No. 06 dated 19/11/2016;
- The amendment agreement No. 07 dated 27/12/2016.

c) *Vung Ang 1 power plant*

- The PPA No. 02/2016/HD-NMD-VA1 dated 17/08/2016 for the sale of electricity generated by Vung Ang 1 power plant. The agreement commences at 0h00 in 01/01/2016 and remains in effect until (i) the end of the competitive generation market determined by the competent authority or (ii) 10 years after the first day of the operation.

4.1.10. Financial performance and business results of PV Power on a consolidated basis

a) *Consolidated asset structure of PV Power*

Table 16: Consolidated asset structure of PV Power

Unit: Billion VND

Indicators	2014	2015	2016	30/06/2017
Total assets	49,180	71,283	69,732	64,588
Current assets	15,039	16,016	18,519	15,415
Cash & cash equivalents	5,518	6,073	4,671	3,601
Short-term financial investments	55	150	60	583
Short-term accounts receivable	5,560	5,848	10,230	7,351
Inventories	3,635	3,701	3,347	3,771
Other current assets	271	244	211	109
Non-current assets	34,141	55,267	51,214	49,173
Fixed assets	25,646	51,115	48,068	45,993
Long-term financial investments	855	781	931	900

Indicators	2014	2015	2016	30/06/2017
Other non-current assets	7,640	3,371	2,215	2,280
Total Liabilities and Equity	49,180	71,283	69,732	64,588
Current liabilities	11,417	17,043	18,078	15,023
Short-term debt	3,726	6,651	5,888	5,956
Non-current liabilities	20,209	27,913	24,858	21,934
Long-term debt	19,675	27,074	24,669	21,710
Total equity	17,554	26,327	26,797	27,631
Owner's equity	13,107	21,774	21,774	21,774

Source: 2014, 2015, 2016 and first half 2017 audited consolidated financial statements of PV Power

Asset growth: since the main business of PV Power is power generation, PV Power's assets only grow in years when PV Power make large investments. In other years, the Corporation's assets tend to decrease due to the effect of D&A expenses and the principal repayment of loans. In 2014, total assets of PV Power declined slightly from over VND 51 trillion to over VND 49 trillion. The figure soared to over VND 71 trillion in 2015 since PV Power took over Vung Ang 1 power plant from PVN. The figure declined slightly to over VND 69 trillion in 2016 compared to the prior year mainly due the effect of D&A expenses. The figure kept declining to over VND 64.5 trillion at 30/6/2017.

Asset structure: most of the assets of PV Power are fixed assets including buildings and structures and machinery and equipment, accounting for over 50% of total asset value. The proportion of fixed assets would be greater (over 70% for 2015) when newly constructed power plant was put into operation. Besides, cash & cash equivalents and accounts receivables also occupied significant proportions of total asset value.

Capital structure: liabilities often account for around 65% of total capital, of which short-term liabilities account for 35% and long-term liabilities account for 65%. Normally, if PV Power does not invest in constructing new plants, long-term liabilities will be paid off gradually, which makes its proportion relative to total capital decrease. As of 30/06/2017, PV Power's total liabilities were around VND 36.96 trillion, accounting for 57.2% of total capital, of which long-term liabilities were VND 21.93 trillion.

Equity: in 2015, since PV Power took over Vung Ang 1 power plant, the equity soared to over VND 26 trillion, of which owner's equity was VND 21.7 trillion.

b) Loans and borrowings

Long-term loans and borrowings of PV Power and its subsidiaries are mainly used to finance power plant construction. Its short-term loans and borrowings are mostly the current-portion of long - term loans, the remainder is short-term loans incurred by its subsidiaries such as: Bac Kan Hydropower JSC, PV Power Services JSC, PV Machino JSC. Short-term loans as of 30/6/2017 were VND 5,956 trillion, of which the current-portion of long - term loans were VND 5,826 trillion.

With the current financial position, PV Power does not need to take loans to finance working capital for paying off fuel costs for power plants and other operating costs.

c) Financial performance and business results

Table17: Financial performance and business results of PV Power on a consolidated basis

Unit: Billion VND

No.	Indicators	2014	2015	2016	1 st H 2017
1	Total assets	49,180	71,283	69,732	64,588
2	Book value of state capital	17,554	26,327	26,797	27,631
3	Short-term debt	3,726	6,651	5,888	5,956
3.1	<i>In which: Overdue debt</i>	0	0	0	0
4	Long-term debt	19,675	27,074	24,669	21,710
4.1	<i>In which: Overdue debt</i>	0	0	0	0
5	Bad debts	207	360	269	267
6	Total employees (on average)	1,627	2,127	2,260	2,275
7	Total payroll (billion VND)	379	528	572	204
8	Average income (million VND/person/month)	22.4	24.6	24	18.4
9	Total revenue	25,489	23,767	28,692	15,742
10	Total expense	22,553	20,716	27,011	14,546
11	Gross profit	3,738	5,228	3,783	2,237
12	Profit before tax	2,913	3,003	1,696	1,161
13	Profit after tax	2,761	2,560	1,517	1,056
14	Profit after tax/equity	16,70%	11,67%	5,71%	3,88%

Source: PV Power and 2014, 2015, 2016 and first half 2017 audited consolidated financial statements of PV Power

4.2. Business performance of PV Power- the Parent Company in prior to equitization

4.2.1. Breakdown of revenue and profit

a) Revenue breakdown

Table 18: Revenue breakdown of PV Power - the Parent Company

Unit: Million VND

No.	Year Indicator	2014		2015		2016		1 st H 2017	
		Value	Weight (%)	Value	Weight (%)	Value	Weight (%)	Value	Weight (%)
1	Revenue from sales of electricity	16,078,693	99.76	14,134,989	96.81	18,209,781	99.79	10,868,898	99.98
2	Revenue from coal supply	7,842	0.05	-	-	-	-	-	-
3	Revenue from services	30,447	0.19	466,158	3.19	38,212	0.21	2,492	0.02
	Total	16,116,983	100	14,601,146	100	18,247,994	100	10,871,391	100

Source: Audited financial report for the year 2014, 2015, 2016, and the First Half of 2017 of PV Power -the Parent Company

In 2014, PV Power's revenue decreased by VND744 billion compared to the figure in 2013. The main reason for the decrease in 2014 revenue was the reduction in electricity output. The decrease in electricity output was the result of difficulties of the Parent Company's power plants in production: (i) Ca Mau power plant was affected by the malfunction of MP3 gas station and the overhaul of the plant in 50,000 hours EOH from 1/7/2014 to 28/8/2014; and (ii) Nhon Trach 1 power plant had a period of repairing turbines and circulator pump and fixing pressure regulator.

In 2015, the price of gas as input of the power plants decreased sharply, bringing the total revenue of the Corporation to only VND14.6 trillion, down 10% compared to the revenue in 2014 despite of strong increase in electricity output: output of Ca Mau 1 & 2 increased from under 7.5 billion kWh to 7.9 billion kWh, output of Nhon Trach 1 went up from 2.8 billion kWh to 3.3 billion kWh. In 2015, PV Power recorded the retroactive revenue of Nhon Trach 1 which is VND 1,044 billion.

In 2016, the Corporation recorded revenue from Vung Ang power plant, resulting in revenue in 2016 reaching over VND 18,248 billion, equivalent to 125% of revenue in 2015.

In the first six months of 2017, the Corporation's revenue reached VND 10,871 billion, which increased by 36.4% compared to the same period of 2016, mainly due to the increase in the sales of electricity.

PV Power – the Parent Company directly manages four power plants which are Ca Mau 1 & 2, Nhon Trach 1 and Vung Ang 1. Power plants are the main source of revenue for the Corporation.

b) Gross profit breakdown

Table19: Gross profit breakdown of PV Power- the Parent company

Unit: Million VND

No.	Year Indicator	2014		2015		2016		1 st H 2017	
		Value	Weight (%)	Value	Weight (%)	Value	Weight (%)	Value	Weight (%)
1	Sales of electricity	1,530,463	99.38	3,005,890	97.92	1,817,053	98.97	1,195,577	99.81
2	Coal supply activities	136	0.01	-	-	-	-	-	-
3	Electrical technical services	9,336	0.61	63,911	2.08	18,856	1.03	2,275	0.19
	Total	1,539,935	100	3,069,800	100	1,835,910	100	1,197,853	100

Source: Audited financial report for the year 2014, 2015, 2016, and the First Half of 2017 of PV Power -the Parent Company

The gross profit of the Parent Company in 2014 did not change significantly in comparison with the figure in 2013 despite of the decrease in revenue. In 2015, Nhon Trach 1 recognized a retroactive O&M amount of over VND 1,044 billion and electricity output of power plants strongly increased, which results in increase in the Corporation's gross profit from VND 1,539 billion in 2014 to VND 3,070 billion in 2015. In 2016, due to there was not any abnormal revenue growth as in 2015, the gross profit was only VND 1,836 billion, equivalent to 60% and 119% of the gross profit in 2015 and in 2014, respectively. In the first half of 2017, gross profit was significantly improved by an increase of 36% over the same period in 2016 and reached to VND 1,198 billion.

c) Breakdown of total revenue

Table20: Total revenue breakdown of PV Power- the Parent company

Unit: Million VND

No	Year Indicator	2014		2015		2016		1 st H 2017	
		Value	Weight (%)	Value	Weight (%)	Value	Weight (%)	Value	Weight (%)
1	Revenue from sales & services	16,116,983	95.72	14,601,146	94.06	18,247,994	95.81	10,871,391	96.28
2	Financial income	704,674	4.19	916,649	5.90	786,455	4.13	415,966	3.68
3	Other income	15,461	0.09	6,110	0.04	11,460	0.06	3,735	0.03
	Total	16,837,118	100	15,523,905	100	19,045,909	100	11,291,092	100

Source: Audited financial report for the year 2014, 2015, 2016, and the First Half of 2017 of PV Power -the Parent Company

Revenue from sales and services accounts for a major proportion of PV Power's total revenue (over 94%). Financial income which mainly comes from interest and dividends from subsidiaries and associates only contributes from 1.2% to 5.9% of the total revenue of PV Power - the Parent Company.

4.2.2. Business performance

Table 21: Business performance indicators of PV Power - the Parent Company

Indicators	Unit	2014	2015	2016	30/6/2017
1. Liquidity ratios					
- Current ratio	times	1.69	0.82	0.98	1.01
- Quick ratio	times	1.60	0.76	0.92	0.91
2. Capital structure					
- Liabilities/total assets	%	48%	55%	53%	49%
- Liabilities/equity	%	92%	124%	114%	97%
3. Operation ratios					
- Inventory turnover	times	20.62	20.81	26.62	13.15
- Net revenue/total assets	times	0.56	0.38	0.37	0.23
4. Profitability ratios					
- Net profit/net revenue	%	7.65%	14.66%	5.15%	7.63%
- Net revenue/equity	%	8.95%	11.74%	4.15%	3.59%
- Net revenue/total assets	%	4.26%	5.55%	1.90%	1.75%

Indicators	Unit	2014	2015	2016	30/6/2017
- Operating profit/net revenue	%	8.49%	17.22%	5.70%	8.23%

Source: Calculated based on audited financial report for the year 2014, 2015, 2016, and the First Half of 2017 of PV Power -the Parent Company

Gross profit in 2014 reached VND 1,540 billion which slightly increased compared to the number in 2013. However, financial activities in 2014 had VND 65 billion profit (in 2013, financial activities made a loss of VND 631 billion), leading to an increase of VND 644 billion in net profit in 2014 (net profit reached over VND 1,233 billion and VND 589 billion in 2014 and in 2013, respectively). ROE in 2014 was 8.95%.

In 2015, management expenses increased by VND 450 billion, from VND 237 billion in 2014 to more than VND 689 billion as the Parent Company contributed VND 63 billion to the Science and Technology Development Fund, bought post-paid life insurance for employees (including staff of Ha Tinh branch), incurred administrative expenses in Ha Tinh branch and incurred additional social activity expenses of VND 70 billion. 2014 was also the last year that Nhon Trach 1 power plant applied preferential income tax of 50% reduction, leading to an increase in tax expense in 2015 by VND 225 billion. Although unfavorable exchange rates, admin expenses, and taxes, the retroactive revenue of more than VND 1.044 billion of Nhon Trach 1 power plant made PV Power's net profit to increase from VND 1,232 billion to VND 2,141 billion. Despite of the sharp increase in net profit, ROE in 2015 only increased to 11.74% compared to 8.95% in 2014 due to the increase by VND 8,666 billion in equity as the Corporation took over Vung Ang 1 power plant (has not generated profit yet). Since the equity increased as at 31/12/2015, it did not contribute to profit generating for the year 2015. If the equity increase was eliminated, ROE in 2015 would be 14.54%.

In 2016, the Corporation started to recognize revenue and costs from Vung Ang power plant. However, due to early operation and the high borrowing costs (including interest expenses, loan guarantee costs and foreign exchange losses of foreign currency loans) Vung Ang power plant made a loss of more than VND 800 billion in 2016 (financial loss of VND 940 billion), which led to a sharp drop in ROE in 2016.

In the first six months of 2017, the Corporation gained more than VND 829 billion net profit that went up 15.5% in comparison with the same period in 2016. ROE for the first 6 months 2017 reached 3.59%.

The debt ratios of PV Power tended to decrease as the Corporation is in a stable operation period, the output is guaranteed and there are stable cash flows to pay off debts. In 2015, the debt ratios increased in comparison with the figures in 2014 due to the effect of taking over Vung Ang 1 power plant but still at a safe level. In 2016 and the first 6 months 2017, the Corporation paid a part of long-term debts so the indicators decreased compared to 2015.

4.2.3. Business expenses

PV Power – the Parent Company’s main business is power generation, thus, its cost structure does not significantly change over the years with the cost of goods sold being the biggest expense, followed by the financial cost.

Cost structure of the Parent Company during 2014-2016 and the first half of 2017 is as below

Table22: Cost structure of PV Power -the Parent Company

Unit: Billion VND

No	Year Indicator	2014		2015		2016		1 st H 2017	
		Value	% of revenue	Value	% of revenue	Value	% of revenue	Value	% of revenue
1	COGS	14,577	90.44%	11,531	78.97%	16,412	89.94%	9,674	88.99%
2	Financial expenses	639	3.96%	784	5.37%	1,136	6.23%	563	5.18%
3	Selling expenses	0,05	0.00%	-	-	-	-	-	-
4	G&A expenses	237	1.47%	689	4.72%	446	2.44%	156	1.43%
5	Other expenses	14	0.09%	3	0.02%	18	0.10%	2	0.02%
	Total	15,467	95.97%	13,007	89.08%	18,012	98.71%	10,395	95.62%

Source: Audited financial report for the year 2014, 2015, 2016, and the First Half of 2017 of PV Power -the Parent Company

4.2.4. Financial performance and business results of PV Power - the Parent Company

a) Asset structure of PV Power - the Parent Company

Table 23: Balance sheet of PV Power - the Parent Company for the period 2013 - 2016

Unit: Billion VND

Indicator	2014	2015	2016	30/6/2017
Total assets	26,930	50,277	48,590	46,301
Current assets	7,848	8,522	9,832	9,111
Cash & cash equivalents	4,373	4,358	2,927	2,697
Short-term financial investment	50	50	50	50
Short-term receivables	2,967	3,319	6,232	5,368
Inventories	426	682	551	920
Other current assets	34	113	73	75
Non-current assets	19,081	41,755	38,757	37,190
Fixed assets	8,389	35,080	31,844	30,301
Long-term financial investment	5,718	5,674	5,650	5,582
Other non-current assets	4,974	1,001	1,263	1,307
Total Liabilities & Equities	26,930	50,277	48,590	46,301
Current liabilities	4,638	10,373	10,047	9,003
Short-term debt	1,924	4,488	4,066	4,063
Non-current liabilities	8,283	17,434	15,801	13,769
Long-term debt	7,758	16,664	15,693	13,650
Total equities	14,009	22,471	22,741	23,529
Owners' equity	13,107	21,774	21,774	21,774

Source: Audited financial report for the year 2014, 2015, 2016, and the First Half of 2017 of PV Power -the Parent Company

Asset growth: Total assets of PV Power decreased from VND 31 trillion in 2013 to nearly VND 27 trillion in 2014 because the Corporation did not make new investments and due to asset depreciation and amortization (also, the loan balance was reduced since the Corporation repaid principals as the commitment schedule). In 2015, the Corporation took over Vung Ang 1 power plant, which increased total assets to over VND 50 trillion. In 2016, total assets decreased due to depreciation of fixed assets during the use. As at 30/6/2017, total assets continued to decline to more than VND 46 trillion.

Asset structure: Similarly to the consolidation of the Corporation, PV Power - the Parent Company's long-term assets accounted for a relatively large proportion of total assets, averaging over 75% of total assets. As at 31/12/2015, since the Parent Company received Vung Ang 1 power plant, the long - term assets (mainly fixed assets) increased rapidly and accounted for 83% of total assets.

Capital structure: the Corporation's power plants have been operating stably and have paid annual principal repayments steadily, contributing to the reduction of the debt proportion in the capital structure. At the end of 2014, the total debt of the Parent Company was only VND 9,682 billion, including VND 7,758 billion long - term loans. The effect of receiving Vung Ang 1 power plant resulted in a significant increase in the Parent Company's debt as of 31/12/2015, total debt was VND 21,152 billion, accounting for 42% of the total equity and liabilities. In 2016, and 6 months 2017, the Corporation continued to pay the loans, causing total debt to reduce to VND 19,759 billion and VND 17,713 billion and account for 41% and 38.3% of total liabilities & equity, respectively.

Equity growth: Equity surged in 2015 due to the taking over of Vung Ang 1 power plant. According to Resolution No. 753/NQ-DKVN dated 5/2/2016 on approving the transfer of Vung Ang 1 power plant and 500kV distribution station of Vung Ang Power Center to the Corporation, increasing the Corporation's charter capital by VND 8,666,971,957,266.

b) Borrowings of PV Power - the Parent company

Long-term debts of PV Power are for funding for investment and development of power plant projects. These loans are mostly in foreign currency, so the fluctuation of the foreign exchange rate greatly affect the business activities of the Corporation. Up to now, PV Power has not borrowed for working capital, therefore, VND 4,063 billion of short-term debt at 30/6/2017 are due long - term loans.

c) Financial performance & business results

Table 24: Financial performance & business results of PV Power - the Parent company

Unit: billion VND

No.	Indicators	2014	2015	2016	1 st H2017
1	Total assets	26,930	50,277	48,590	46,301
2	Book value of state capital	14,009	22,471	22,741	23,529
3	Short-term debt	1,924	4,488	4,066	4,063
3.1	<i>In which: Overdue debt</i>	0	0	0	0

No.	Indicators	2014	2015	2016	1 st H2017
4	Long-term debt	7,758	16,664	15,693	13,650
4.1	<i>In which: Overdue debt</i>	0	0	0	0
5	Bad debts	12	12	14	13
6	Total employees (on average)	672	1,068	1,156	1,163
7	Total payroll (billion VND)	200	294	324	116
8	Average income (million VND/person/month)	27.8	28.6	24.4	19.9
9	Total revenue	16,837	15,524	19,046	11,291
10	Total expense	15,467	13,007	18,012	10,395
11	Gross profit	1,540	3,070	1,836	1,198
12	Profit before tax	1,370	2,517	1,034	897
13	Profit after tax	1,233	2,141	939	830
14	Profit after tax/equity	8.95%	11.74%	4.15%	3.59%

Source: PV Power and Audited financial report for the year 2014, 2015, 2016, and the First Half of 2017 of PV Power - the Parent Company

4.3. Material factors affecting business operation of PV Power in the last 03 years

Over the past years, the global economy in general and the Vietnam economy in particular experienced a great deal of difficulties and changes, especially in 2011 the global economy faced sovereign debt crises, together with economic recessions in several largest economies such as European, China and Japan. Such events have negatively affected business operation of PV Power in terms of both inputs and outputs since 2012. In addition, recently, climate change together with natural disasters (flood, drought...) have adversely impacted on the Corporation's business operation.

Although coping with a number of difficulties and challenges, PV Power has achieved a stable growth and applied actively innovations and scientific and technological advances. Such achievements result from the following factors:

4.3.1. Advantages

- PV Power is operating one of five key business activities of PVN, is interested and closely directed by PVN in all business activities of the Corporation and gains support from PVN in finding sources of finance for projects and subsidiaries' investment;
- PV Power is organized in the parent company – subsidiary model in large scale, which includes subsidiaries established as legal entities to create a long-term close relationship in terms of economic benefit, technology, market and other aspects, there by to exploit advantages over their competitors. This current model helps PV Power to comply with

guidelines of the government and PVN on not investing in non-core businesses.

- After ten years of establishment, PV Power has gradually accumulated experience and had experienced and skillful engineers, technical workers in the operation and maintenance of highly modern and large-scale power plants.

4.3.2. Disadvantages

- The operation of gas-fired power plants depends heavily on the ability of PV Gas to supply gas and the ability of EVN to consume electricity. Specially, the source of the supply of natural gas for Ca Mau 1&2 power plants is not stable and is usually interrupted, which affects adversely the operation of those plants.
- A number of negative factors affecting the operation of hydropower plants as follows: climate change is unfavorable, rainfall is low, hydrological situation is abnormally dry and water flow rate to hydropower reservoirs is much lower than the average rate in many previous years.
- The electricity market is still not completely developed in terms of mechanism, therefore the operating efficiency when participating in the electricity market depends heavily on the amount of electricity sold which is allocated to participants.
- The process of submission and approval of the adjusted total investment value for the construction of Dak Drinh and Hua Na hydropower plants lasts for a long time, which affects the process of investment capital settlement and the negotiation for the long – term electricity price.
- Vung Ang 1 power plant has recently been put into operation therefore its operation has not been stable and usually faced breakdowns, especially those related to the coal unloading system. In addition, the weather condition is very unfavorable in Vung Ang, which makes it difficult to unload coal from the coal port.

4.4. Market position of PV Power

4.4.1 Market position of PV Power

After 10 years of establishment, thanks to the hard work of all employees, PV Power has been the second largest electricity provider in Vietnam. The generation of high - quality electricity from gas-fired, coal-fired thermal power plants and hydropower plants operated by PV Power is very important and essential to stabilize the national electric system, especially in continuous dry seasons over 2008-2015 period. The establishment of Ca Mau 1 & 2 gas-fired thermal

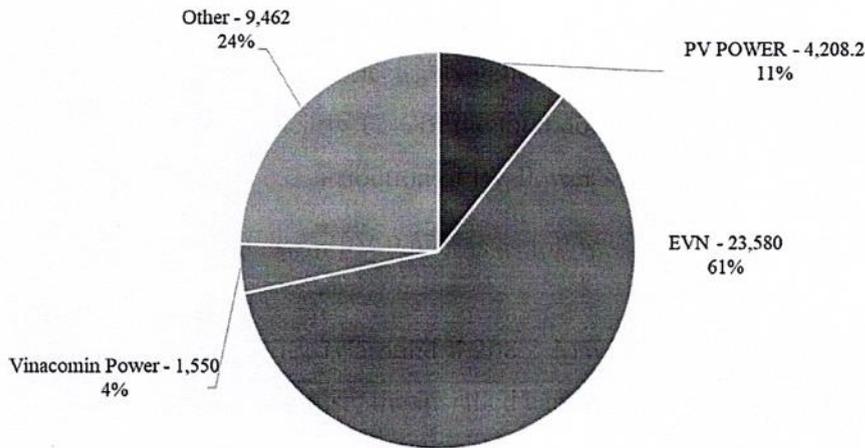
power plants (in 2007, 2008); Nhon Trach 1 gas-fired power plant (in 2009); Nhon Trach 2 gas-fired power plant (in 2011); Hua Na (in 2013), Nam Cat hydropower plants and Phu Quy wind power plant (in 2012) and DakDrinh hydropower and Vung Ang 1 coal-fired thermal power plant (in 2014) has set the firm position of PV Power in Vietnam electricity industry. PV Power’s installed capacity is around 4,208.2 MW, equivalent to 11% of the industry’s installed capacity and the amount of electricity generated is approximately 20 billion kWh each year on average, equivalent to nearly 12% of the total output of the industry, this is meaningful achievement that illustrates the contribution of PV Power’s employees.

Summary of production capacity of PV Power is as follows:

Installation capacity:

PV Power’s installation capacity is around 4,208.2 MW compared to the entire industry of 38,800 MW. For comparison purpose, the installed capacity of EVN and its three subsidiaries is 23,580 MW and that figure of Vinacomin Power is 1,550MW.

Figure 2: Vietnam power market breakdown by installation capacity in 2015 (Unit: MW)



PV Power is the second largest provider in terms of installed capacity with the total capacity equivalent to around 11% of the industry’s capacity.

The electricity output volume:

Table 25: The electricity output volume of PV Power

Unit: Million kWh

Generator	2011	2012	2013	2014	2015	2016

PV Power	13,352	15,269	16,177	16,054	21,470	21,131
The entire industry	101,499	115,147	124,454	140,237	157,600	176,990

Source: PV Power

In 2015, PV Power generated 21.5 billion kWh of electricity, equivalent to 13.6% of the amount of electricity generated in the whole country.

PV Power provided total 82.3 billion kWh of electricity over 2011-2015 periods, equivalent to 12.9% of the amount of electricity generated in the whole country over the same period.

Technology:

PV Power has diversified electricity generation by energy source with natural gas-fired combined-cycle, coal-fired thermal power plants and hydropower plants. At the early of 2015, PV Power took over modern-technology Vung Ang 1 coal-fired thermal power plant which has the capacity of 2x600 MW. This plant is one of the largest power plants in Vietnam in terms of electrical capacity.

All of power plants operated by PV Power utilize the most advanced and eco-friendly technology at the time of construction and installation. As a leader in electrical technology and services, PV Power's staff including engineers and technical workers who operate, maintain and repair electrical equipment and machine has promoted themselves gradually to master technology and operate efficiently and effectively the modern equipment and machine. They can gradually replace foreign contractors in repairing and maintaining periodically equipment and machine of power plants operated by PV Power.

In 06/2015, PVN approved the business plan for 2016-2020 and the development strategy of PV Power to 2025 with orientation to 2035 according to Resolution No. 4116/NQ-DKVN of PVN. The development orientation of PV Power is to develop sustainably, to become highly competitive and to develop in accordance with the common development strategy of PVN which determines that the main development orientation is to develop natural gas-fired power industry in order to exploit effectively the natural gas resource and to select suitable projects in renewable and clean energy industry in accordance with guidelines and policies of the government and the global trend as well as to focus on developing technical services, coal providing services and other services related to the main business so as to enhance the

efficiency and competitiveness of PVN; comply strictly with standards and norms on environmental protection.

Besides, the comprehensive objective of PV Power determines clearly that: establishing and developing PV Power to become the strong, active and highly competitive company in electricity generation and related services industry with electricity generation being the main business. Another objective is to actively invest in the natural gas-fired power segment with the aim to exploit effectively natural gas resource; to cooperate with partners to invest in hydropower plant and coal-fired thermal power plant projects assigned by the government/PVN; to consider investing in highly efficient renewable energy projects to ensure the balance among the energy source. In next years, PV Power will focus on developing services related to the electricity industry to support its electricity business: maintenance services, coal providing services to ensure the sustainability of the supply of coal for coal-fired thermal power plants ... suitable for the development period. PV Power will also exploit effectively internal resource as well as to attract partners of all of economic classes to invest in power plants operated by PV Power; to select to invest in modern technology, highly efficient and eco-friendly power plant to maintain and enhance its long term competitiveness.

4.4.2 Prospect of development of the electricity industry

The electricity industry is one of the most important industries in Vietnam and also attract investors thanks to recent high national economic growth which leads to the strong increase in demand for electricity. Particularly, the amount of electricity consumed by the economy increased from 101.5 billion kWh in 2011 to around 157.6 billion kWh in 2015 at the growth rate of 11.6% per year. The installed capacity of the whole industry also rose from 24,744 MW in 2011 to 38,800 MW in 2015 at the growth rate of 11.9% per year.

According to the adjustment of National Power Development Plan VII (PDP 7 rev for short) approved by the Prime Minister, in order to meet the demand for electricity to achieve the eco-socio development objectives with the average GDP growth rate of 7% per year over 2016 – 2030 periods. To achieve this GDP growth rate, the amount of electricity consumed by the economy will increase at the growth rate of 10.6% per year. The specific objective for developing the electricity consumed is as follows:

- Commercial electricity: 235 - 245 billion kWh in 2020; 352 - 379 billion kWh in 2025 and 506 - 559 billion kWh in 2030.

- Generated and imported electricity: 265 - 278 billion kWh in 2020; 400 - 431 billion kWh in 2025 and 572 - 632 billion kWh in 2030.

To implement the PDP 7 rev, the total investment value is estimated to be 858.66 trillion VND (equivalent to nearly 40 billion USD or 7.9 billion USD per year) for the 2016 - 2020 periods and 2,347.99 trillion VND (equivalent to 108 billion USD or 10.8 billion USD per year) for 2021 - 2030 periods, of which 74% will be used to for electricity generation development and the remainder for the electricity network development.

Briefly, in next years the electricity industry is very attractive due to the increase in demand for electricity to develop the national economy.

In order to restructure the electricity industry to develop gradually the competitive electricity market healthily and to ensure the national power security, cut down operating costs and enhance the effectiveness in the electricity generation and sale; give the signal on the electricity price publicly and transparently to attract investors and to develop the electricity sustainability, to eliminate the monopoly of EVN in electricity distribution and trade and attract investors in the private sector to participate in the competitive electricity market and to change the market structure, in 08/11/2013, Decision No. 63/2013/QD-TTg promulgated by the Prime Minister on the schedule, conditions and structure of the electricity industry to establish and develop the electricity market at all levels, with the aim of starting to operate the competitive retail electricity market in 2023.

Currently, the electricity market is specially interested by the government to make it operate under the market mechanism in order to enhance its transparency and competitiveness and to ensure its sustainable development to satisfy the demand of electricity for economic and social activities of the country.

The electricity industry is regarded as the cornerstone industry of the economy. The development of this industry is very essential to the industrialization and modernization of Vietnam in particular and the development of the economy in general.

4.4.3 Assessment on the suitability of the development orientation of PV Power in the orientation of industry, government policies and global general trend.

Following up with the adjustment of electricity planning, PV Power has step by step demonstrated the proper direction of development and operation in accordance with the direction of industry and the government's policies.

a. Investment activities

Owning the plants that have been completed and generated stable power supports the business activities and new investment of PV Power. In upcoming period, PV Power plans to invest in 9 gas power plants with total installed capacity of 6,750 MW which are expected to be in operation from 2021 to 2025. If the investment is efficient, it will bring positive growth opportunities for PV Power after 2025.

b. Power generation

PV Power currently has gas turbine power plants with a total installed capacity of 2,700MW, coal-fired thermal power plants with a total installed capacity of 1,200MW and hydropower plants with a total installed capacity of 308.2MW. Total installed capacity of PV Power accounts for about 11% of the whole system in Vietnam in 2015, of which the majority of PV Power's power generation capacity belongs to the power plants in the South where has high demand for electricity consumption and is in insufficient supply. Therefore, PV Power's plants in these areas generate electricity at significantly high frequency and in steady operation.

In the future, with inadequate power supply in the South, PV Power's power plants will still have advantages of operating at high capacity.

c. Activities in the power market

According to the electricity market roadmap approved by the government: Vietnam electricity market will go through the following levels:

Level 1: Vietnam Competitive Generation Market (VCGM): on going

For PV Power, the advantage of entering the competitive power generation market from the early days has helped the Corporation gain a lot of experience, gradually improve the level of market knowledge and ability of staff in charge of the electricity market, which has contributed to improve the production and business efficiency of the Corporation. Currently, PV Power's price offering and efficiently participating in the competitive power generation market is a good preparation for moving into the next phase of the electricity market.

Level 2: Vietnam Wholesale Competitive Market (VWCM)

- Piloting during 2016-2018
- Completing during 2019-2021.

Currently, the market is in the pilot phase, and PV Power is performing simulations of operation and payment in the pilot wholesale market. In upcoming period, after entering the real wholesale market and the completed wholesale electricity market, PV Power's power plants with high capacity and stable fuel as well as are located in high-demanding areas will still be prioritized and potential ability to deal with electricity corporations and large customers..

Level 3: Vietnam Competitive Retail Market (VCRM):

- Piloting during 2021-2023,
- Completing from 2023.

In the final stage of the roadmap to develop electricity market, PV Power is expected to remain advantages in the market and move towards the retail competition.

As a major power generator in the competitive market and contribution to ensure the national energy security, PV Power has always received the attention of the National Party, the government, the ministries, and EVN.

PART 4: INVESTMENT PLANS AND DEVELOPMENT STRATEGIES OF PV POWER POST EQUITIZATION

1. INTRODUCTION ABOUT THE CORPORATION POST EQUITIZATION

1.1. General information

- Vietnamese name: TONG CONG TY DIEN LUC DAU KHI VIET NAM – CONG TY CO PHAN
- Trading name: TONG CONG TY DIEN LUC DAU KHI VIET NAM
- English name: PETROVIETNAM POWERCORPORATION- JOINT STOCK COMPANY
- Abbreviated name: PV Power
- Headquarter: Level 8 & 9, Vietnam Petroleum Institute Building, 167 Trung Kinh, Yen Hoa, Cau Giay, Hanoi
- Phone: (024)22210288
- Fax: (024)22210388
- Charter capital: 23,418,716,000,000 VND
- Website: <http://www.pvpower.vn>
- Logo:



1.2. Business activities

Table 26: List of business activities post equitization of PV Power

Businesses	Code
Power production, transmission and distribution, in detail: <ul style="list-style-type: none"> - Power production and trading; - Invest in construction and development of electric power infrastructure, including synchronous medium and low voltage electricity distribution and selling industrial and consumer electricity; - Provide technical services in electricity production and trading; - Construction management and operation of power plants - Provide solutions for reducing greenhouse gas emissions (CERs) of power projects; - Construct, develop and manage the implementation of Clean development mechanism (CDM) projects; 	3510

Businesses	Code
Provide technical services, operation and training human resources for operation management, repair and maintenance for electricity production and trading;	
Warehouse and storage of goods (excluding real estate business)	5210
Wholesale of solid, liquid, gaseous fuels and related products: - Wholesale of coals; Export energy and fuel for electricity generation and trading.	4661
Electricity system installation: install electricity system for buildings.	4321
Other construction activities: - Invest in constructing new independent power plants (IPP); Export equipment, materials, accessories for electricity production and trading.	4390
IT services and related services: investment and providing services of information technology;	6209
Other professional, scientific and technological activities: - Provide solutions for reducing greenhouse gas emissions (CERs) of power projects; Research and apply new technological advances to development of power projects such as wind, solar, and nuclear power;	7490
Management consulting activities: provide project management services and consultancy services for power projects;	7020
Other unclassified activities that support other businesses: export the Corporation's products;	8299
Rental of machinery, equipment and other tangible materials: rental of transportation vehicle, cranes and tractors;	7730
Other unclassified wholesale: trading ash, slag and scrap products;	4669
For conditional business lines, the Corporation operates the businesses only if the Corporation meets requirement by laws	Businesses that do not match the code of Vietnam economic sectors

Source: PV Power

1.3. Organizational structure post equitization

1.3.1. Organizational structure

PV Power's organizational structure in management post equitization consists of:

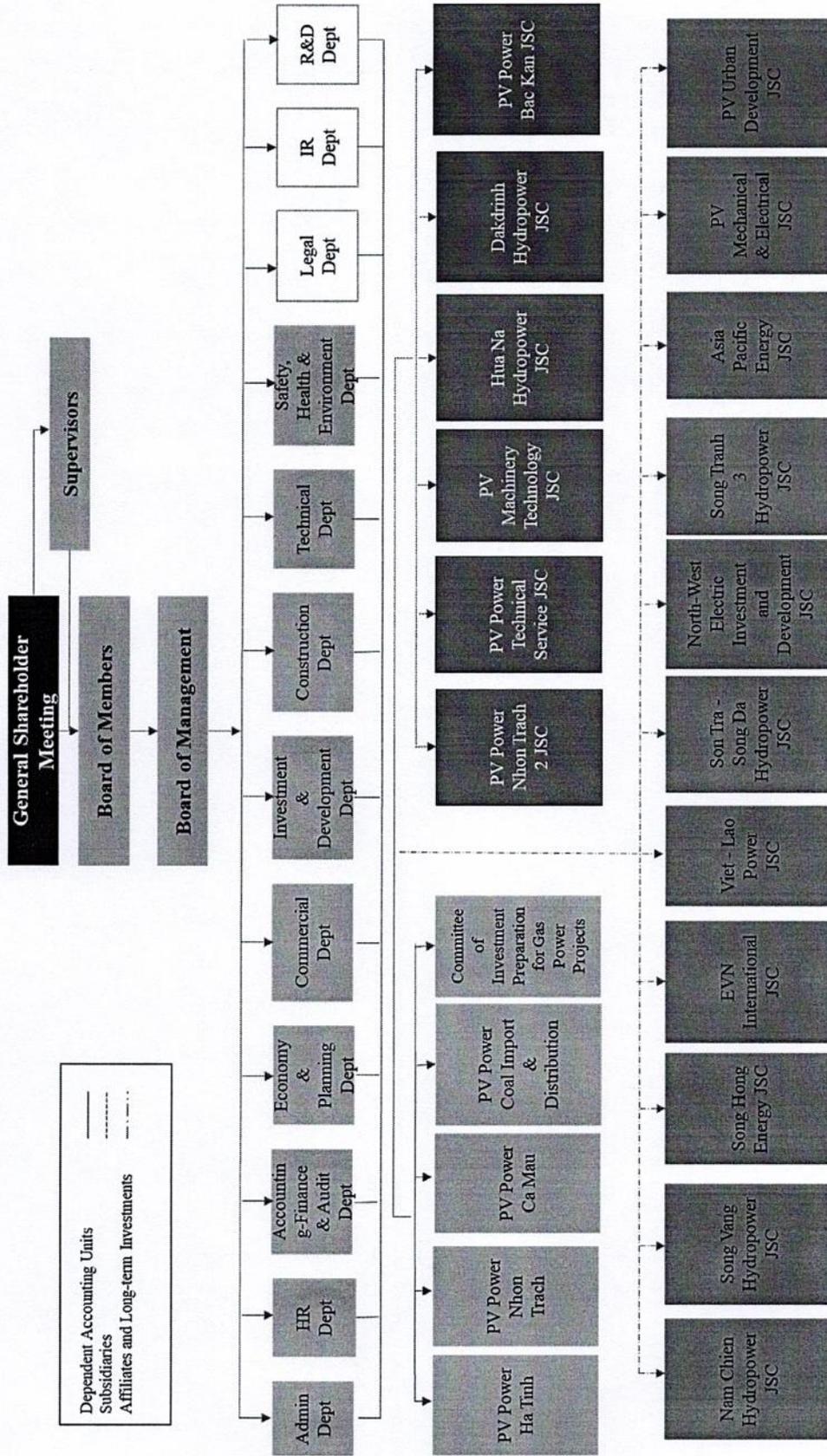
- General shareholders meeting;
- Board of Directors: 05 members;
- Board of Supervisors: 03 - 05 members voted by General Shareholders;
- General Director (CEO): is the legal representative of PV Power;
- Deputy General Directors: assist the General Director in the management and operation of the Corporation in accordance with the assigned fields.
- Assisting system: Chief Accountant, administration, specialized departments assistant Board of Management according to specific functions and tasks.

Organizational structure in operation of PV Power includes:

- Specialized departments: 10 existing departments and expected establishment of Research and Development (Technology) Department to develop R&D activities and to apply advanced science and technology to business activities.
- Post equitization, Legal and Public Relation Department will be divided into two divisions which are Legal Department and the Investor Relation Department.
- Dependent units: including existing branches and newly established branches to manage and operate the power plants of the Corporation.
- Subsidiaries and associates: are restructured under the Restructuring Plan for the period 2016-2020 approved by PVN (divestment from Hua Na Hydropower JSC, DakDrinh Hydropower JSC, PV Power Bac Kan JSC, Petrovietnam Machino JSC, associates and long-term financial investments).

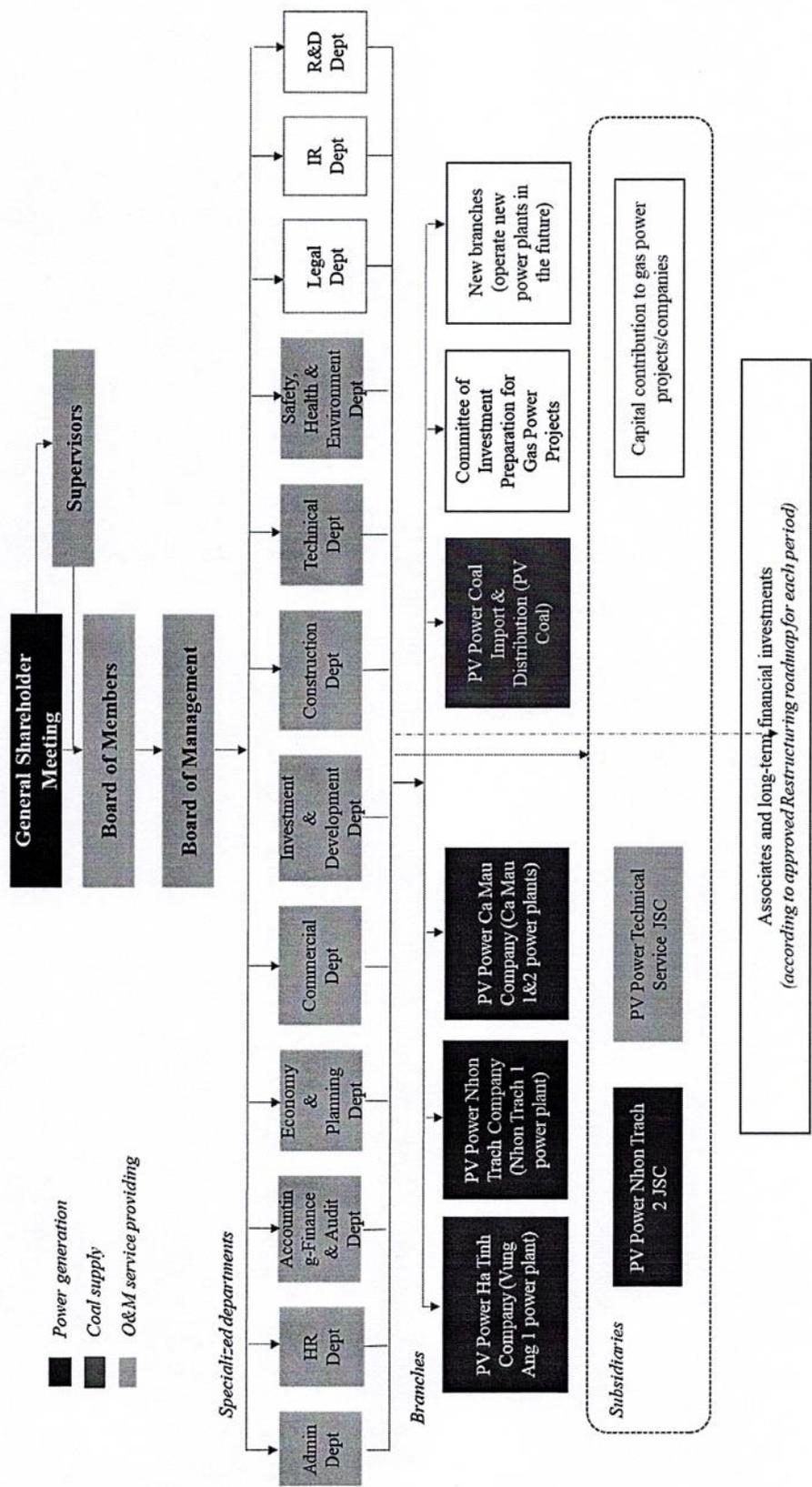
PV Power's Organizational structure post equitization:

Chart 3: PV Power's organizational structure at the time of equitization



Source: PV Power

Chart 4: Expected PV Power's organizational structure in 2020



Source: PV Power

1.3.2. Ownership structure

Table 27: Ownership structure of PV Power post equitization

No.	Dependent units
1	Branch of PV Power – PV Power Ca Mau Company
2	Branch of PV Power – PV Power Nhon Trach Company
3	Branch of PV Power – PV Power Ha Tinh Company
4	Branch of PV Power – PV Power Coal Import and Distribution Company
5	Branch of PV Power – Committee of Investment and Preparation for Gas Power Projects
No.	Subsidiaries (PV Power holds more than 50% of charter capital)
1	PV Power Nhon Trach 2 JSC
2	DakDrink Hydropower JSC
3	Hua Na Hydropower JSC
4	PV Power Technical Services JSC
5	PV Power Bac Kan JSC
6	PV Machinery Technology JSC
No.	Associates (PV Power holds less than 50% of the charter capital)
1	Nam Chien Hydropower JSC
2	Song Hong Hydropower JSC
3	Song Vang Hydropower JSC
No.	Long-term financial investment in other companies
1	North-West Electric Investment and Development JSC
2	Song Tranh 3 Hydropower JSC

3	EVN International JSC
4	PetroVietnam Urban Development JSC
5	PetroVietnam Mechanical & Electrical JSC
6	Asia Pacific Energy JSC
7	Viet Lao Power JSC
8	Son Tra Song Da Hydropower JSC

Source: PV Power

2. CHARTER CAPITAL AND CHARTER CAPITAL STRUCTURE

2.1. Charter capital

According to the Resolution No. 84/NQ-CP dated 6/9/2017 of the Government on the regular meeting of the Government in August 2017, PV Power does not have to adjust the book value according to the results enterprise valuation when setting up the charter capital of the Joint Stock Company in the equitization plan, and uses the result of enterprise valuation to set the starting price when selling shares in the initial public offering.

As of 31/12/2015, financial adjusted book value of the state capital in the Corporation is VND 23,418,715,917,565.

For the convenience of data processing when the shares are divided, the charter capital is proposed to round up to VND 23,418,716,000,000.

The initial charter capital of the Corporation at the time of equitization is as follows:

- Charter capital: VND 23,418,716,000,000
- Par value per share: VND 10,000
- Number of shares: 2,341,871,600 shares

All shares of the Joint Stock Companies at the time of establishment are common shares. The purchase, sale, transfer and inheritance of the shares shall comply with the provisions of the Corporate Charter of the Joint Stock Companies and other relevant legal documents.

2.2. Charter capital structure

The offer and charter capital structure post equitization of PV Power are as follows:

Table 28: Charter capital structure of PV Power post equitization

No.	Shareholders	Number of shares (share)	Value (VND)	%
1	State	1,194,354,516	11,943,545,160,000	51.00%
2	Employees	2,757,400	27,574,000,000	0.118%
2.1	Employees who purchase shares based on number of years of working for State owned enterprises	1,005,100	10,051,000,000	0.043%
2.2	Employees who purchase shares based on long-term working commitment and to experts	1,752,300	17,523,000,000	0.075%
3	Investors of the IPO	468,374,320	4,683,743,200,000	20.000%
4	Strategic investors	676,385,364	6,763,853,640,000	28.882%
	Total	2,341,871,600	23,418,716,000,000	100%

Source: PV Power's equitization plan

2.3. Plan to increase charter capital

Table 29: Plan to increase charter capital post equitization

Unit: billion VND

Year \ Indicators	2018	2019	2020
Charter capital	24,824	26,983	29,418
<i>Charter capital increase via stock dividend payment</i>	<i>1,405</i>	<i>1,489</i>	<i>1,619</i>
<i>Charter capital increase from Development and Investment Fund</i>		<i>669</i>	<i>816</i>

Source: PV Power

Post equitization, PV Power plans to increase charter capital by paying stock dividends and increase charter capital from the Corporation's Development and Investment Fund.

Specifically, in 2018, PV Power will increase its charter capital by VND 1,405 billion by paying stock dividends. In 2019 and 2020, the charter capital will increase by VND 2,159 billion and VND 2,435 billion via stock dividends and Development and Investment Fund, respectively.

3. BUSINESS DEVELOPMENT PLAN POST - EQUITIZATION

3.1. Development strategies

3.1.1. Development perspective

To sustainably develop PV Power with competitive advantages and closely linked to the development strategy of PVN on the basis of:

- The gas power is the key development direction given the industry advantages for the efficient use of gas resources;
- To focus on development of technical services, coal supply and other related services in order to support and raise the efficiency and competitiveness of the core businesses;
- To strictly comply with environmental standards.

3.1.2. Development objectives

- To develop PV Power to become a strong, active and competitive electricity and service corporation in power generation and supplying related products and services, of which the power production is the primary focus.
- To actively invest in the development of gas-fired thermal power plants based on the effective use of natural gas.
- To develop relevant services to support the power production, compress of maintenance, coal supply for power plants of the petro power industry..., which is suitable with each stage of development.
- To maximize internal resources and attract partners in all economic sectors to participate in the development investment of the Corporation's power plants. To fully utilize all resources, select and invest in modern, high-efficiency and environmentally friendly power plants in order to maintain and raise the long-term competitive advantages.

3.2. Land use plan post – equitization

The total land area that PV Power manages and utilizes post – equitization is 1,909,972.2 m².

The PV Power has submitted land use plan to the people's committee of provinces or cities under central authority prior to the valuation of the enterprise as guided in Decree 59/2011/ND-CP dated 18/07/2011 of the Prime Minister.

The approval is as follows:

3.2.1. PV Power Ca Mau Company:

a) Land for construction of power plant Ca Mau 1

- Location: Khanh An commune, U Minh district, Ca Mau province
- Area: 240,792.3 m², in which:
 - Construction area of office is 1,058.4 m², 04 floors with the main structure of reinforced concrete.
 - Construction area power plant is: 239,733.9 m², constructed with the main structure of reinforced concrete.
- Form of land using: pay one-time rent for the entire lease term.
- Land use plan post - equitization: PV Power/PV Power Ca Mau will continue to manage and utilize the land for construction of power plant Ca Mau 1 for power production in the form of leasing the land from the government and paying one-time rent for the entire lease term.

b) Land for construction of power plant Ca Mau 2

- Location: Khanh An commune, U Minh district, Ca Mau province
- Area: 109,434.2 m², constructed with the structure of reinforced concrete
- Form of land using: pay one-time rent for the entire lease term.
- Land use plan post - equitization: PV Power/PV Power Ca Mau will continue to manage and utilize the land for construction of power plant Ca Mau 2 for power production in the form of leasing the land from the government and paying one-time rent for the entire lease term.

c) Land for construction of DO oil Port - Power Plant Ca Mau 1

- Location: Khanh An commune, U Minh district, Ca Mau province.
- Area: 103,445.3m², in which land area for the port construction is 87,231.6m² and water area is 16,213.7m².
- Form of land using: pay one-time rent for the entire lease term.
- Land use plan post - equitization: PV Power will continue to manage and utilize the land

for construction of DO oil port in the form of leasing the land from the government and paying one-time rent for the entire lease term.

d) *Green Corridor Area –Power plant Ca Mau 1:*

- Location: Khanh An commune, U Minh district, Ca Mau province
- Area: 84,739.8m²
- Form of land using: pay one-time rent for the entire lease term.
- Land use plan post - equitization: PV Power will continue to manage and utilize the land for construction of green corridor area in the form of leasing the land from the government and paying one-time rent for the entire lease term.

e) *Land for construction of houses for employees in phase 1 for management and operation of power plant Ca Mau 1 and power plant Ca Mau 2*

- Location: commune 1, Ca Mau city, Ca Mau province.
- Area: total area for construction of the management building and houses for employees in phase 1 is 33,806 m², of which the land area was assigned to PV Power Ca Mau for management and use is 19,266.9m² (calculated according to the allocation in Decision 279/QD-DKVN and Decision No. 280/QD-DKVN of PVN), comprising of the following residential blocks:
 - The houses for single people, consists of 6 blocks, each block has 5 houses;
 - The houses for family, consists of 2 blocks, each block has 5 houses;
- Form of land using: pay one-time rent for the entire lease term.
- Land use plan post - equitization: PV Power/PV Power Ca Mau will continue to manage and utilize the land for construction of houses for employees in phase 1 of power plant Ca Mau 1 & 2 in the form of leasing the land from the government and paying one-time rent for the entire lease term.

f) *Land for construction of houses for employees in phase 2 for management and operation of power plant Ca Mau 1 and power plant Ca Mau 2:*

- Location: commune 1, Ca Mau city, Ca Mau province.
- Area: total area for construction of the management building and houses for employees in phase 2 is 47,639.8m² (calculated according to the allocation in Decision 279/QD-DKVN and Decision No. 280/QD-DKVN of PVN), including residential and public constructions. Total house construction area is 9,100 m², comprising of the following blocks:
 - The houses for family: 12 blocks
 - The houses for single people: 6 blocks

The remaining area is for public constructions such as medium voltage lines, lighting system, underground water tank, pumping station, water supply and drainage system, waste water treatment system, fire prevention and fighting system, car park, fountain, internal roads, fences, trees, television cable system. Land area is allocated to PV Power and PV Gas at the proportion of 81.8% and 18.2%, respectively.

- Form of land using: pay one-time rent for the entire lease term.
- Land use plan post - equitization: PV Power/PV Power Ca Mau will continue to manage and utilize the land for construction of houses for employees in phase 2 of power plant Ca Mau 1 & 2 in the form of leasing the land from the government and paying one-time rent for the entire lease term.

3.2.2. PV Power Nhon Trach Company

a) Land for construction of power plant Nhon Trach 1

- Location: village 3, Phuoc Khanh commune, Nhon Trach district, Dong Nai province.
- Area: total area for construction of power plant Nhon Trach 1 is 314,155m² comprising of the following area:
 - The construction area for working office is 727.3 m²,
 - The area for building power plant: 302,520.9 m²,
 - Construction area of water pumping station: 10,906.8 m².
- Form of land using: rent from the government, pay rental fees annually.
- Land use plan post – equitization:
 - Transferring the area of 10,906.8 m² to PV Power Nhon Trach 2 JSC to manage and utilize;
 - For the remaining area of 303,248.2 m², the Corporation continues to utilize in the form of leasing from the government and paying rental fees annually.

b) Land for construction of booster pumping station of power plant Nhon Trach 1

- Location: Doan Ket village, Vinh Thanh commune, Nhon Trach district, Dong Nai province.
- Area: 2,121m².
- Form of land using: rent from the government, pay rental fees annually.
- Land use plan post – equitization: PV Power Nhon Trach Company continues to manage and utilize the land in the form of leasing from the government and paying rental fees

annually.

c) Land for construction of employee houses – Sub-zone 1

- Location: Phuoc An – Long Tho residential area, Nhon Trach district, Dong Nai province.
- Area: 8,410 m², in which construction area is 4,568.56 m² including:
 - The 5 floor - residential building of 5-storey with structure of reinforced concrete frame, compress of: Block A with construction area of 1,320 m², floor area of 5,183.7 m²; and Block B with construction area of 1,320 m², floor area of 5,183.7 m²;
 - The 2 floor - club building: construction area is 350m², floor area is 670.9 m²;
 - Tennis court: construction area is 702.45 m²;
 - Volley ball court: construction area is 705.45m².
- Form of land using: the government allocates the land and charges land use fees.
- Land use plan post – equitization: PV Power Nhon Trach Company continues to manage and utilize the land in the form of leasing from the government and paying rental fees annually.

d) Land for construction of employee houses – Sub-zone 2

- Location: Phuoc An – Long Tho residential area, Nhon Trach district, Dong Nai province.
- Area: 10,967.9 m², in which construction area is 2,140 m², including:
 - The block of double – villas: consists of 4 villas, construction area of 540 m², reinforced concrete frame structure, not yet in use;
 - The block of single – villas: consists of 16 villas, construction area of 1,600 m², reinforced concrete frame structure, not yet finished the raw part;
- Form of land using: the government allocates the land and charges land use fees.
- Land use plan post – equitization: PV Power Nhon Trach Company continues to manage and utilize the land in the form of leasing from the government and paying rental fees annually.

3.2.3. PV Power Ha Tinh Company

a) Land for construction of thermal power plant Vung Ang 1

- Location: Ky Loi commune, Ky Anh district, Ha Tinh province.
- Area: total area is 427,735.4 m²
- Form of land using: rent from the government, pay rental fees annually.
- Land use plan post – equitization: PV Power Ha Tinh Company continues to manage and utilize the land in the form of leasing from the government and paying rental fees annually.

b) *Land for construction of houses for employees in management and operation stage of thermal power plant Vung Ang 1*

- Location: Ky Tinh commune, Ky Long commune, Ky Anh town, Ha Tinh province.
- Area: total area is 45,040 m², construction area is 7,398m², in which:
 - Land for construction of houses: 5 blocks that have 5 floors and reinforced concrete structure, construction area of 4,440 m² and floor area of 20,615 m²;
 - Land for artificial football field: 1,500 m²;
 - Land for tennis court: 703 m²;
 - Land for construction of sports hall with reinforced concrete frame structure, construction area of 755 m².
- Form of land using: rent from the government, pay rental fees annually.
- Land use plan post – equitization: PV Power Ha Tinh Company continues to manage and utilize the land in the form of leasing from the government and paying rental fees annually.

c) *Land for construction of 500kV distribution station in Vung Ang Electricity Center*

- Location: Ky Loi commune, Ky Anh district, Ha Tinh province.
- Area: 106,420 m².
- Form of land using: rent from the government, pay rental fees annually.
- Land use plan post – equitization: PV Power Ha Tinh Company continues to manage and utilize the land in the form of leasing from the government and paying rental fees annually.

d) *Other land areas of PV Power Ha Tinh Company for operation of thermal power plant Vung Ang 1*

- To ensure the equitization process, PVN/Management Committee of PetroVietnam Power Vung Ang – Quang Trach Project has completed the land lease contracts for the remaining land areas of power plant Vung Ang 1 under direction of the People's Committee of Ha Tinh province:

✓ ***Land for construction of circulating pump station and cooling water intake***

- Location: Ky Loi commune, Ky Anh district, Ha Tinh province
- Area: 165,413m²
- Form of land using: rent from the government, pay rental fees annually.
- Land use plan post – equitization: PV Power Ha Tinh Company continues to manage and utilize the land in the form of leasing from the government and paying rental fees annually.

✓ ***Land for construction of cooling water channel and coal conveyor belt***

- Location: Ky Loi commune, Ky Anh district, Ha Tinh province
- Area: 23,451 m²
- Form of land using: rent from the government, pay rental fees annually.
- Land use plan post – equitization: PV Power Ha Tinh Company continues to manage and utilize the land in the form of leasing from the government and paying rental fees annually.

✓ ***Land for construction of water pipelines of circulating pump station***

- Location: Ky Loi commune, Ky Anh district, Ha Tinh province
- Area: 15,602.3m²
- Form of land using: rent from the government, pay rental fees annually.
- Land use plan post – equitization: PV Power Ha Tinh Company continues to manage and utilize the land in the form of leasing from the government and paying rental fees annually.

✓ ***Land for construction of slag dumping ground***

- Location: Ky Loi commune, Ky Anh district, Ha Tinh province
- Area: 196,245 m²
- Form of land using: rent from the government, pay rental fees annually.
- Land use plan post – equitization: PV Power Ha Tinh Company continues to manage and utilize the land in the form of leasing from the government and paying rental fees annually.

3.3. Development investment in 3 years post - equitization

Currently, the power sector is one of the main businesses of PVN with a number of power projects are being developed. In particular, PV Power is the only subsidiary whose main business is in power sector. The investment and operation plan of future projects is expected as follows:

- For the coal-fired thermal power projects that are invested by PVN, the detailed progress is as follows:

Table 30: Investment plan in coal – fired thermal power projects

No.	Project	Capacity	Year of operation
1	Thai Binh 2 power plant	1,200 MW	2018
2	Long Phu 1 power plant	1,200 MW	2019
3	Song Hau 1 power plant	1,200 MW	2019

No.	Project	Capacity	Year of operation
4	Long Phu 3 power plant	1,800 MW	2023/2024

Source: *Equitization plan of PV Power*

- For gas power projects: The investment schedule is based on the Revised Power Plan VII and development strategy of PVN. Detail of the schedule is as below:

Table 31: Investment plan in gas thermal power projects

No.	Project	Capacity	Year of investment	Year of operation	Year of investment completion
1	Nhon Trach 3 power plant	750 MW	2017	2021	2021
2	Nhon Trach 4 power plant	750 MW	2018	2022	2022
3	Kien Giang 1 power plant	750 MW	2017	2021	2022
4	Kien Giang 2 power plant	750 MW	2018	2022	2023
5	Son My 2 #1 power plant	750 MW	2019	2023	2024
6	Son My 2 #2 power plant	750 MW	2020	2024	2025
7	Son My 2 #3 power plant	750 MW	2021	2025	2026
8	Mien Trung 1 power plant	750 MW	2018	2022	2023
9	Mien Trung 2 power plant	750 MW	2019	2023	2024

Source: *Equitization plan of PV Power*

3.4. Divestment plan of PV Power in 3 years post – equitization

Based on PV Power's restructuring plan that was approved by PVN No. 976/QD-DKVN dated 17/5/2016.

Table 32: Divestment plan of PV Power for the period 2017 – 2022

No.	Content	Divested percentage	Year
1	Companies that PV Power holds more than 50%		
	- Hua Na Hydropower JSC	100%	2017-2020
	- DakDrinh Hydropower JSC	100%	
	- PV Power Bac Kan JSC	100%	
- PV Machinery Technology JSC	100%		
2	Companies that PV Power holds less than 50% (associates and long-term financial investment)	100%	2017-2020

Source: *Equitization plan of PV Power*

3.5. Business plan, targets and solutions

3.5.1. Business targets

Table 33: Business plan of PV Power – the Parent Company for the period 2018-2020

No.	Item	Unit	2018	2019	2020
1	Equity	Billion VND	25,788	28,387	31,718
1.1	<i>In which: Charter capital</i>	Billion VND	24,824	26,983	29,418
2	Number of employees	Person	1,257	1,318	1,383
3	Total salary budget	Billion VND/year	354	376	398
4	Average income of employees	Million VND/person/month	28.3	29.0	29.5
5	Total revenue	Billion VND	25,756	34,192	41,268
6	Total costs	Billion VND	23,267	31,085	37,096
7	Net profit	Billion VND	2,231	2,720	3,458
8	Dividend payout ratio	%/year	6%	6%	6%
9	ROE	%	8.7%	9.6%	10.9%

Source: Equitization plan of PV Power

3.5.2. Solutions

a) *Strategic management and planning:*

- To implement business plans and direct related divisions to follow the targets in each stage. To regularly control, analyze and evaluate the implementation of the plans and take initiative in the management of business activities.
- To periodically organize meetings to evaluate performance, gain experience and propose solutions to well complete missions.

b) *Organizational management*

- To complete the organizational structure in a streamlined and highly specialized orientation, allocate human resources suitable to the employees' capacity, fully utilize the human resources of the Corporation.
- To invest in technology and apply advance management system.
- To amend, supplement and complete internal management regulation system, clearly indicate rights and responsibilities of management system.
- To standardize and strengthen the internal control and risk management.

c) *Business activities*

- To closely cooperate with EVN/A0, PV Gas, Vinacomin and the maintenance parties in the operation/repair and maintenance of power plants in order to be ready to meet the requirement for maximum capacity and ensure the gas/coal fuel for safe and efficient production.
 - To strengthen monitoring/supervision of technical management in order to minimize potential risks, to prepare risk prevention plan to improve the capacity of plants, to prevent problems caused by subjective factors.
 - To apply advance technology to modernize the production management and business activities to follow development orientation.
 - To implement solutions for optimizing production to reduce costs and product prices.
 - To developing reasonable electricity price negotiation strategy with ENV/EPTC, closely follow power market and adjust price offer plan to optimize profitability and in line with the technical standards for operation of power plants.
 - To improve capacity and ensure safe and stable operation.
 - To strengthen the relationship with partners to learn and exchange experience to develop maintenance capacity and improve the quality of maintenance team.
- d) Invest in research and development of technology*
- To set up facilities for scientific research, form experimental centers for studying electrical products from environmentally friendly clean energy sources.
 - To train and build up specialist team to undertake investment research and development of new products.
 - To build up a team of consultants which closely connect with research institutes, experts and partners.
 - To promote innovations and technical improvements in power plant operation in order to ensure safe operation, maintenance, energy saving and improve plants' capacity.
 - To focus on improving the efficiency of the plants, update and build up equipment data base for operation and maintenance of power plants.
 - To regularly monitor and update energy consumption quota and propose technical innovations to achieve optimal quota to ensure lower prices.
 - To choose cutting edge and synchronous technology to invest in projects.

e) Finance

- To strictly manage finance and well control cash flows to increase the return of capital so as to bring optimal economic efficiency.
- To build up and step by step complete the financial risk control system, and apply the financial risk assessment and risk control tools.
- To seek for and mobilize capital at low cost, and cooperate with partners in development investment in order to raise capital.
- To complete management accounting reports, and regularly analyze financial activities to advise management team to catch up and make appropriate financial strategies.
- To study opportunities of capital contribution and acquisition of companies that have well performance or can support to the long-term development of the Corporation's core businesses.

f) Training and developing human resources

- To maintain and develop human resources to meet internal business requirement and external needs.
- To develop policies to attract and retain high quality human resources.
- To create a professional working environment and promote the capacity of each individual.
- To develop and improve the job description system.
- To complete the policy of compensation and bonuses that is commensurate with the contribution of employees.
- To develop standardized training programs for each field.
- To strengthen cooperation with training agencies, collaborate with foreign parties in the training and development of human resources.

g) Safety, environment and sustainable development

- To fully comply with the laws, regulations on ensuring safety and environmental protection in production and project construction.
- To monitor/supervise and operate effectively the safety – health - environment management system throughout the corporation.
- To research and develop waste management and treatment system with advanced technology, suitable to the conditions of Vietnam, and ensure sufficient capacity for self-treatment of waste, especially for coal – fired thermal power projects.

- To use advanced technology, efficient and environmentally friendly technology, high reliability and safety technology, focus on waste treatment that is suitable with Vietnam's conditions, actively participate in Clean Development Mechanism (CDM).
- To examine the maintenance of power plants, ensure the reliability of equipment. To strictly control the safety of chemicals and wastes, especially the chemicals with high toxicity levels.
- To develop norms for the activities of safety – health - environment to be able to carry out the activities with the highest efficiency. To apply information technology to the management safety – health - environment for the whole Corporation.
- To promote emulation movements, innovations, technical improvement. Innovative solutions must be implemented quickly and effectively. To actively implement solutions on environmental protection, improve working environment and ensure the health of laborers.

PART 5: GENERAL INFORMATION OF THE PUBLIC OFFERING

1. RISK FACTORS

Potential investors should consider carefully the following risk factors, as well as other information presented in this Prospectus before making an investment decision.

Any of the following risks, if actually occur, could materially and adversely affect PV Power's businesses, results of operations and financial condition and could negatively impact on the share price. Other related issues and uncertainties which PV Power does not identify or are considered to be unimportant also negatively impact on the share price of PV Power.

1.1. Economics risks

PV Power's business activities are greatly influenced by macro-economic factors such as economic growth rate, inflation, interest rate, exchange rate, government's policies and development policies of the power sector.

PV Power has to face direct competition of generators in the power market. As competitive power market goes into operation with major power generators such as EVNGENCO 1, 2, and PVN, PV Power will have to compete with others in terms of price and related factors.

Credit risk occurs when customers or partners fail to meet contractual obligations and result in financial losses to PV Power. PV Power has a consistent and appropriate credit policy and regularly monitors the credit situation to assess whether PV Power is exposing to credit risk or not. PV Power does not have any significant credit risk with its clients or partners as the receivables are mainly from EVN's companies.

The current government's policy is regulating that exchange rate differences are not included in electricity prices for power plants, which is being considered to change by the Ministry of Industry and Trade. PV Power currently has a relatively high debt ratio. Their loans are mainly granted by foreign banks and local banks, and debt receiving and paying is in foreign currency (USD). Therefore, changes in exchange rate of Vietnam dong against these currencies will affect the Corporation's profit.

1.2. Specific risks

Power plants using fossil fuel are greatly affected by cost of input. According to statistics, the cost of fuel, including petroleum, oil, gas and coal that account for more than 60% of cost of

electricity generation is major factor affecting electricity price.

For PV Power, gas thermal power plants account for 64.2% of total capacity, hydropower plants account for 7.3% of total capacity and coal-fired thermal power plants account for 28.5% of total capacity. Although input material cost is reflected in electricity price, in the long-term, depending on the source of supply of raw materials and the fact that competitive electricity market comes in to operation will cause PV Power to face the problem of raw materials in the near future.

To ensure stable supply and price stability, PVN and Vinacomin has signed long-term strategic cooperation agreements, and PVN also signed two oil purchase agreements with PVOil in 2016. Currently, the price of coal sold to the power sector is still regulated, but oil and gas has been applied market price. Hence, in the future, coal price will be regulated according to the market price which is very fluctuated and uncertain.

1.2.1. Coal fuel

According to the evaluation report of supply - demand balance of Vinacomin, domestic coal still meet the demand of customers, currently. In the next years, although supply coal for electricity production will be prioritized, coal exports and selling to other client groups will be gradually reduced, the coal supply for electricity production is still expected to get difficulties.

Therefore, if projects using imported coal are accounted for, Vietnam will have to import about 3-4 million tons in 2016; about 35 million tons in 2020, about 80 million tons in 2025 and about 135 million tons of coal in 2030.

Vietnam is still applying the mechanism of cross-subsidies between industries, therefore, the price of coal that Vinacomin sold to generators is lower than normal costs. Like the retail price of electricity, coal price of Vinacomin is regulated by the government and losses are the reason for these corporations to propose for price increases. Since 2010, the price of coal for electricity generation has increased 8 times. The average coal price in 21/07/2014 was around 70 USD/ton. However, after adjustments, the price of coal for electricity production was still lower than about 2.6% to 5.8% compared to coal price for other parties which were adjusted in the same period (except for 4bHG coal) and was equal to 86% -91% of the export price. Coal price will be adjusted to be close to the market price, according to the government's roadmap.

Therefore, in the future, coal-fired power plants of PV Power will face the coal shortage and coal price will fluctuate according to the market price of primary fuel.

1.2.2. Gas fuel

Most of gas in Vietnam is used for power generation. On average, over 80% of gas are supplied to the power plants, around 10% is for fertilizer plants and about 5% is for customers of other industries. In 2014, Vietnam's consumed gas volume was 9,969 million m³ (5.2% increase compared to 2013) in which the consumption of power plants was 8,298 million m³ of gas (increase 5.8% in comparison with 2013).

Currently, Nhon Trach 1 & 2 and Ca Mau 1 & 2 power plants, Ca Power 1 and 2 power plants of PV Power are contracted to purchase gas for the whole life cycle of the projects. However, the supply of gas is frequently interrupted, which negatively affects PV Power's businesses. Therefore, there are potential risks for PV Power when the gas supply and gas price fluctuate.

1.2.3. Fuel for hydropower plants

Operation of hydropower plants highly depends on the weather. When prolonged drought occurs, the rainfall will be reduced, causing water volume in hydropower reservoirs to be lower than designed capacity, and as a result, hydropower plants' operation will be negatively affected.

Particularly, in 2015, due to the influence of El Nino phenomenon, hydrography of hydropower reservoirs in the whole country faced many difficulties, especially in the area from Thanh Hoa province to the South. The total amount of water in these reservoirs is 40-60% less than the average for many years in rainy season without flood.

In the first months of 2016, the phenomenon of El Nino continued to negatively affect hydrography of most reservoirs in the Central and the South. To ensure the supply of electricity for the 2016 dry season, hydropower plants in these areas only operated under downstream water constraints. However, since the end of 2016, the Lanina phenomenon has caused the rainfall in the North of Vietnam to be less than the average for many years, while the rainfall in the Mid-Central and the South has increased, which negatively affected the business of the northern hydropower plants and facilitate hydropower plants of the Central and the South.

As a result, the unfavorable weather and hydrography influences the power production of hydropower plants managed by PV Power in unforeseen situation.

1.3. Risk of capital costs

PV Power is exposed to interest rate risk arising from floating-rate loans. This risk will be managed by PV Power by maintaining a reasonable level of fixed-rate loans and analyzing the competition in the market to obtain favorable interest rates from the appropriate lending sources.

1.4. Liquidity risk

Liquidity risk occurs when there is not sufficient capital to meet current and future financial obligations. The liquidity is managed by PV Power to ensure that the difference between the due liabilities and assets can be controlled to be within the amount of capital that PV Power believes to be able to create during the period. PV Power's policy is to regularly monitor current and expected liquidity requirements in the future to ensure that PV Power maintains sufficient cash reserves, loans and equity capital to meet the requirements of short – term and long - term liquidity.

1.5. Legal risk

The business activities of PV Power and its subsidiaries are governed by the laws and policies of the State of the Socialist Republic of Vietnam, including the Law on Enterprise, Law on Bidding, Electricity Law, tax regulations... After the public offering, if PV Power becomes a public company, PV Power is also subject to the Law on Securities and stock market. As the legal system of Vietnam is in the process of improvement, the policy changes may occur and create favorable conditions or have negative impact on PV Power's businesses.

1.6. Risk of the IPO

Since PV Power's initial public offering is not underwritten, the total number of shares subscribed may be lower than the number of offered shares. In order to handle the shares that are not sold out, PV Power can seek the direction of the Equitization Steering Committee to sell the shares to strategic investors in accordance with the Equitization Plan. If these shares are still not sold out, they will continue to be handled according to the provisions of Article 40 of Decree No. 59/2011/ND-CP dated 18/7/2011 of the Government of Vietnam on transformation of enterprises with 100% state capital into joint-stock companies and related documents.

The risk, if happens, will change the chartercapital structure of PV Power, at the same time, reduce the capital surplus, and partly affect the implementation of the business plans of PV Powerpost - equitization.

1.7. Other risks

Other risks consist of natural disasters, earthquakes, floods, fires, wars, etc., which will seriously affect the business activities of enterprises. These risks are rare, but if present, will have serious impact onPV Power's businesses.

Investors should consider carefully the risk factors mentioned above, along with the information presented in this Prospectus. Operation of the Corporation could be infulenced by any of the risks which are listed or not listed above. The list of risk factors mentioned above is not a complete list or explanation of all risks associated with the stock investing. Investors should carefully study and consider the information and other information from other reliable sources, and consult with professional advisers before making a decision to participate in the public auction.

2. SHARE OFFERING AND PAYMENT METHOD

The initial public offering for the equitization of PV Power – the Parent Company consist of: (i) Initial public offering (IPO) (ii) Share offering to employees and (iii) Share offering to strategic investors.

2.1. The Initial Public Offering

2.1.1. Eligible participants

Eligible participants in the IPO are institutional and individual domestic and international investors (including employees of the enterprise undergoing equitization) as stipulated by law.

According to Article 4, Circular No. 196/2011/TT-BTC dated 26/12/2011, the following entities and individuals are not be allowed to participate in the IPO:

- Members of the Equitization Steering Committee, excluding representatives of the enterprise undergoing equitization;
- Intermediary financial institutions and their employees engaged in providing financial consultancy, valuation, auditing service and audit agencies engaged in enterprise valuation; except for the underwriter(s) that purchase unsubscribed shares under its underwriting contract;

- The Auctioneer and its employees engaged in the auction;
- Subsidiaries and Associates of the enterprise undergoing equitization.

2.1.2. Share offering and payment method for investors participating in the public auction

Shares in the IPO would be sold via public auction, which is expected to be held at the Hanoi Stock Exchange with the following details:

Name of offered shares	:	Shares of PetroVietnam Power – Joint Stock Company, established from the equitization of the PV Power
Type of shares	:	Ordinary share
Par value	:	10,000 VND per share
Starting price	:	14,400 VND per share
Total number of offered shares	:	468,374,320 shares (equivalent to 20% of charter capital)
Participant	:	Domestic and international institutions and individuals meeting conditions as required in the Auction Regulation for the IPO of PV Power are eligible to register and participate in the public auction
Auction method	:	Shares will be offered in the form of public auction at the Hanoi Stock Exchange according to Decision No. 895/QD-UBCK dated 29/10/2012 of the Head of the State Securities Commission on the standard form of the Auction Regulation in the Stock Exchange
Registration time and location	:	According to the Auction Regulation for the IPO of PV Power issued by the Hanoi Stock Exchange
Auctioneer	:	Hanoi Stock Exchange

Payment method and deadline : According to the Auction Regulation for the IPO of PV Power

Further details regarding the public auction will be set out in the Auction Regulation for the IPO of PV Power issued and announced by the Auctioneer (Hanoi Stock Exchange).

2.2. Share offering to employees

The total number of shares offered to the employees of PV Power according to preferential policies in the enterprise undergoing equitization is 2,757,400 shares, equivalent to 0.118% of charter capital. The details are as follows:

2.2.1. Share offering to employees at preferential price based on number of years working for state owned enterprises

a) Criteria and selling price of shares

According to Clause 1, Article 48, Decree No. 59/2011/ND-CP dated 18/7/2011 of the Government of Vietnam on Transformation of enterprises with 100% state capital into joint-stock companies, the share price offered to employees is: *“Laborers named on the list of regular employees of an equitized enterprise at the time of disclosure of its value may purchase at most 100 shares per year of actually working in the state sector at the price equal to 60% of the lowest successful bid (in case of prior public auction) or 60% of the lowest successful sale price of shares sold to strategic investors (in case of prior sale to strategic investors).”*

b) Number of offering shares

- Total number of employees named in the list of employees at the time of announcing the enterprise's value (20/4/2017) of PV Power – the Parent Company is 1,181.
- Total number of employees entitled to be offered shares at preferential price by number of years of working for state owned enterprises: 1,158; 23 people are not qualified due to working time in state owned enterprises than 1 year.
- Total number of years of employment in state owned enterprises of corresponding to the employees registered to buy shares is expected to be 10,051 years;
- Total number of preferential shares of 1,158 employees registered to buy based on the number of years working in the state sector is expected: 1,005,100 shares, representing 0.043% of charter capital.

2.2.2. Share offering to employees based on working commitment and to employees who

are experts

a) Criteria

The employees named in the list of regular employees of PV Power - the Parent Company on 20/4/2017 (the time of announcing the value of the equitized enterprise of PV Power - the Parent Company), employees with high professional and technical qualifications, specialists and managerial levels who are recruited by the Corporation and commit to work for the Corporation for at least 3 years (from the date the Joint-stock Company is granted the enterprise registration certificate for the first time) and for maximum of 10 years will be entitled to purchase additional shares on the following principles:

- (i) Employees who the Corporation needs to recruit for working in long-term: the managerial levels, experts with professional and high technical skills can buy 500 shares per one year commitment to continue working in the Corporation but no more than 5,000 shares. Include:
 - In branches of PV Power - PV Power Ca Mau Company, PV Power Nhon Trach Company and PV Power Ha Tinh Company:
 - Employees holding managerial positions that are deputy director of department level and equivalent levels and higher levels;
 - Workers holding the positions of electricity panel operator, controlling computer operator, manager, technical engineer of power plants;
 - In the Corporation's head office:
 - Employees holding managerial positions that are deputy director of department level and equivalent levels and higher levels;
 - Employees holding a salary grade of 7.6 or higher (equivalent to specialist level 2) under the Regulation on salary payment of the Corporation in Decision No. 524/QD-HDTV-DLTK dated 24/5/2016.
 - In the branch – PV Power Coal Import and Distribution Company:
 - Employees holding managerial positions that are deputy director of department level and equivalent levels and higher levels;
 - Employees holding a salary grade of 7.6 or higher under the Regulation on salary payment of PV Power Coal Import and Distribution Company in Decision No. 409/QD-HDTV-DLTK dated 16/6/2015.
- (ii) The remaining qualified employees: can buy 200 share per one year commitment to continue working in the Corporation but no more than 2,000 shares.

Conditions for buying the shares

- Each employee has the right to purchase additional shares at a determined number of shares.
- The additional shares to be purchased by employees shall be converted into ordinary shares after the end of the commitment period.
- In the case that the Joint-stock Company restructures and causes the employees to terminate their labor contracts, give up or lose their jobs under the Labor Code before the end of committed working time, the employee's shares will be converted into ordinary shares. In the case that employees wish to resell such shares to the Joint-stock Company, the Joint-stock Company shall have to buy the shares at price that is close to the market price.
- In the case that employees terminate labor contracts before the committed working time, they have to sell the shares to the Joint-stock Company at the price that is close to market price but cannot exceed the price at which the employees purchased the shares at the time of equitization.

b) *The selling price of shares*

- The selling price of the shares offered to employees that are specified at Point (a) above shall be determined as the lowest successful bidding price (if public auction is conducted before selling the shares to strategic investors) or as the lowest selling price to strategic investors (if selling the shares to strategic investors before the public auction).

c) *Number of offering shares*

- Total number of employees in the list of employees of PV Power - the Parent company as of 20/4/2017 is 1,181;
- Total number of employees registered to buy the shares: 1,074
- Total of additional shares offered to employees who commit to work for the Corporation in long – term is 1,752,300 shares, equivalent to 0.075% charter capital.

d) *Procedure of applying for buying the shares*

For the shares offered based on the number of years that employees commit to work for the Corporation post equitization:

- Employees have to commit to work for the Corporation for at least 03 years (from the date that the Joint-stock Company's business registration certificate is issued at the first time).
- For employees who commit to work for the Corporation for 03 years or more: based on the

number of years of commitment to work for the Corporation post equitization, the share offering policy stipulated in Article 2.2.2 and subject to the employees' financial capacity, the employee shall register the number of shares they wish to buy.

- For employees who do not commit to work for the Corporation for at least 03 years: the employees cannot buy the shares

2.2.3. Payment method and payment deadline

Employees make the payment for the shares by cash or bank transfer as PV Power's announcement.

2.2.4. Summary of the share offering to employees

Table 34: Summary of share offering to employees

No.	Item	Number of shares (share)	Par value (VND)	% of charter capital
1	Shares offered to employees based on number of years of working for state owned companies	1,005,100	10,051,000,000	0.043%
2	Shares offered to employees based on commitment of working for the Joint-stock Company	1,752,300	17,523,000,000	0.075%
	Total	2,757,400	27,574,000,000	0.118%

Source: Equitization Plan of PV Power

2.2.5. Expected timeline

After the successful public auction, PV Power sells the shares to and collects the proceeds from the registered employees.

Expected timeline is as follows:

Table 35: Expected timeline for selling the shares to employees

Process	Expected time
Approval of the Equitization Plan	T

The date of the public auction	T + 60 days
Collect proceeds of sold shares from employees	T + 80 days
Finalize the list of employees bought the shares and submit the list to authorities	T + 90 days

Source: Equitization Plan of PV Power

Note: the execution time of the stages will depend on the actual situation of each stage.

2.3. Share offering to strategic investors

2.3.1. Perspective and criteria for selection of strategic investors

Perspective for setting up criteria for PV Power's strategic investor selection

- To meet requirements of current laws: criteria for selection of strategic investors must at least meet the requirements and conditions stipulated by Vietnamese laws (Article 6 of Decree No. 59/2011/ND-CP dated 18/7/2011 of the Government of Vietnam on transformation of enterprises with 100% state capital into joint-stock companies);
- To meet the long-term development requirements of PV Power.

Criteria for selection of strategic investors

- Domestic and foreign investors who have strong financial capability and have positive profits in the last 2 years up to the time of share subscription, with no accumulated loss;
- To have written commitment to associate long-term benefits with the Joint-stock Company and assist PV Power in one or some of the businesses in which PV Power is operating;
- To commit not to transfer the shares for a minimum period of 05 (five) years from the date the Joint-stock Company is granted the first business registration certificate operating under the Enterprise Law. In special cases, strategic investors can transfer these shares before the end of committed share holding time if the transfer is approved by the General Meeting of Shareholders in accordance with the Charter of Organization and Operation of the Joint-stock Company;
- Priority shall be given to investors who are organizations having experience in energy sector or technology related to power production and trading (power generation, coal supply, LNG fuel supply, maintenance, EPC, OEM ...), and investors with strong financial capacity and are able to support PV Power in arranging investment capital for future power projects;
- Priority shall also be given to investors who commit to approve the transfer of power plants

invested by PVN (if any) to PV Power in the form that comply with the laws at the time of transfer.

- Strategic investors have obligation to indemnify when violating signed commitment with the indemnity level determined according to the actual damage and the Government's right for the whole shares purchased by the strategic investors.

2.3.2. Plan of share offering to strategic investors

a) Target investors

Target investors are investors who meet criteria for selection of strategic investors approved by competent authorities.

b) Share offering method and selling price

▪ Share offering method

According to the Section II, Article 6, Clause 5(b) of Circular No. 196/2011/TT-BTC dated 26/12/2011: *On the basis of the list of strategic investors meeting selection criteria approved by the equitization-deciding agency, the equitization steering committee shall elaborate and implement a plan on the sale of shares to strategic investors on the following principles:*

- *In case there are at most 3 strategic investors registering to purchase shares and the quantity of shares these investors register to purchase is larger than the quantity of shares salable to them, an auction shall be held among these strategic investors according to current law; if the quantity of shares these investors register to purchase is equal to or less than the quantity of shares salable to them, the equitization steering committee shall negotiate with these investors on the quantity of salable shares and the sale price of shares and report such to the equitization-deciding agency for approval or decide on such matters by itself as authorized by the equitization-deciding agency.*
- *In case there are more than 3 strategic investors registering to purchase shares, the equitization steering committee shall elaborate a regulation on organization of auction among strategic investors according to current law.*

▪ The selling price of shares

According to the Article 5, Clause 4 of Circular No. 196/2011/TT-BTC dated 26/12/2011 by Ministry of Finance, the selling price of shares to strategic investors are on the following principles:

- *In case the equitized enterprise sells shares to strategic investors before holding a public auction: the price of shares to be sold to a strategic investor is the price agreed with the equitization steering committee (in case of direct agreement) or the price offered by that*

investor which is determined as the successful bid at the auction among strategic investors (in case of auction among strategic investors) which must not be lower than the starting price approved by the equitization-deciding agency.

- *In case the equitized enterprise sells shares to strategic investors after holding a public auction: the sale price of shares to be sold to a strategic investor is the price agreed with the equitization steering committee (in case of direct agreement) or the price offered by that investor and determined as the successful bid at the auction among strategic investors (in case of auction among strategic investors) which must not be lower than the lowest successful bid at the public auction.*

In the case that selling the shares to strategic investors from the time of validity of Decree No. 126/2017/ND-CP dated 16/11/2017 by the Government on the transformation of State enterprises and one-member limited liability companies which state enterprises invest 100% of charter capital into joint stock companies, the selling price shall comply with the provisions of the Decree No. 126/2017/ND-CP dated 16/11/2017 by the Government.

c) *The deadline for completing the sale of shares to strategic investors*

This complies with Decree No. 59/2011/ND-CP dated 18/7/2011 of the Government. In the event that the sale of shares to strategic investors cannot be completed within 3 months as regulated, the Ministry of Industry and Trade shall report to the Prime Minister for consideration and decision.

d) *Number of offered shares*

The number of shares offered to strategic investors is 676,385,364 shares, total par value is 6,763,853,640,000 VND, equivalent to 28.882% of charter capital.

e) *Payment method and payment deadline*

Strategic investors make the payment for the purchased shares according to provisions of share purchase agreements between the parties.

3. PLAN TO UTILIZE THE PROCEEDS FROM THE EQUITIZATION

Table 37: Plan to utilize the proceeds from the equitization

No.	Items	Value (VND)	Note
1	Book value of State capital in PV Power at the time of Enterprise Valuation - 31/12/2015	23,418,715,917,565	
2	Actual value of State capital in PV Power after valuation	33,556,542,680,659	

No.	Items	Value (VND)	Note
3	Charter capital of the Joint-stock Company	23,418,716,000,000	According to the proposal not to adjust book value
3.1	State capital in the Joint-stock Company	11,943,545,160,000	Expected to be equipvalent to 51% of charter capital
3.2	Employees' capital	27,574,000,000	Preferential sale of shares based on number of years of working for state owned enterprises and long-term working commitment, expected to be equipvalent to 0.118% of charter capital
3.3	Other shareholders' capital	11,447,596,840,000	Strategic investors and investors of the public offering, expected to be equipvalent to 48.882% of charter capital
4	Starting price of the public auction	14,400	According to the proposal not to adjust book value
5	Proceeds from the Equitization (5= 5.1 + 5.2 + 5.3 + 5.4)	16,518,456,633,600	Calculated by using the starting price as the lowest successful auction price
5.1	Proceeds from sale of shares to employees based on number of years of working for State owned enterprises	8,684,064,000	60% of the lowest successful auction price
5.2	Proceeds from sale of shares to employees based on long-term working commitment and to experts	25,233,120,000	The lowest successful auction price
5.3	Proceeds from sale of shares in the IPO	6,744,590,208,000	Calculated by using starting price of the public auction
5.4	Proceeds from sale of shares to strategic investors	9,739,949,241,600	Calculated by using starting price of the public auction

No.	Items	Value (VND)	Note
6	Expenditures on supporting for redundant employees	-	
7	Equitization expenses	9,350,000,000	
8	The proceeds contributed to Supporting Fund for Enterprise Restructuring and Development	16,509,106,633,600	
	(7) = (5) - (6) - (7)		

Source: Equitization Plan of PV Power

4. SCHEDULE FOR LISTING, REGISTRATION FOR TRADING POST EQUITIZATION

When registering for the initial public offering of shares through Hanoi Stock Exchange, the Corporation will simultaneously register the depository and register trading on UPCOM as stipulated in Circular No. 115/2016/TT-BTC dated 30/06/2016 by Ministry of Finance on Amending and adding some articles of the circular No. 196/2011/TT-BTC dated 26/12/2011 of the Ministry of Finance guiding the initial sale of shares and management and use of proceeds from equitization of wholly state-owned enterprises.

In the case that the Corporation meets the conditions for listing shares on stock exchange, the Corporation shall carry out the listing procedures right after the the listing conditions are satisfied.

5. PARTIES RESPONSIBLE FOR THE INFORMATION PRESENTED IN THE PROSPECTUS

5.1. Representative of Equitization Steering Committee of PV Power

Mr. Dinh Van Son: Member of PVN's Board of Members – Head of Equitization Steering Committee of PV Power

This Prospectus was prepared by PV Power and the Advisors and was approved by Equitization Steering Committee of PV Power.

5.2. Representative of the issuer

Mr. Nguyen Xuan Hoa: President and CEO of PV Power

We commit that all the information, data and figures related to PV Poweras presented in this Prospectus is true, accurate and comprehensive in accordance with the current status of PV Power and with the applicable laws on equitization.

5.3. Representative of the advisor

Viet Capital Securities Joint Stock Company

Mr. Nguyen Quang Bao: Deputy General Director cum Director of Viet Capital Securities JSC - Hanoi Branch

(under authorized document No. 07/2015/QD.VCSC dated 01/07/2015 on authorizing Deputy General Director to sign on behalf of the General Director)

This Prospectus is a part of the application document for registration of the public auction and prepared by the advisor based on Advisory Agreement with PV Power. We ensure that the analysis, assessment and wording in this Prospectus are conducted in a reasonable and prudent manner based on the information and data provided by PV Power.

PART 6: CONCLUSION

This Propeustus is provide to prospective investors with the aim of assisting them in the evaluation of assets, capital, financial position, results of operations and business prospect of PV Power before applying for the offering.

This Prospectus is elaborated on the basis of the equitization plan of PV Power approved by the Prime Minister and information and data provided by PV Power as regulated to ensure the publicity and the transparency, and to protect the legitimate interests of investors. The assessment and selection of information and wording in this Prospectus has been presented on a reasonable and prudent basis.

We do not carry out any analysis and assessment to guarantee the value of shares. The investors should make their own investment decision and take responsibility for these decisions. Therefore, investors should refer to additional information of the issuer before deciding to participate in the auction, as well as guarantee that the share subscription and purchase will be paid by legal source of money in accordance with legislation and applicable regulations.

This Prospectus is prepared in Vietnamese and English. In case of any questions or disputes, the Vietnamese version will be prevailed.

Hanoi, 2017

REPRESENTATIVE OF EQUITIZATION STEERING COMMITTEE

Thành viên Hội đồng Thành viên

 TẬP ĐOÀN
 DẦU KHÍ
 VIỆT NAM

Đinh Văn Sơn

**REPRESENTATIVE OF EQUITIZED ENTERPRISE
 PETROVIETNAM POWER CORPORATION -
 ONE MEMBER LIABILITY LIMITED COMPANY**

M.S.D.N: 0102276173 - C.T.T.M.E

 TỔNG
 CÔNG TY
 ĐIỆN LỰC DẦU KHÍ
 VIỆT NAM

**TỔNG GIÁM ĐỐC
 Nguyễn Xuân Hòa**

REPRESENTATIVE OF ADVISOR
VIET CAPITAL SECURITIES JOINT STOCK COMPANY
DEPUTY GENERAL DIRECTOR CUM DIRECTOR OF HANOI BRANCH *qm*



Nguyen Quang Bao