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PV POWER

PETROVIETNAM POWER CORPORATION - JOINT STOCK COMPANY

2019 ANNUAL REPORT



PETROVIETNAM POWER CORPORATION - JSC

2019 ANNUAL REPORT



www.pvpower.vn

THE STORY OF PV POWER

Maximize internal strengths, utilize external resources and strengthen international cooperation to cultivate PV Power into a prestigious brand in the country and region.



ENERGY CREATES WEALTH

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CONSOLIDATED FINANCIAL REPORT



CHAIRMAN'S AND CEO'S MESSAGE

Dear our valued Shareholders and Investors!

2019 was a fulfilling year for PetroVietnam Power Corporation - Joint Stock Company (PV Power) operating in the manner of a listed joint-stock company. Despite a significant change in the management model as well as facing difficulties in fuel supply and weather conditions, PV Power still attained many remarkable achievements thanks to the collective efforts of the management and employees. The results after one year of operation painted a vigorous and colorful picture, which can be outlined with some key achievements:

1. Operating 8 power plants safely and stably while exceeding the 2019 business and production targets.
2. Listing POW stock on HoChiMinh Stock Exchange (HOSE) and being honored in the 2019 "Top 50 Best Listed companies" by Forbes Magazine;
3. Accelerating the investment process in new energy projects, expanding more options of renewable energy such as solar power (roof panel, floating solar panel), electricity generated from Liquefied Natural Gas (LNG) apart from traditional types such as coal-fired thermal power, gas thermal power and hydropower.

These achievements are the inspiration and encouragement for PV Power to be more confident and willing to overcome challenges and achieve the 2020 targets and the Corporation's development strategy in the coming period.

To be more robust, effective, and sustainable with limited resources, PV Power has to be frugal with every capital spending, weighing every given opportunity, and pioneering in the application of scientific advances to carry out the proposed strategy successfully. The Corporation has been investing in two primary forms of energy: gas thermal energy and renewable energy. Up to this point, we are rejoiced to announce that PV Power is the only Vietnamese organization that reached the project preparation phase to construct 2 new LNG and 2 natural gas thermal power plants, namely Nhon Trach 3 & 4 and Mien Trung 1 & 2, respectively.

We believe that with the understanding and support of shareholders, the consensus and determination of the employees, PV Power will soon be a cleaner, safer, and more efficient energy producer in the country and region, creating a bright future for the next generation.

PV POWER - ENERGY CREATES WEALTH

A sincere thank to our Shareholders, Partners, and Customers.

CHAIRMAN OF THE BOARD OF DIRECTORS

MR. HO CONG KY

PRESIDENT & CEO

MR. LE NHU LINH



01

GENERAL INFORMATION

Overview

History and development

Business lines and areas

Corporate structure and business model

The Management

Status

S.W.O.T. analysis

The risks management

Development orientations



GENERAL INFORMATION

OVERVIEW

Transaction name:

PETROVIETNAM POWER CORPORATION - JOINT STOCK COMPANY

Certificate of Business registration number:

0102276173 first issued by Hanoi Department of Planning and Investment on 31 May 2007, registered for the 14th change on 6 December 2018

Charter capital:

23.418.716.000.000 VND

Headquarters:

Vietnam Petroleum Institute Building, 167 Trung Kinh Street, Yen Hoa Ward, Cau Giay District, Hanoi, Vietnam.

Phone: (024) 22210 288

Fax: (024) 22210 388

Website: www.pvpower.vn

Stock code: POW



HISTORY AND DEVELOPMENT

05/2007

The Chairman of the Board of Directors of Vietnam Oil and Gas Group issued Decision No. 1468/QD-DKVN to establish PetroVietnam Power Corporation



03/2008

The commencement of construction of Hoa Na Hydropower Plant.



08/2009

Inauguration of Nhon Trach 1 Thermal Power Plant.



11/2010

The construction of Phu Quy Wind Power Plant, the first renewable energy project of the Corporation.



01/2011

The commencement of Dakdrinh Hydropower Plant project.



11/2011

Inauguration of Nhon Trach 2 Thermal Power Plant and being awarded third-class labor medal by the government.



09/2013

Inauguration of Hoa Na Hydropower Plant.



2014

DakDrinh Hydropower Plant came into operation.



12/2015

Delivering Phu Quy Power Plant to Southern Power Corporation (a subsidiaries of EVN).

Taking over Vung Ang 1 Thermal Power Plant, the biggest coal-fired thermal power plant in Vietnam operated with the total capacity of 1.200 MW from Vietnam Oil and Gas Group (PVN).

01/2018

Successfully launching an Initial Public Offering (IPO) of 468.374.320 shares (accounting for 20% of charter capital) with initial price of VND 14.400 per share.



01/07/2018

Operating as a joint-stock company.



08/2018

Becoming a public company under the Dispatch No. 5712/UB-CK-GSDC from State Security Commission of Vietnam.

14/01/2019

POW was officially listed on HoChiMinh Stock Exchange.



15/05/2019

International stock index provider MSCI decided to add POW to the MSCI Frontier Markets basket.



15/08/2019

Being honored in the 2019 "Top 50 Listed Companies in Vietnam" by Forbes Magazine.

10/2019

Divesting all of its capital (8,1 million shares, representing 94,23% of charter capital) in Bac Kan PV Power Joint Stock Company - Nam Cut Hydropower Plant.

BUSINESS LINES AND AREAS

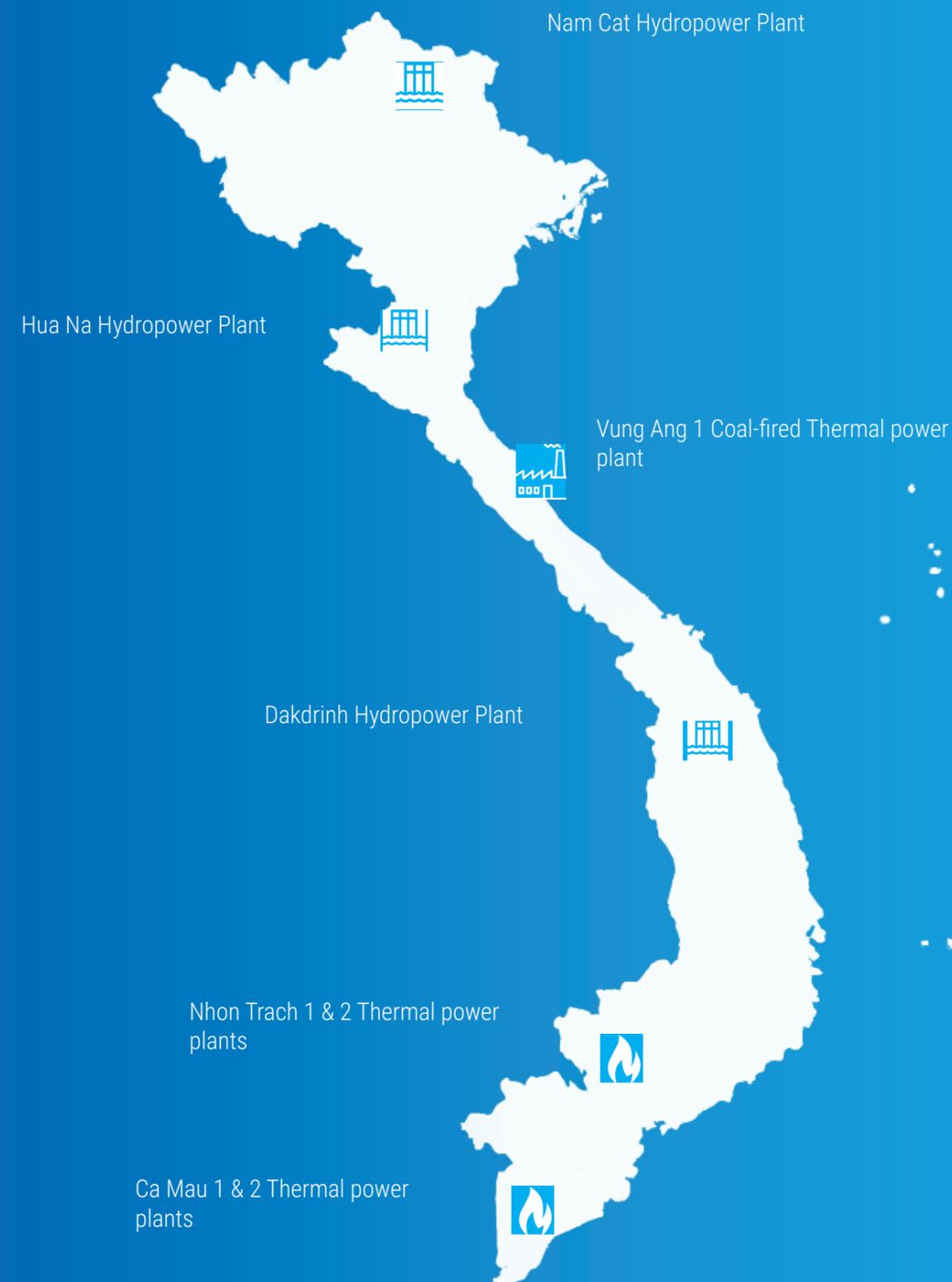
BUSINESS LINE

- Power generation and trading;
- Construction, management, and operation of power plants;
- Import and export of energy and fuel for electricity generation and trading;
- Implementation of commercial and technical services in manufacturing and electricity trading;
- Investment in the construction of new independent power projects (IPP);
- Investment, construction, expansion of electricity production and business development;
- Provision of technical services, operation, training human resources to manage the operation, repair and maintenance for electricity generation and trading;
- Construction, development, and management of clean power CDM projects;
- Investment in construction and development of electric power infrastructure, including synchronous investment in medium and low voltage grids and sale of industrial and household electricity;
- Research and application of new technological advances in investment in developing power projects, using energy such as wind power, solar power, and nuclear power;
- Import and export of equipment, supplies and spare parts for electricity generation and trading;
- Provision of reducing certified greenhouse gas emissions (CERs) solutions to power projects;
- Provision of project management services for power projects, consulting services for the electrical project;
- Trading in ash and scrap product.

POWER PLANTS OF PV POWER

Power Plant	Location	Type
Ca Mau 1 & 2 Thermal Power Plants	Ca Mau	Gas thermal power
Nhon Trach 1 & 2 Thermal Power Plants	Dong Nai	Gas thermal power
Vung Ang 1 coal-fired Thermal Power Plant	Ha Tinh	Coal fired thermal power
Dakdrinh Hydropower Plant	Quang Ngai	Hydropower
Hua Na Hydropower Plant	Nghe An	Hydropower
Nam Cat Hydropower Plant	Bac Kan	Hydropower

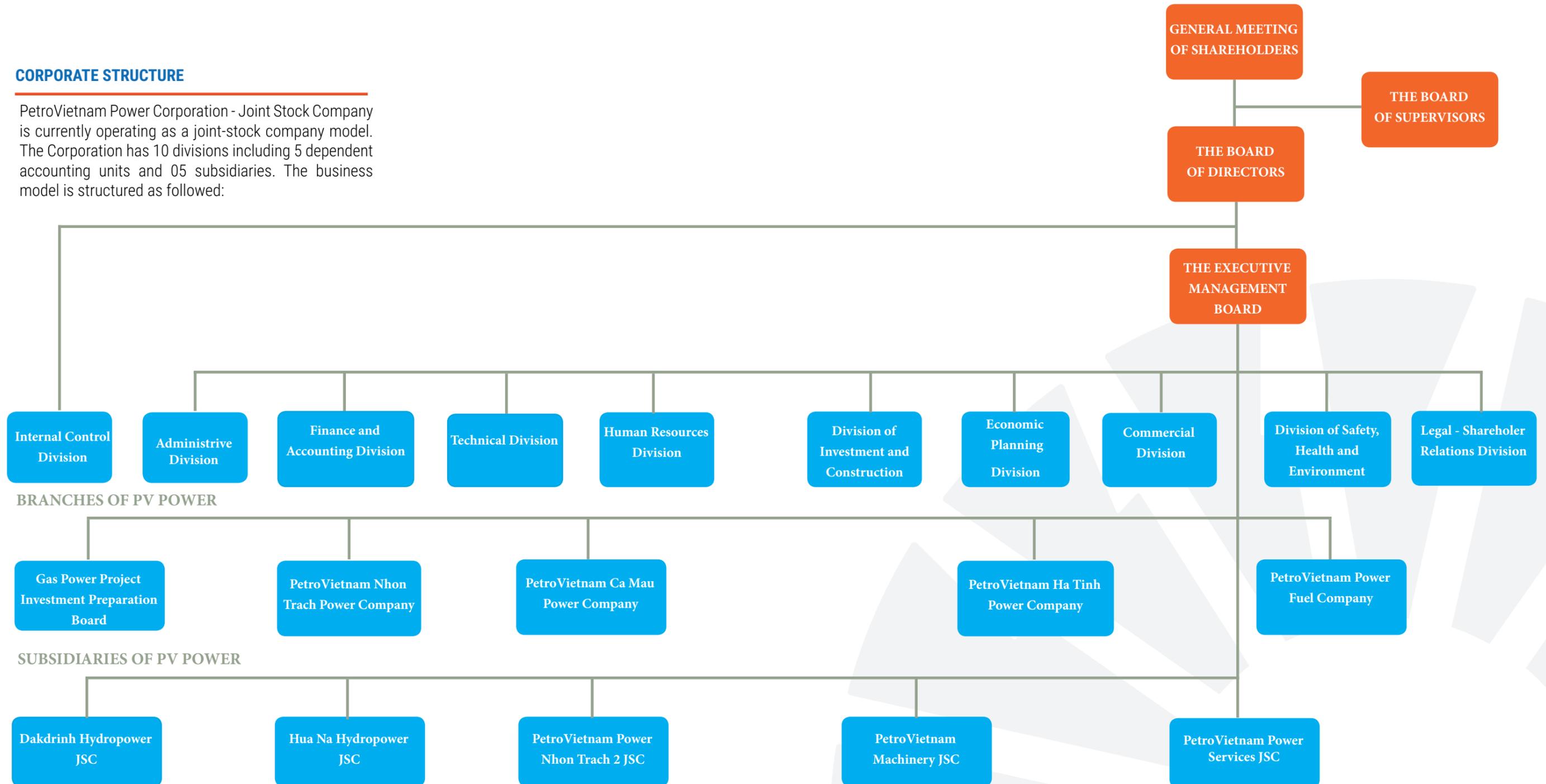
On October 15, 2019, PV Power divested all capital (8.1 million shares, representing 94.23% of charter capital) in Bac Kan PetroVietnam Power Joint Stock Company - Nam Cat Hydropower Plant.



CORPORATE STRUCTURE AND BUSINESS MODEL

CORPORATE STRUCTURE

PetroVietnam Power Corporation - Joint Stock Company is currently operating as a joint-stock company model. The Corporation has 10 divisions including 5 dependent accounting units and 05 subsidiaries. The business model is structured as followed:



On October 15, 2019, PV Power divested all capital (8,1 million shares, representing 94,23% of charter capital) in Bac Kan PetroVietnam Power Joint Stock Company - Nam Cut Hydropower Plant.

GENERAL INFORMATION

DEPENDENT ACCOUNTING UNITS



PETROVIETNAM HA TINH POWER COMPANY

Address: Hai Phong Hamlet, Ky Loi Commune, Ky Anh Town, Ha Tinh.
 Brand code: 0102276173-007.
 Business line: Power generation and trading.
 Capacity: 1.200 MW (2x600 MW).
 Total investment: VND 33.651 billion.
 Commercial operation date: 2015.



PETROVIETNAM NHON TRACH POWER COMPANY

Address: Hamlet 3, Phuoc Khanh Town, Nhon Trach District, Dong Nai.
 Brand code: 0102276173-003.
 Business line: Power generation and trading.
 Capacity: 450 MW.
 Total investment: VND 6.344 billion.
 Commercial operation date: 2009.



PETROVIETNAM CA MAU POWER COMPANY

Address: Hamlet 1, Khanh An Town, U Minh District, Ca Mau.
 Brand code: 0102276173-002.
 Business line: Power generation and trading.
 Capacity: 1.500 MW (2x750 MW).
 Total investment for Ca Mau 1 thermal power plant: VND 6.571 billion.
 Total investment for Ca Mau 2 thermal power plant: VND 6.153 billion.
 Commercial operation date: 2007/2008.



PETROVIETNAM POWER FUEL COMPANY

Address: 2nd floor, HL Tower, A2B Duy Tan Street, Dich Vong Hau Ward, Cau Giay District, Ha Noi City.
 Brand code: 0102276173-006.
 Business line: Wholesale of solid, liquid, gas fuels and related products.



GAS POWER PROJECT INVESTMENT PREPARATION BOARD

Address: 57-59 B4 Street, An Loi Dong Ward, 2 District, HoChiMinh City
 Brand code: 0102276173-008.
 Business line: Project management consultancy.



GENERAL INFORMATION

SUBSIDIARIES

PETROVIETNAM MACHINERY JSC



Address: No. 8 Trang Thi, Hang Trong Ward, Hoan Kiem District, Hanoi City.
 Business code: 0101394512.
 Business lines: Wholesale of machinery, equipment and spare parts, Freight transport; Warehousing and storage of goods; Manufacturing metal components; Manufacturing barrels, tanks, and metal containers; Construction of other civil engineering works; Wholesale of solid, liquid, gas fuels and related products; Construction of houses of all kinds; Other uncategorized specialized wholesale (except those prohibited by laws and regulations).
 Charter capital: VND 386.386.000.000.
 PV Power's shareholding percentage: 51,58%.



DAKDRINK HYDROPOWER JSC

Address: Ra Nhua Village, Son Tan Commune, Son Tay District, Quang Ngai Province.
 Business code: 4300350203.
 Main business lines: Power generation, transmission and distribution.
 Charter capital: VND 1.160.010.555.608
 PV Power's shareholding percentage: 95,27%.
 Capacity: 125 MW.
 Total investment: VND 5.921 billion.
 Commercial operation date: 2014.



HUA NA HYDROPOWER JSC



Address: 9th floor, Nghe An Oil and Gas building, 7 Quang Trung Street, Quang Trung District, Vinh City.
 Business code: 2900797430.
 Main business lines: Power generation, transmission and distribution.
 Charter capital: VND 2.256.592.100.000.
 PV Power's shareholding percentage: 84.14%.
 Capacity: 180MW.
 Total investment: VND 7.092 billion.
 Commercial operation date: 2013.



PETROVIETNAM POWER SERVICES JSC

Address: 7th floor, HH3 Complex, My Dinh Village, My Dinh 1 Ward, Nam Tu Liem District, Hanoi City.
 Business code: 0102560459.
 Main business lines: Installation of electrical systems; Installation of industrial machinery and equipment; Power generation, transmission and distribution; Technical inspection and analysis.
 Charter capital: VND 150.000.000.000.
 PV Power's shareholding percentage: 51%.



PETROVIETNAM NHON TRACH 2 JSC

Address: 3 Hamlet, Phuoc Khanh Town, Nhon Trach District, Dong Nai.
 Business code: 3600897316.
 Main business lines: Power generation, transmission and distribution.
 Charter capital: VND 2.878.760.290.000
 PV Power's shareholding percentage: 59,37%
 Capacity: 750 MW.
 Total investment: VND 11.355 billion.
 Commercial operation date: 2011.



GENERAL INFORMATION

OTHER ASSOCIATED COMPANIES

Business Name	Main business lines	Address	Charter capital (VND Million)	Contributed capital of PV Power (VND Million)	PV Power's shareholding percentage
Investments in associated companies					
Nam Chien Hydropower Joint Stock Company					
<ul style="list-style-type: none"> Nam Chien hydropower plant Total investment: VND 7.318,309 billion; Capacity: 200 MW Electricity output: 813,71 million kWh/year 	Generation and trading electricity power	Son La	951.250	292.250	30,72%
Song Hong Energy Joint Stock Company					
<ul style="list-style-type: none"> Total investment: VND 245,13 billion; Capacity: 8,4MW Electricity output: 35,81 million kWh/year Commercial operation date: 2011 	Exploitation, Generation and trading electricity power	Yen Bai	74.625,72	32.887,5	44,07%
Investing capital contribution in other units					
PetroVietnam Urban Development Joint Stock Company					
	Investment in construction of new urban area, department building, etc.,	Can Tho	280.000	18.202	6,5%
EVN International Joint Stock Company					
	Generation and trading electricity power	Da Nang	336.771	28.800	7,85%
Asia - Pacific Energy Development Investment JSC					
	Generation and trading electricity power	Ha Noi	55	550	1%
Son Tra – Song Da Hydropower JSC					
	Generation and trading electricity power	Quang Ngai	256	1.228,8	0,48%
Song Tranh 3 Hydropower Joint Stock Company					
<ul style="list-style-type: none"> Total investment: VND 2.097 billion; Capacity: 62 MW Electricity output: 230,71 million kWh/year Commercial operation date: 2018 	Generation and trading electricity power	Quang Nam	551.866	29.341,8	5,32%
Viet Lao Power Joint Stock Company					
<ul style="list-style-type: none"> Xekaman 1 hydropower project (290MW, power generation in fourth quarter of 2016) & Xekaman Xan Xay (32 MW, power generation in First and second quarter of 2018). The second investment: USD 487.17 million; Average output: 1,206 million kWh/year Office and hotel for lease project in Vientiane Plaza: Total investment: USD 8.359 million; Inauguration in 3/2011; Preparation for investment in Xekaman 4 project (70 MW); Total investment: USD 165.92 million; Average output annually 287.4 million kWh/year Projects not built yet: Xekaman 3 hydropower project (250 MW): Total investment third investment: USD 449.38 million; Average output: 989.97 billion kWh/year; Commercial operation date: 2013 	Generation and trading electricity power	Ha Noi	3.126.530	308.052	9,85%
PetroVietnam Machine and Electricity JSC (PVC E&C)					
	Mechanical Electrical Refrigeration	Ha Noi	10.000	1.000	10%



INTRODUCTION OF THE MANAGEMENT

THE BOARD OF DIRECTORS



Mr HO CONG KY - Chairman of the Board of Directors



Qualification: Bachelor of Economics.

Employment History:

- Feb 1986 - Dec 1992 : Staff, Deputy Manager, Head of Accounting Department of Nghia Dan Export Canned Food Factory in Nghe An;
- Jan 1993 - Feb 1994 : Inspector of Nghe An Province Inspectorate;
- Mar 1994 - Aug 1994 : Officer of Social Insurance Department in Nghe An Provincial Labor Union;
- Sept 1994 - Nov 2000 : Chief Accountant of PMU, Deputy Director of Nghe An Cement Company;
- Dec 2000 - May 2006 : Chief Accountant of PMU, Deputy Director of PMU of the National Sports Complex in My Dinh, Tu Liem, Hanoi;
- Jun 2006 - Feb 2007 : Deputy Director of Department of Planning and Finance, Sports Committee;
- Feb 2007 - Aug 2007 : Vice President of Hydropower Project Management Board - Vietnam Oil and Gas Group;
- May 2007 - Sep 2007 : Chairman of the Board of Directors in Hua Na Hydropower Joint Stock Company;
- Sept 2007 - Jan 2008 : General Director of Hydropower Project Management Board;
- Feb 2008 - Jul 2008 : General Director of Petrosetco Assets Management Joint Stock Company;
- Aug 2008 - Feb 2009 : Vice President of PetroVietnam Power Corporation;
- Mar 2009 - Nov 2010 : Head of Long Phu-Song Hau Petro Power Project Management Board, Vietnam Oil and Gas Group;
- Nov 2010 - May 2013 : Chief of Office of Vietnam Oil and Gas Group;
- May 2013 - Dec 2014 : Chairman of the Trade Union of Vietnam Oil and Gas Group;
- Jan 2015 - Jun 2018 : Chairman of the Members' Council of PetroVietnam Power Corporation Single Member Limited Company;
- Jun 2018 - present : Chairman of the Board of Directors of PetroVietnam Power Corporation - JSC.

Individual ownership: 0.0023% of voting shares.

Ownership representative: 29.94% of voting shares.



Mr LE NHU LINH - Member of the Board of Directors & CEO



Qualification: Geological Economics Engineer; Master of Petroleum Geological Economics; Doctor of Economics.

Employment History:

- Oct 1990 - Feb 1994 : Lecturer in University of Mining and Geology;
- Mar 1994 - Jul 2009 : Specialist, Deputy Head of Planning and Investment Department, Head of Investment and Development Department of Vietnam Oil and Gas Group;
- Aug 2009 - Mar 2010 : Chairman of the Board of Directors of PetroVietnam Drilling and Well Services Corporation;
- Apr 2010 - Dec 2013 : Chairman of Members' Council of PetroVietnam Oil Corporation;
- Dec 2013 - Dec 2018 : Chairman of Board of Directors of PetroVietnam Gas Corporation - JSC;
- Dec 2018 - present : Member of the Board of Directors, President & CEO of Petro Vietnam Power Corporation - JSC.

Individual ownership: 0% of voting shares.

Ownership representative: 20% of voting shares.

GENERAL INFORMATION

THE BOARD OF DIRECTORS



Mr NGUYEN HUY QUY
Member of the Board of Directors

Qualification: Bachelor of Foreign Affairs; Master of Business Administration; Master of International Trade.

Employment History:

- Mar 1985 - May 1995: Officer of Price & Foreign Exchange Department, Officer of Accounting and Finance Department, Deputy Head of Market Department of Vietnam Minerals Import Export Co., Ltd (under Department of Commerce);
- May 1995 - Aug 2008: Officer of the Commercial Department, Deputy Head of Marketing Division under the Commercial Department, Member of The Board of Supervisors under the Board of Directors of Vietnam Oil and Gas Corporation;
- May 2007 - Aug 2008: Supervisor (concurrently) in PetroVietnam Exploration Production Corporation;
- Aug 2008 - Feb 2009: Member of Members' Council & General Director of PetroVietnam Manpower Supply and Services Single Member Limited Company;
- Feb 2009 - Jun 2018: Person in charge of Members' Council of PetroVietnam Power Corporation Single Member Limited Company;
- Jun 2018 - present: Member of Board of Directors of PetroVietnam Power Corporation - JSC.

Individual ownership: 0,0023% of voting shares.

Ownership representative: 10% of voting shares.



Mrs VU THI TO NGA
Member of the Board of Directors

Qualification: Bachelor of Commerce, Master of Business Administration.

Employment History:

- Aug 1993 - Oct 2007: Specialist - Chamber of Commerce - Vietnam Oil and Gas Corporation;
- Nov 2007 - Jun 2008: Deputy Manager / Manager - Market Forecast Department - PetroVietnam Power Corporation;
- Aug 2008 - May 2009: Deputy Head - Market Development Department - PetroVietnam Power Corporation;
- Jun 2009 - Sept 2010: Vice President of PetroVietnam Power Corporation;
- Nov 2010 - Apr 2019: Head of Department - Market Trade Department / Commercial Services Department - PetroVietnam Power Corporation;
- Apr 2019 - present: Member of Board of Directors of PetroVietnam Power Corporation - JSC;

Individual ownership: 0% of voting shares.

Ownership representative: 10% of voting shares.



Mrs NGUYEN HOANG YEN
Independent Member of the Board of Directors

Qualification: Bachelor of Chemistry; Doctor of Chemistry specialized in Petrochemical Organic.

Employment History:

- Nov 1991 - Jul 1997: Ph.D. student, Specialized Assistant Professor - University of Natural Sciences - Vietnam National University, Hanoi;
- Aug 1997 - Aug 2001: Deputy Manager of Marketing and Advertising Department - Vietnam Investment Review - Ministry of Planning and Investment;
- Sept 2001 - Mar 2005: Specialist of Technical Department - Nghi Son Petrochemical Refinery Construction Investment Department, Vietnam Oil and Gas Corporation;
- Apr 2005 - Apr 2008: Principal Specialist, Deputy Manager of Petroleum Processing Department - PetroVietnam Power Corporation;
- May 2008 - Jul 2010: Deputy Head of Petroleum Processing Department - PetroVietnam Power Corporation;
- Aug 2010 - Jan 2014: Head of Petroleum Processing Department - PetroVietnam Power Corporation;
- Feb 2014 - May 2018: Head of Department - Science, and Technology Department - PetroVietnam Power Corporation;
- Jun 2018 - Apr 2019: Senior Specialist - Office of the Board of Members - PetroVietnam Power Corporation;
- Apr 2019 - present: Member of Board of Directors of PetroVietnam Power Corporation - JSC;

Individual ownership: 0% of voting shares.

Ownership representative: 0% of voting shares.



Mr PHAM XUAN TRUONG
Member of the Board of Directors

Qualification: Electrical System Engineer, Master of Electrical Engineering.

Employment History:

- Jun 1985 - Sept 1985: Participated in reserve officer training for Air Defense Command;
- Dec 1985 - Dec 1987: Participated in reserve officer training for Air Defense Command;
- Jan 1988 - Mar 1997: Head of the Load Dispatch Working Shift, Deputy Head of the Load Dispatch Communication Division, Head of the Load Dispatch Communication Department of Hai Hung Department of Electricity;
- Apr 1997 - Oct 2004: Head of Technical-Safety Department, Deputy Director of Hung Yen Department of Electricity;
- Nov 2004 - Mar 2008: Director of Hung Yen Industry Department;
- Apr 2008 - Jun 2018: Vice President of PetroVietnam Power Corporation Single Member Limited Company;
- Jun 2018 - present: Member of Board of Directors of PetroVietnam Power Corporation - JSC.

Individual ownership: 0,0010% of voting shares.

Ownership representative: 10% of voting shares.

GENERAL INFORMATION



Mr LE NHU LINH
CEO

Qualification: Geological Economics Engineer; Master of Petroleum Geological Economics; Doctor of Economics;

Employment History:

- Oct 1990 - Feb 1994 : Lecturer in University of Mining and Geology;
- Mar 1994 - Jul 2009 : Specialist, Deputy Head of Planning and Investment Department, Head of Investment and Development Department of Vietnam Oil and Gas Group;
- Aug 2009 - Mar 2010 : Chairman of the Board of Directors of PetroVietnam Drilling and Well Services Corporation;
- Apr 2010 - Dec 2013 : Chairman of Members' Council of PetroVietnam Oil Corporation;
- Dec 2013 - Dec 2018 : Chairman of Board of Directors of PetroVietnam Gas Corporation - JSC;
- Dec 2018 - present : Member of the Board of Directors, President & CEO of Petro Vietnam Power Corporation - JSC.

Individual ownership: 0% of voting shares.

Ownership representative: 20% of voting shares.

THE EXECUTIVE MANAGEMENT BOARD



Mrs NGUYEN THI NGOC BICH
Vice President

Qualification: Urban Engineer, Master of Urban Planning Engineering.

Employment History:

- 1994 - 2000: Specialist of Project Management Board in Ha Dong City;
- 2000 - Jul 2007: Specialist of Financial Services and Monetary Department, Specialist of Investment Department, Deputy Head in charge, Head of Investment Department of PetroVietnam Finance Company;
- Jul 2007 - Sept 2008: Member of Preparatory Board to establish Petro Commercial Joint Stock Bank - In charge of Investment Banking;
- Sept 2008 - May 2009: Vice Chairman of Trade Union of Vietnam Oil and Gas Group;
- May 2009 - Jun 2018: Vice President of PetroVietnam Power Corporation Single Member Limited Company;
- Jun 2018 - present: Vice President of PetroVietnam Power Corporation - JSC.

Individual ownership: 0,0018% of voting shares.

Ownership representative: 0% of voting shares.



Ông NGUYEN DUY GIANG
Vice President

Qualification: Bachelor of Economics, Master in Energy Management.

Employment History:

- Sept 1996 - Mar 2001: Specialist of Finance and Accounting Department of Hoang Mai Cement Joint Stock Company under Vietnam Cement Corporation;
- Mar 2001 - Dec 2007: Deputy Head of Finance and Accounting Department, Deputy Head of Turnover Department of Hoang Mai Cement Joint Stock Company under Vietnam Cement Corporation;
- Oct 2007 - Mar 2009: Head of Department, Deputy Head of Economic Planning Department of Hydropower Projects Management Unit under PetroVietnam Power Corporation;
- Mar 2009 - Oct 2009: Deputy General Director of PetroVietnam Power Engineering Consulting Joint Stock under PetroVietnam Power Corporation;
- Oct 2009 - Jul 2014: Head of Economic Planning Department of Song Hau 1 Thermal Power Project Management Board under PetroVietnam Power Corporation;
- Jul 2014 - Jan 2015: Vice President of the Corporation of Song Hau 1 Thermal Power Project Management Board under PetroVietnam Power Corporation;
- Jan 2015 - Nov 2015: Deputy Head of Song Hau 1 Thermal Power Project Management Board under PetroVietnam Power Corporation;
- Nov 2015 - Jul 2018: Vice President of Petro Vietnam Power Corporation Single Member Limited Company;
- Jul 2018 - present: Vice President of PetroVietnam Power Corporation - JSC.

Individual ownership: 0,0009% of voting shares.

Ownership representative: 0% of voting shares.



Mr NGUYEN MANH TUONG
Vice President

Qualification: Mechanical engineer, Master of engineering.

Employment History:

- June 1998 - Oct 2000: Mechanical Engineer, Technical Department, Gas Project Management Board, PV GAS;
- Nov 2000 - Sept 2001: Mechanical engineer, Technical Department of the Ca Mau Gas Power Project Investment Preparation Board, PVN;
- Sept 2001 - Oct 2007: Head of Mechanical Engineering Department, Deputy Head in charge of Gas Project Management of Ca Mau Gas Power Fertilizer Project Management Board, PVN;
- Oct 2007 - Mar 2009: Deputy Director of PV Southwest Gas Project Management Board;
- Mar 2009 - May 2010: Deputy Head of PVN Southwestern Gas Project Management Board;
- May 2010 - Apr 2012: Deputy Director of the Pipeline Operating Company Block Lot B to O Mon;
- Oct 2012 - May 2017: Acting Head, Head of Construction Division, Member of PV GAS' Board of Directors;
- Jun 2017 - Jun 2018: Vice President of PetroVietnam Power Corporation Single Member Limited Company;
- Jun 2018 - present: Vice President of PetroVietnam Power Corporation - JSC.

Individual ownership: 0,0021% of voting shares.

Ownership representative: 0% of voting shares.

GENERAL INFORMATION

THE EXECUTIVE MANAGEMENT BOARD



Mr PHAN DAI THANH
Vice President

Qualification: Electrical Engineer.

Employment History:

- Jun 1993 - Oct 1994: Specialist of New Technology Company - Vietnam Academy of Science;
- Oct 1994 - Dec 1996: Deputy Head of Technical Department of Vietnam - Australia Steel Joint Venture Company Hai Phong;
- Jan 1997 - Jun 2003: Deputy Head of Planning and Investment Department, Deputy Head of Statistics Planning Department of Construction Machinery Corporation;
- Jul 2003 - Feb 2005: Director of Technical Services and Construction Company of Construction Machinery Corporation;
- Mar 2005 - Oct 2007: Director of Water Electrical Mechanical Installation And Construction 3 Joint Stock Company;
- Nov 2007 - 10/2015: General Director of PetroVietnam Power Services Joint Stock Company;
- Oct 2015 - May 2018: Head of Technical Department of PetroVietnam Power Corporation Single Member Limited Company;
- Jun 2018 - present: Vice President of PetroVietnam Power Corporation - JSC.

Individual ownership: 0,0003% of voting shares.

Ownership representative: 0% of voting shares.



Mr NGUYEN MINH DAO
Vice President

Qualification: Engineer of Pipeline Facilities Design, Construction and Operation, Doctorate degree in Pipelines, Storage Tanks.

Employment History:

- Sept 2000 - Jun 2003: Engineer of Dung Quat Oil Refinery Management Board;
- Jul 2003 - Dec 2003: Engineer of Mining Technology Department, Petroleum Investment and Development Company;
- Jan 2004 - Feb 2008: Specialist in Deputy Head of Construction Department, Vietnam Oil and Gas Group;
- Mar 2008 - Jul 2009: Chairman of the Board of Directors, General Director of Petrovietnam Petrochemical and Textile Fiber Joint Stock Company;
- Jul 2009 - Feb 2018: Head of the Development Investment Department, Head of the Gas Department, Head of Construction Department, Officer of Members' Council of Vietnam Oil and Gas Group;
- Jul 2018 - present: Vice President of Petro Vietnam Power Corporation - JSC;

Individual ownership: 0% of voting shares.

Ownership representative: 0% of voting shares.



Mr PHAN NGOC HIEN
Vice President

Qualification: Bachelor of Graphics, Bachelor of Banking and Finance, MSc. Finance and Control.

Employment History:

- Jun 1999 - Jun 2007: Technician, Head of Publishing at Labor News;
- Jun 2007 - Jan 2008: Deputy Head of General Department & Head of Administration Department, PetroVietnam Power Corporation;
- Jan 2008 - Sept 2015: Chief of Office, PetroVietnam Power Corporation
- Sept 2015 - Aug 2019: Chairman of Board of Directors of PetroVietnam Power Services Joint Stock Company;
- Aug 2019 - present: Vice President of PetroVietnam Power Corporation - JSC.

Individual ownership: 0% of voting shares.

Ownership representative: 0% of voting shares.



Mr NGUYEN KIEN
Vice President

Qualification: Bachelor of Laws, Master of Business Administration;

Employment History:

- Jul 2002 - Aug 2007: Consultant, Petroleum Exploration Corporation;
- Aug 2007 - May 2009: Deputy Chief of Office, Assistant to CEO, Petroleum Exploration Corporation;
- May 2009 - Dec 2014: Deputy Head, Division of Law, Petroleum Exploration and Exploration Corporation;
- Dec 2014 - Mar 2016: Head of Department, Finance, Budget and Investment Department, PetroVietnam Exploration and Production Corporation;
- Mar 2016 - Aug 2017: Head of the Office, Secretary of the President, Consultant, Contract Legal Department and Petroleum Project, Legal Department, Vietnam Oil and Gas Group;
- Aug 2017 - Sept 2019: Deputy Chief of Office, Assistant to the President of Vietnam Oil and Gas Group;
- Sept 2019 - present: Vice President of PetroVietnam Power Corporation - JSC.

Individual ownership: 0% of voting shares.

Ownership representative: 0% of voting shares.



Mr CHU QUANG TOAN
Deputy Head of Finance and Accounting Department

Qualification: Master of Accounting.

Employment History:

- Sept 1991 - Aug 1997: Nghe An Department of Taxation;
- Aug 1997 - Oct 2002: Deputy Chief of Tax Management Department - Nghe An Production Enterprise;
- Oct 2002 - Apr 2003: Head of Information Processing and Informatics Department - Nghe An Tax Department;
- Oct 2003 - Jul 2007: Head of Informatics and Data Processing Department - Nghe An Department of Taxation;
- Jul 2007 - Nov 2009: Head of Personal Revenue Tax Department - Nghe An Department of Taxation;
- Dec 2009 - Oct 2010: Chief Accountant - Nghe An Rubber Company - Vietnam Rubber Group;
- Nov 2010 - Jun 2015: Head of Accounting Department - Dong Hoi Project Management Board - Vietnam Cement Industry Corporation;
- Jun 2015 - Jun 2017: Head of Accounting department - VICEM Project Management Board - Vietnam Cement Industry Corporation;
- Jun 2017 - Aug 2018: Supervisor of Internal Control Department - Vietnam Cement Industry Corporation;
- Aug 2018 - Apr 2019: Deputy Head of Internal Control Department;
- Apr 2019 - present: Deputy Head of Finance, Accounting and Auditing Department of PV Power.

Individual ownership: 0% of voting shares.

Ownership representative: 0% of voting shares.

GENERAL INFORMATION

THE BOARD OF SUPERVISORS



Mr VU QUOC HAI
Head of the Board of Supervisors

Qualification: Bachelor of Economics.

Employment History:

- Oct 1987 - Sept 1992: Teacher of Accounting Department at Vietnam University of Commerce;
- Feb 1994 - May 2002: Consultant, Deputy Head of Finance and Accounting Department at PetroVietNam Oil Processing and Distribution Company, now PV Oil Lube JSC;
- May 2002 - Dec 2007: Consultant, Deputy Head of Internal Audit Committee since February 2007, at Vietnam Oil and Gas Group;
- Jan 2008 - Aug 2010: Member of the Board of Members & Supervisor at PetroVietnam Power Corporation;
- Aug 2010 - Jun 2018: Head of the Board of Supervisors at Single Member Limited Liability Company - PetroVietnam Power Corporation;
- Jun 2018 - present: Head of the Board of Supervisors of PetroVietnam Power Corporation - JSC.

Individual ownership: 0,00012% of voting shares.

Ownership representative: 0% of voting shares.



Mrs LY THI THU HUONG
Member of the Board of Supervisors

Qualification: Master of Economics.

Employment History:

- Mar 2001 - May 2005: Specialist of Finance and Accounting Department at PetroVietnam Finance Joint Stock Corporation;
- Jun 2005 - Sept 2006: Deputy Head of Accounting Department at PetroVietnam Finance Joint Stock Corporation;
- Oct 2006 - Mar 2008: Chief Accountant at Petro Vietnam Finance Joint Stock Corporation;
- Apr 2008 - May 2009: Head of The Board of Supervisors at PetroVietnam Finance Joint Stock Corporation;
- Jun 2015 - Jun 2018: Supervisor at Single-Member Limited Liability Company - PetroVietnam Power Corporation;
- Jun 2018 - present: Supervisor of PetroVietnam Power Corporation - JSC.

Individual ownership: 0,00024% of voting shares.

Ownership representative: 0% of voting shares.



Mrs VU THI NGOC DUNG
Member of the Board of Supervisors

Qualification: Bachelor of Economics and Engineering, Bachelor of English, Master of Finance, Money Circulation and Credit.

Employment History:

- Dec 1993 - Oct 2000: Labor and Salary Officer at Cuu Long Stationery Joint Stock Company;
- Nov 2000 - Dec 2004: Accounting specialists at PetroVietnam Finance Joint Stock Corporation;
- Jan 2005 - Apr 2007: Deputy Head of Internal Inspection Department of PetroVietnam Finance Joint Stock Corporation;
- Apr 2007 - Nov 2009: Manager/Director of Internal Control Board of PetroVietnam Finance Company / PetroVietnam Finance Joint Stock Corporation;
- Dec 2009 - Sept 2013: Director of Committee/Head of Planning Department of PetroVietnam Finance Joint Stock Corporation;
- Oct 2013 - Apr 2015: Head of Planning Department - Finance and Accounting Division at Pvcmbank;
- Apr 2015 - Jun 2018: Supervisor at Single Member Limited Liability Company - PetroVietnam Power Corporation;
- Jun 2018 - present: Supervisor of PetroVietnam Power Corporation - JSC.

Individual ownership: 0,00108% of voting shares.

Ownership representative: 0% of voting shares.



Mrs HA THI MINH NGUYET
Member of the Board of Supervisors

Qualification: Master of accounting.

Employment History:

- May 1992 - Dec 2007: Accountant, Deputy Manager of Transaction Office 1, Deputy Accounting Manager of Vietcombank;
- Jan 2008 - Oct 2008: Chief Accountant of Preparatory Committee established GP Bank;
- Oct 2008 - Sept 2010: Chief Financial Officer of PetroVietnam Union;
- Sept 2010 - 25 June 2018: Chief Accountant of Single Member Company Limited - PetroVietnam Power Corporation;
- 26 June 2018 - 18 April 2019: Chief Accountant of PetroVietnam Power Corporation - JSC;
- 19 April 2019 - present: Supervisor of PetroVietnam Power Corporation - JSC.

Individual ownership: 0,00003% of voting shares.

Ownership representative: 0% of voting shares.



ENERGY CREATES WEALTH



STATUS



PV Power is one of the leading electricity producers in Vietnam. With the total capacity accounting for 8% of the national installed capacity, the energy output in 2019 was 22,54 billion kWh, equivalent to 11% of the national commercial electricity output.



GENERAL INFORMATION

S.W.O.T. ANALYSIS

STRENGTHS

- PV Power is a joint-stock company that has many advantages in terms of gas thermal power, owning several power plants with the latest technology and high efficiency.
- PV Power is the organization with the most efficient use of capital in the power sector. Several power plants of PV Power fulfilled their debt long-term repayment obligations (Ca Mau 1 & 2 thermal power plants paid off their debts in 2019; Nhon Trach 1 thermal power plant paid off long-term loans in Q1 2016; Nhon Trach 2 thermal power plant will pay off the long-term debt in 2021).
- PV Power has trained and built an experienced team specializing in managing and operating power plants, especially in managing the investment and construction of large-scale and advanced power plants in the region and around the world.

OPPORTUNITY

- The requirements for national and social economic development led to an increase in domestic energy demand, which means that a stable power supply development is of great importance to ensure national energy security.
- The Government proposed the latest orientations for national energy development which clearly stated that: "... Developing gas thermal power using domestic gas supply is the foremost priority. Accelerating the development of LNG electricity generating process and thus, making thermal power the key supply of electricity, supporting the load dispatch of the system...". These orientations will open up more opportunities for investors, especially PV Power who pioneers in investing in thermal power using LNG (Nhon Trach 3 & 4).
- Following the trend of renewable energy development, the government is gradually adjusting its mechanisms, such as the feed-in-tariff mechanism for solar energy, wind energy, electricity generated from solid waste and biomass energy, and issuing other preferential policies for investors.
- During the period of the retail competitive generation market (from 2021), A0 and National Power Transmission (NPT) will be separated from EVN which will bring about more transparency in the market, creating an opportunity for all market participants, especially for PV Power.
- The equitization of the Corporation and diversification of shareholders of the energy companies attracted many domestic and foreign investors to contribute capital for the construction of new power plants.

WEAKNESS

- There are a shortage in domestic fuel supply as Southeast gas supply is reducing, the southwest gas supply is becoming insufficient, and the cost of supplementary gas from Petronas is higher than before. They have all adversely affected the operation of Ca Mau 1 & 2 thermal power plants. Furthermore, the fuel supply for Vung Ang 1 thermal power plant is not entirely guaranteed, resulting in the inconsistent cash flow for debt repayments. PV Power anticipates to use more imported gas and liquified natural gas as substitutes in the future, even though with much higher cost. It might consequently affect the competitiveness of PV Power in the competitive generation market.
- The power sector has high technical requirements, tremendous initial investment, and a long payback period. These conditions require the Corporation to have a robust internal and external resources management.
- Securing long term loan for power plant projects is getting more challenging as the Government decided to stop issuing foreign loan guarantee for investment in power projects under the policy of self-borrowing and self-repayment.

THREATS

- Being the pioneer in the field of producing electricity from LNG, the Corporation is facing numerous challenges in launching the project and negotiating the power purchase agreement for LNG power plant,...
- Regarding the development mechanisms and policies: The Government/Ministry of Finance does not provide the guarantee for new investment projects, PVN/ PV Power must select other forms of assurance for credit contracts. This is one of the challenges for PV Power in terms of financial arrangement.
- Negotiating the power purchase agreement with EVN usually takes a long time.
- The electricity market is becoming increasingly competitive which requires improving corporate governance, the efficiency of business operations and competitiveness.
- The coal reserves in the country and around the world are getting more and more depleted. At the same time, rising consumption leads to the difficulty in finding and supplying sufficient domestic/imported coal for the power plants. Besides, supplying coal from foreign sources is facing many hindrances in transportation as well as receiving and distributing infrastructure.



GENERAL INFORMATION

THE RISKS MANAGEMENT



PV Power's business operation is greatly affected by the world economy, Vietnam socio-economic development, national energy development and orientation plan, state policies, and raw materials. Also, enormous investment capital and long payback period compel PV Power to manage of both internal and external resources of the Corporation properly. During the operating and developing process, PV Power always faces potential risks in business strategies, trading and operation, financial activities and compliance with current laws. Being aware of the importance of risk management, PV Power has developed and applied several risk management methods which involve specifying the duty of the Management and the employees in controlling and reporting potential risks. Moreover, PV Power manages and monitors hazards that may have detrimental impacts on the ability to meet national energy demand while preserving corporate values. PV Power's management system, organizational structure, processes, standards, and codes of conduct creates a robust internal control system that governs the business operations in general and related risks in particular. In the current period, the primary risks that PV Power is facing are as follows:



STRATEGIC RISKS

The world economy is a competitive environment with many unpredictable factors and threats stemming from political and religious conflicts, sovereignty disputes, fuel reserves, oil prices and exchange rates.. These variables pose many challenges for the PV Power Board of Directors in making long-term development strategies.



FINANCIAL RISKS

Currently, PV Power's business model involves many subsidiaries, joint ventures, and affiliates. This model created potential risks in financial activities, capital management, and cash flows arising during the course of business operation. Regarding debt collection, negotiating PPA contracts requires strict measures to minimize risks.



OPERATIONAL RISKS

Energy producing activities are bound to encounter risks such as fire and explosion, infringement and violation of electrical safety and security. These risks tend to endanger human lives, causing fire and explosion, damaging property while affecting the environment and society as a whole. Furthermore, fuel sources are getting more and more limited, which means that the competitiveness of PV Power will be severely affected due to high importing costs. There are also some existing problems regarding government policie, mechanisms, infrastructures for fuel import.

GENERAL INFORMATION



FUEL SOURCES

Anthracite coal supply is currently limited in the market. From 2019, the increase in coal demand for electricity production of power plants resulted in an insufficient domestic supply of coal. From 2020, the power plants of EVN, PVN/PV Power, had to use coal source, which is a blend of both domestic and imported coal with the same quality as domestically produced coal dust. On December 2, 2019, the Prime Minister issued Directive No. 29/CT-TTg on strengthening the state management of coal production and coal supply for electricity production. The Directive stated that "The owner of the coal thermal power plant is responsible for arranging a legal source of coal to provide for the power plant during its lifetime." Thus, the source of coal supplied for the factory included domestic coal, imported coal, blended coal. However, facing the increasing demand for electricity mobilization of the Ministry of Industry and Trade and A0, in 2020, besides coal sources provided by TKV, PV Power will actively arrange the remaining volume.

Southeast region (supplying gas for Nhon Trach 1 & 2 thermal power plants):

By 2020, the gas supply from Lan Tay and Lan Do mines of Lot 06.1, and Lot 11.2 will be significantly depleted, the gas reserves will decrease by more than 1 billion m³/year. Therefore, power plants will have to run on a considerable amount of oil in 2020. By the fourth quarter of 2020, there will be a new source of additional gas from Sao Vang - Dai Nguyet field with an extra output of 1,5 billion m³/year with an expected higher purchase price than the current price level. The gas supply will only maintain until 2026, and in the long term, until 2035, the thermal gas plants in the Southeast region will have to import gas to operate.

Southwest region (supplying gas to Ca Mau 1 & 2 thermal power plants):

- The phase when the power plant did not participate in the competitive generation market (CGM): The revenue is earned under the provisions of the existing power purchase agreement;
- The phase when the power plant participated in the CGM: The revenue is earned under the transformed power purchase agreement. Due to the limitation of the gas pipelines from gas fields, PV Power faced difficulty in offering prices to participate in the electricity market for Ca Mau 1 & 2 power plants. For example, when the electricity is in high demand during the dry season, the power plant generating unit cannot operate at full capacity, which could result in a decline in revenue and profit of PV Power.



GOVERNMENT POLICIES & MECHANISMS

Currently, the state management of coal production and coal provision for electricity production is being regulated under government Directive 29 / CT-TTg as of December 2, 2019 (replacing Directive No. 21/CT-TTg).

Regarding factories using domestic coal: The investors of the power plant is responsible for arranging legitimate coal supply for the power plant during its lifetime. It required taking initiative in purchasing coal from TKV, Dong Bac Corporation or other enterprises with legal origin in accordance with regulations, ensuring competitive and productive coal price.

Regarding factories using imported coal: The investors of the power plant directly import or purchase coal through focal points, such as TKV, Dong Bac Corporation, or other enterprises, ensuring a legitimate coal supply with competitive coal price. The current obstacles are the unexpected cost of transporting coal from the transshipment port in the Vung Ang - Ha Tinh area by road transport to Vung Ang 1 thermal power plant storage. This cost has not been included in electricity prices by EVN due to the lack of instruction from the Ministry of Industry and Trade or competent government agencies.



COAL IMPORT INFRASTRUCTURE

The imported-coal transshipment port to the Mekong Delta region developed by TKV has not completed the feasibility study phase. In 2018, TKV was agreed by the Government to stop carrying out the project report. The Prime Minister assigned the Ministry of Industry and Trade to coordinate with the Ministry of Transport to continue researching and finding optimal solutions and report back to the Prime Minister. Also, the Prime Minister assigned the Ministry of Transport to conduct research and collect opinions from the Ministries regarding "The Plan of adjusting the Soc Trang seaport and Tran De port project in the development plan of Vietnam seaport system ". Based on the overall assessment, Tran De port plan, a part of the Soc Trang port, is the most advantageous point connecting inland waterways and roads to Can Tho as well as to other provinces, serving generalships, containers of up to 100,000 tons and bulk ships of up to 160,000 tons. The Ministry of Transport will coordinate with local authorities, ministries, and agencies to research and finalize the planning documents. Also, it will propose mechanisms and call for investment in port from the social capital source.



COMPLIANCE RISKS

PV Power develops its production and business operations in many different areas and fields of work. Therefore, complying with Vietnamese regulations and the local community is of great importance.



Determine to build a strong and efficient PV Power

We no longer have to wait for another

10 years to reach **400 billion kWh**



CEO'S MESSAGE MR. LE NHU LINH

PERSPECTIVE ON DEVELOPMENT

Maximize internal strengths, utilize external resources and strengthen international cooperation to cultivate PV Power into a prestigious brand across the country and Southeast Asia.

Taking advantage of the status quo as the foundation and continuing to manage and operate the existing power plants safely, effectively, and sustainably. Using "Safety and Efficiency" as the guiding principles throughout the development process.

Developing PV Power following the Master Plan of Vietnam power industry and in line with PVN's development and the world's trend. Utilizing advanced and environmentally friendly technologies for sustainable development. Focusing on developing gas power (including LNG) and promoting the development of renewable energy (solar, hydroelectricity, wind, and biomass). Developing electrical engineering services, fuel supply services, and other services.

Effectively participating in the competitive electricity generation market, the competitive wholesale electricity market, and the retail electricity market.

Developing PV Power under the principle of continuous corporate governance improvement while ensuring transparency and harmonization of benefits between shareholders, the State, and employees.

OBJECTIVES

GREEN IN ENVIRONMENTAL RESPONSIBILITIES

DOMINANT IN COMPETITIVE ADVANTAGES

OVERALL OBJECTIVES

STRONG IN FINANCIAL BACKGROUND

PROFESSIONAL IN MANAGEMENT

EFFECTIVE IN BUSINESS AND PRODUCTION CAPACITY





DEVELOPMENT ORIENTATION

DETAILED GOALS

- 1 Maintaining the first position in the field of gas thermal power and the biggest electricity suppliers in the market. Proactively investing in renewable energy projects to ensure the diversification of power supply.
- 2 Improving the services related to electricity generation, including repair and maintenance, recondition of equipment as well as fuel supply services for power plants. Supporting the electricity production business in accordance to each stage of development.

BY 2025



Total installed capacity will be 6.910 MW, accounting for 7% of the total installed capacity of the national power grid. The annual electricity output will be 25 billion kWh with the average growth rate of 9%/ year.

BY 2035



The total installed capacity of PV Power will be 9.960 MW, accounting for about 6% of the installed capacity of the whole power grid. The annual average power output is 50 billion kWh with the average growth rate of 5%/years.

GENERAL INFORMATION DEVELOPMENT ORIENTATION

IMPLEMENTING ORIENTATION

ELECTRICITY PRODUCTION

1

By 2025, the total installed capacity of PV Power will be 6.910 MW, accounting for 7% of the total installed capacity of the national power system. By 2035, the total installed capacity will be 9.960 MW, accounting for about 6% of the national installed capacity.

PV Power targets of power supply structure and energy projects until 2025 and orientation to 2035:

Plant type	2025		2035	
	MW	Percentage	MW	Percentage
Gas thermal power plant	5.350	77%	7.600	76%
Coal fired thermal power plant	1.200	17%	1.200	12%
Hydropower plant	305	4%	305	3%
Renewable	55	1%	855	9%
Total capacity of PV at the end of the period	6.910	100%	9.960	100%

ELECTRICITY GENERATION AND TRADING

2021 - 2025

- Managing and operating the existing gas thermal, hydropower, coal fired thermal power plants, and new power plants directly invested by PV Power that are in operation in this period stably and efficiently.
- Conducting pricing quotations and energy trading under the competitive wholesale market.
- Being ready to participate in the retail electricity market: Improving the quality of electricity output and competing on price, especially for wind and solar energy field (the field with fierce competition from private investors); building a competing team of wholesale electricity retailers.

2026 - 2035

- Continuing to operate existing and new operated power plants sustainably and efficiently.
- Consolidating infrastructure and investing in power supply stations directly to end - consumers to accommodate the consumption trend of the developed market. Expanding retail electricity business and participating in the wholesale electricity market with appropriate development scale.

POWER SUPPLY DEVELOPMENT AND INVESTMENT

2021 - 2025

- Investing in and putting Nhon Trach 3 & 4 thermal power plants into operation with a total capacity of 1.500 MW.

- Raising capital to invest in the gas thermal power plants, such as the projects of Central 1 & 2 thermal power plant (capacity of 1.500 MW), Ca Mau LNG 3 power plant (capacity of 1.500 MW), renewable energy projects (rooftop and floating solar panel) (capacity of 55 MW).

2

2026 - 2035

- Continuing to invest in other LNG power plant projects (total capacity of 4.500 MW). These projects are expected to be in operation during this period.

- Searching for other productive and feasible renewable energy projects to invest in. The goal is to generate an additional 800 MW of renewable electricity by 2035.

SERVICE SECTOR

Developing services related to electricity production, including repair & maintenance services, fabrication and processing, and restoration of supplies and equipment; fuel supply service for power plants to support the electricity generation and trading in accordance to each stage of development.

POWER PLANT REPAIR & MAINTENANCE SERVICE

2021 - 2025

- Technical Service Center performs intensive professional services, including periodic and major maintenance and repair of the Corporation power plants. Attracting and training new high-quality technical staff. Step-by-step expanding the market to perform service activities at the power plants of PVN and others. Researching and applying the latest technologies when performing services.
- Continuing to provide regular repair & maintenance services for power plants of PVN/PV Power. Developing repair & maintenance services with non-PVN/PV Power organizations for the petrochemical plant, metallurgical plant, mining plant, Formosa.
- Conducting research and investing in manufacturing workshops. Restoring equipment for coal power plants, prioritizing Vung Ang 1 thermal power plant at first. Proceeding to expand the scope of manufacturing, restoring workshops for parties outside PVN/ PV Power.

Lastly, researching, designing, and manufacturing spare parts and equipment at power plants such as steam turbines, pumps, fans, valves, taps, compressors, boiler pressure tubes.

2026 - 2035

- Building a team of professional, highly qualified technical personnel to become the primary Technical Service Provider for all power plants of the Group and Corporation.
- Implementing a closed chain of technical service from manufacturing spare parts, adjusting equipment, inspecting, and measuring equipment.
- Providing a full package of engineering services for the operation and maintenance of coal and gas power plants within the country and ASEAN region.

FUEL SUPPLY SERVICE

2021 - 2025

- Ensuring long-term and stable fuel supplies (coal, gas, oil) for PV Power's power plants. Contributing capital to implement the project of LNG storage, providing fuel supply to Ca Mau Power Center and Nhon Trach Power Center.
- Guaranteeing a full range of logistics services to provide fuel supply conveniently and effectively.
- Drafting new regulations and procedures to support importing coal. Preparing infrastructure for coal import such as port, coal depot, mixing system, and inland transportation.
- Implementing business operations to supply fuel for household consumption to ensure economic efficiency.

2026 - 2035

- Securing a long-term and stable fuel supply (coal, gas, and oil) for the power plants of PV Power.
- Guaranteeing a full range of logistics services to provide fuel supply conveniently and effectively.
- Supplying imported coal (inland transporting and conveying) for household consumption within and outside PVN.
- Conducting business operations to supply fuel for household consumption to ensure economic efficiency.



02

BUSINESS OPERATION PERFORMANCE IN 2019

2019 events

Operating performance in 2019

Investment and project progress

International cooperation

Financial status

Organization and personnel

Shareholders and changes in Owners' Equity

2019 EVENTS



Officially listed on HoChiMinh Stock Exchange on 14 January 2019



HONORED IN THE "TOP 50 BEST LISTED COMPANIES IN VIETNAM" IN 2019 BY FORBES

"The continuous successes of POW along with the highly appreciation from prestigious international organizations are the solid proofs of PV Power's growth in the Vietnamese stock exchange market. PV Power always promotes transparency to build trust with investors, shareholders, and market participants. Therefore, POW stock is universally acknowledged as a reliable investment channel that brings the most benefits to shareholders."



OPERATING PERFORMANCE IN 2019



BUSINESS PERFORMANCE

THE POWER SECTOR OVERVIEW

In 2019, the electricity industry encountered many difficulties, such as shortage of fuel supply and increasing demand in the market. The lack of coal resources caused the shortage of raw material of many coal power plants limiting the generation capacity when the electricity price on the market was rising. Also, some power plants had to stop operating several electricity generating units temporarily. The El Nino weather phenomenon had a significant impact on Vietnam central area and Tay Nguyen region, making rainfall in these areas much lower than the annual average. Unfavorable hydrological conditions resulted in a sharp decline in the business results over the same period, with 15 out of 19 hydropower enterprises reporting diminishing revenue and profit over the same period. Additionally, the low volume of rainfall during the 2019 rainy season led to insufficient storage of hydroelectric reservoirs, and consequently, hydropower businesses would continue to struggle until at least the first half of 2020.

Also, fierce competition from renewable electricity was another major obstacle. During the first half of 2019, solar energy made a considerable jump in total installed capacity to 4,464 MW by the end of June 2019 and increased to 5,100 MW by the end of 2019. The sudden rise in solar energy was due to the acceleration of power plants trying to connect to the national grid before 30 June 2019, which was the deadline to take advantage of the tariff preferential mechanism under Decision 11 of the Prime Minister.

MAIN BUSINESS OPERATION RESULTS IN 2019 COMPARED TO THE PLAN

Facing these challenges and hardships, along with the advantages mentioned above, PV Power successfully delivered the critical tasks with the collective efforts and solidarity of the management and employees and achieved the following:

1 Exceeding the production targets in all aspects, such as output production, revenue, and profit, remittance to the State budget, individually:

- The power output of the Corporation for the entire year was 22,54 billion kWh, exceeding 4% in comparison to the whole-year plan and 7% over the same period of 2018. The reason behind the high power output: 2019 was a challenging year for the entire national electricity network with increasing additional charge demand, especially during the dry season with unfavorable hydrological conditions which led to an insufficient reserves in hydroelectric reservoirs. Under these circumstances, gas thermal power sources were mobilized at full capacity, including the power plants of PV Power.
- The total revenue and profit of the Corporation in 2019 were VND 35.948 billion, equivalent to 110% of the 2019 plan and 108% of the actual result in 2018. The total revenue and profit of the Parent Company were VND 25.371 billion, equivalent to 110% of the plan in 2019 and 105% in comparison to the same period in 2018. The main reasons for the increase in total revenue in 2019 were an unexpected rise in electricity mobilization from A0, rising fuel prices, and the mobilization of oil for power production.
- The profit before tax of the Corporation in 2019 was VND 3.165 billion, equivalent to 126% of the targets. Profit before tax of the Parent Company was VND 2.197 billion or 105% of the targets. The reason for the outperforming of expected profit was because the revenue of the Corporation increased by 10% compared to the plan while the total cost increased only by 9%. The increment in total cost mainly focused on the increase in fuel cost (gas and coal) which accounted for a large proportion of the total cost, even though management costs decreased by 6%, financial and other expenses were down 24% in comparison to the plan.
- State budget remittance of the Corporation in 2019 was VND 1.526 billion, equivalent to 117% of the plan. The Parent company contributed VND 948 billion to the state budget, equivalent to 124% of the target at the beginning of the year.

Items	Unit	2019	2019	Actual
		Expected Results	Actual Results	Results/Expected Results
Power Output	Billion kWh	21,6	22,54	104,00%
Revenue	VND Billion	32.770	35.948,01	110,00%
Earning Before Taxes (EBT)	VND Billion	2.500,2	3.165,04	126,00%

2 Operating safely, effectively, ensuring safety and preventing fire and explosion at the power plants.

3 Carrying out the development strategy of the Corporation up to 2025, orientating to 2035 as a basis for implementing developing investment and business operation of the Corporation.

4 Performing regular repair and maintenance service for the power plants safely, timely and successfully: Conducting overhaul of Hua Na hydropower plant 4 days ahead of schedule and Unit 2 of Vung Ang 1 power plant on schedule. Performing minor inspection of Nhon Trach 1 thermal power plant up to 2 days ahead of schedule, Nhon Trach 2 thermal power plant 2 days ahead of schedule, and Ca Mau 1 & 2 thermal power plant on schedule.

OPERATING PERFORMANCE IN 2019

MAIN BUSINESS OPERATION RESULTS IN 2019

5 Proactively proposing the Government and Ministries to amend the mechanism and policies regarding supplying coal to power plants. On 2 December 2019, the Prime Minister issued Directive No. 29/CT-TTg on continuing to strengthen the State management of electricity generation activities. This created an initiative for an electricity generating company in supplying coal to operate the plants. The mechanisms and policy will set up the foundation for overcoming coal shortages of the Vung Ang 1 thermal power plant in particular as only domestic coal was used to produce electricity before.

6 Promoting investment in new power projects, researching and expanding new sources of fuel supplies and new types of clean energy such as solar power (roof panel, floating panel), electricity generated from LNG, other than the traditional types such as coal fired thermal power, gas thermal power and hydropower. These activities were of great importance as fuel supply like coal and gas are declining. They were also crucial steps in executing the Corporation Development Strategy, diversifying business operation, and being independent on the operation of existing power plants.

7 Improving the life and welfare regimes of the employees: Implementing the restructuring of the Corporation and reorganizing the functions and duties between the Divisions. It has initially created jobs for employees at PV Power Fuel. PV Power hoped that the dedication of the Corporation's General Manager in finding employment for the member units would be the motivation for all employees of the Corporation to perform their duties well.

8 Reforming corporate governance, delegating tasks and responsibilities to each member unit and creating the initiative when

performing trading activities. This is the basis to clearly define the responsibilities of each member unit and levels when carrying out their tasks.

9 Performing well in financial management and securing an adequate amount of capital to repay debts in time, thereby saving billions in interest expenses. Creating trust and forming good relationships with domestic and foreign banks to build a solid foundation when arranging short-term and long-term capital for the Corporation's operation.



OPERATING PERFORMANCE FROM 2016 TO 2019

Items	Unit	2016	2017	2018	2019	CAGR over the period of 2016-2019
Net revenue	VND Billion	28.211,76	29.710,05	32.662,19	35.420,71	7,88%
Cost of good sold	VND Billion	24.429,21	24.787,39	28.185,66	30.298,01	7,44%
Operating expenses	VND Billion	755,85	815,43	793,09	1.206,10	16,86%
Profit before tax	VND Billion	1.695,64	2.733,47	2.491,80	3.144,53	22,86%
Profit/Loss	VND Billion	1.517,44	2.601,69	2.286,84	2.837,11	23,19%

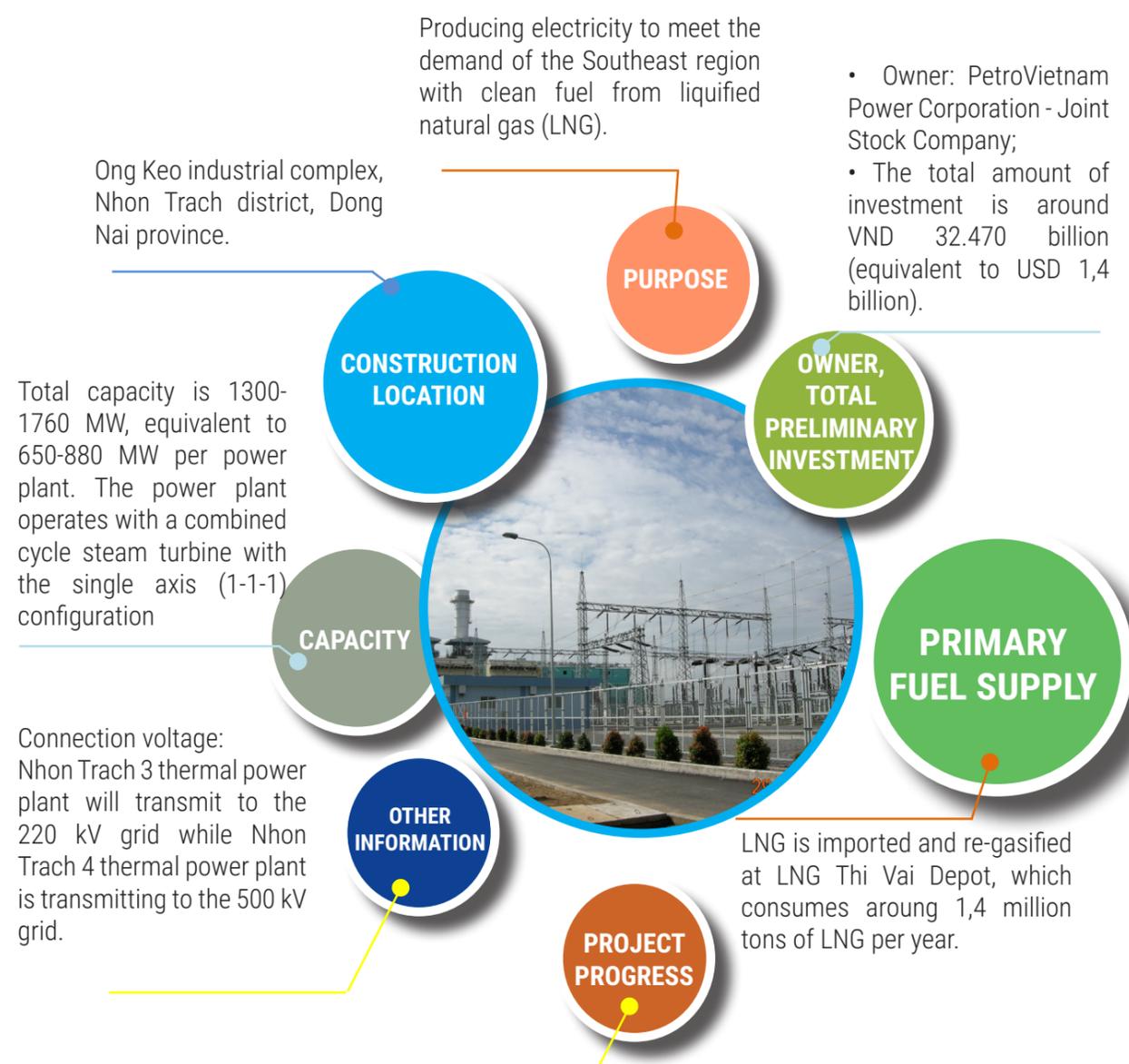
(Note: The figures for the operating outcomes in 2018 are a total of two periods: the first six months of 2018 as a Single-member Limited Liability Company, and the last six months as a Joint Stock Company.)

Overall, the Corporation's underlying operating index grew at an impressive pace in the period of 2016-2019. Net revenue increased from VND 28.211 billion in 2016 to VND 35.374 billion in 2019, with a CAGR of approximately 8%. Similarly, the difference in the cost of goods sold was insignificant. However, operating expenses experienced a sharp fluctuation in 2019, soaring to over VND 1.000 billion, raising the CAGR between 2016 and 2019 to over 16%. It is contributed mainly by management expenses during the year as the provision for receivables for overdue EPTC receivables was settled with the amount of VND 403 billion. Profit before and after-tax grew steadily at a reasonably high rate, namely 23%.

OPERATING PERFORMANCE IN 2019

INVESTMENT AND PROJECT PROGRESS

PROJECT PROGRESS



On 27 February 2019, the Prime Minister approved the Pre-Feasibility Study (FS) of the project in Decision No. 234 / QD-TTg. In December 2019, PV Power completed a feasibility study report and submitted it to the Ministry of Industry and Trade to appraise the basic design. In addition, an environmental impact assessment report was sent to the Ministry of Natural Resources and Environment for appraisal. These assessments served as a basis for the General Meeting of Shareholder's approval of the construction of the project in Q2 2020.

- Expected progress: Nhon Trach 3 thermal power plant will be in operation in 2023, and Nhon Trach 4 power plant is expected to officially operate in 2024.

OPERATING PERFORMANCE OF SUBSIDIARIES AND AFFILIATES

SUBSIDIARIES OF PV POWER

Items	Units	2019 Target	2019 Result	Comparison
PetroVietnam Power Nhon Trach 2 JSC				
- Total revenue and profit	VND Billion	7.340,1	7.740,8	105%
- Profit before tax	VND Billion	706,4	797,4	113%
- Profit after tax	VND Billion	671,1	754,2	112%
- Dividends paid to Coporation	VND Billion	372,1	0	
Hua Na Hydropower JSC				
- Total revenue and profit	VND Billion	702,9	669	95%
- Profit before tax	VND Billion	56,4	72,6	129%
- Profit after tax	VND Billion	56,4	68,3	121%
Bac Kan PetroVietnam Power JSC				
- Total revenue and profit	VND Billion	17,5	16,1	92%
- Profit before tax	VND Billion	0,1	2,5	
- Profit after tax	VND Billion	0,1	2,5	
Dakdrinh Hydropower JSC				
- Total revenue and profit	VND Billion	547,3	409,2	75%
- Profit before tax	VND Billion	0,1	-13	
- Profit after tax	VND Billion	0,1	-13	
PetroVietnam Power Services JSC				
- Total revenue and profit	VND Billion	224,8	214,9	96%
- Profit before tax	VND Billion	3,0	18,4	613%
- Profit after tax	VND Billion	2,3	14	611%
- Dividends paid to Corporation	VND Billion	1,0	7,3	730%
PetroVietnam Machinery JSC				
- Total revenue and profit	VND Billion	1.200,0	1.771	148%
- Profit before tax	VND Billion	37,3	43,7	117%
- Profit after tax	VND Billion	37,1	43,0	116%
- Dividends paid to Corporation	VND Billion	15,9	7	44%

Note: (*) The 2019 performance targets of Bac Kan PetroVietnam Power Joint Stock Company as of 15 October 2019 (due to PV Power's divestment in Bac Kan PetroVietnam Power Joint Stock Company from October 16, 2019).

OPERATING PERFORMANCE IN 2019

SUBSIDIARIES OF PV POWER

1 PetroVietnam Power Nhon Trach 2 JSC

Nhon Trach 2 thermal power plant: In 2019, all generating units operated effectively while ensuring the availability to mobilize in line with the competitive electricity generation market and without any significant equipment abnormalities.

The entire year of 2019: The electricity output reached 4.952 million kWh, equivalent to 106% of the plan; revenue reached VND 7.740,8 billion, equal to 105% of the target while profit before tax reached VND 797,4 billion, equivalent to 113% of the plan.

2 Dakdrinh Hydropower JSC

Dakdrinh hydropower plant: The water flow to the reservoir in 2019 was quite low, with an average of 20,7 m³/s, much lower than the previous annual average of 27,41 m³/s. Generating unit H1 had to suspend its operation from May 19 to August 8 due to the rotor short-circuit fire incident, affecting electricity generation as well as revenue/profit of the plant. The period between October and December was the rainy season of the DakDrinh basin. However, the water flow to the was in Q4 2019 was still insufficient, leading to frequent violations of the weekly reserve limit during the last months of the year.

The entire year of 2019: The electricity output achieved 433 million kWh, equivalent to 82% of the plan. Turnover reached VND 409,2 billion, equivalent to 72% of the target. Profit before tax was at a loss of VND 13 billion while the targeted profit was VND 0,1 billion.

3 Hua Na Hydropower JSC

Hua Na hydropower plant: In 2019, the plant operated safely as there were no unexpected incidents.

During the entire year of 2019: The electricity

output reached 560 million kWh, equivalent to 86% of the plan because of low the average water flow to the lake, only 64% of previous year average. Total revenue achieved VND 669 billion, equivalent to 95% of the target. Although the electricity output did not meet the plan, the profit before tax was estimated at VND 72,6 billion or 129% of the plan thanks to the efficient operation of the electricity market.

4 PetroVietnam Power Services JSC

PV Power Services focused on performing 100% of the periodic, unexpected and troubleshooting maintenance tasks for power plants. As in the periodic repair and maintenance services in 2019, PV Power Services has completed the overhaul of the H1 and H2 generating units of Hua Na hydropower plant, the minor inspection of GT11 and GT12 generating units of Nhon Trach 1 & 2 power plants on time with high-quality assurance and absolute safety.

The entire year of 2019: Turnover reached VND 214,9 billion, equivalent to 96% of the plan; Profit before tax reached VND 18,4 billion in comparison to the target of VND 3 billion.

5 PetroVietnam Machinery JSC

The entire year of 2019: Turnover reached VND 1.771 billion, achieving 148% of the target. Profit before tax was VND 43,7 billion, equivalent to 117% of the plan.

6 Bac Kan PetroVietnam Power JSC

In October 2019, PV Power divested all its stake in Bac Kan Petroleum Electricity Joint Stock Company. The relevant figures were only taken into account until 15 October 2019.

AFFILIATES

No	Company name	Units	Profit after tax 2018	Profit after tax 2019
1	The hydropower group			
	Nam Chien Hydropower JSC	VND billion	145,19	162
	Song Hong Energy JSC	VND billion	10,42	6
	Vietnam - Laos Electrical JSC	VND billion	248,69	223,9
	EVN International JSC	VND billion	1,52	1,7
	Song Tranh 3 Hydropower JSC	VND billion	0,81	-58,29
2	The trading – service group (business operation is struggling due to the inability to find new job and former contracts delayed)			
	Petroleum Mechanical and Electrical JSC	VND billion	0,014	0,012
	Petroleum Urban Development JSC	VND billion	-81,69	-12,55
3	The underperforming group (in the process of dissolution, bankruptcy)			
	Son Tra - Song Da Hydropower JSC	VND billion	The certificate of business registration was revoked	
	Asia Pacific Energy JSC	VND billion	In March 2019, Hanoi Department of Planning and Investment announced the Notification of dissolution or Surrender	

The hydropower group

5 member units are the managing companies, recently being put into operation and capitalized on hydropower projects. Starting from 2018, except for Song Tranh 3 Hydropower JSC, which was still under the investment phase of the project, the remaining hydropower member units have begun to make profits from production and business activities and no longer had accumulated losses (details as summarized above).

The trading - service group

2 member units are PetroVietnam Mechanical and Electrical Joint Stock Company (main business is M&E maintenance) and Petroleum Urban Development JSC (the main activity is a design consultancy and real estate). The operation of these units encountered many difficulties due to not finding new sources of jobs, and old projects were delayed because the procuring

agency lacked the capital to disburse. Accumulated losses are rising, and the Corporation has made provision for long-term financial investments for these two investments in accordance with regulations (as of 30 September 2019, provision of VND 18,5 billion/ investment value of VND 19,2 billion).

The underperforming group (in the process of dissolution and bankruptcy)

2 member units are Asia Pacific Energy Joint Stock Company and Son Tra Song Da hydropower JSC. The actual investment capital is VND 1,78 billion, accounting for a small proportion (0,03%) in the value of PV Power external investment and has been provisioned for the entire investment value.

OPERATING PERFORMANCE IN 2019

INTERNATIONAL COOPERATION

CAPITAL ARRANGEMENT FOR LNG PROJECT

Signing a memorandum of understanding with B. Grimm Power Company of B. Grimm Group (Thailand)



Signing a memorandum of understanding with Wartsila Group (Finland)



PROMOTING RELATIONS WITH INTERNATIONAL BANK AND FINANCIAL INSTITUTIONS TO BORROW MONEY FOR WORKING CAPITAL, FACILITATE BUSINESS OPERATION AND PRODUCTION, AND ARRANGE CAPITAL FOR NEW PROJECTS



A meeting with Hong Kong and Shanghai Bank (HSBC)



A meeting between PV Power and Société Générale Bank

STRENGTHENING INTERNATIONAL COOPERATION & RELATIONS



A meeting with Sumitomo Mitsui Banking Corporation (SMBC), and JERA Co., Inc.



A meeting with the German Development Bank (KfW) - Singaporean representative office



Signing a memorandum of understanding with Japanese business partners (Tokyo Gas, Marubeni) in Quang Nam



A meeting between PV Power and Golar



Signing a short-term loan with Sumitomo Mitsui Banking Corporation (SMBC)



A meeting between PV Power and Banco Bilbao Bank Vizcaya Argentaria, S.A. (BBVA)

OPERATING PERFORMANCE IN 2019

FINANCIAL PERFORMANCE

At the end of 2019, PV Power's total assets value was VND 55.695 billion, equivalent to a 4,16% decrease compared to last year.

Total liabilities and Owner's Equity: Although total liabilities decreased by 16,33% and charter capital did not change, the profit after tax increased by 24%, leading to a slight reduction of 4,16% in total equity of PV Power.

Meanwhile, net revenue grew remarkably at 8% compared to last year, mainly contributed by outstanding growth in electricity turnover.

Electricity turnover contributed nearly 95% of PV Power's total revenue in 2019, which is overwhelming in terms of value compared to other business activities such as trading, services, and construction contracts. Financial activities mainly profited from bank deposit interest, and exchange rate difference stemmed from the foreign credit contracts.

Profit: While financial activities incurred loss during the year and other operating profits were insignificant, electricity production was the core activity that produced the most profit to PV Power.

Items	Unit	2018	2019	Growth percentage
Total Assets	Billion VND	58.111,43	55.695,70	-4,16%
Net revenue	Billion VND	32.662,19	35.374,27	8,30%
Profit from operating activities	Billion VND	2.469,36	3.116,06	26,19%
Therein:				
Profit from financial activities	Billion VND	-1.263,62	-870,16	-31,14%
Other profit	Billion VND	22,45	48,98	118,20%
Profit before tax	Billion VND	2.491,80	3.165,04	27,02%
Profit after tax	Billion VND	2.286,84	2.854,89	24,84%

(Note: The figures for the operating outcomes in 2018 are calculated based on two periods: the first six months of 2018 as a Single-member Limited Liability Company, and the last six months as a Joint Stock Company.)

THE KEY FINANCIAL RATIOS

Items	Unit	2018	2019	Growth Percentage
1. Solvency ratio				
Current ratio	Times	0,87	0,94	0,07
Quick ratio	Times	0,63	0,86	0,23
2. Capital structure ratio				
Debt/total asset ratio	%	53,86%	47,02%	-6,84%
Debt/Owner's equity	%	116,71%	88,74%	-27,97%
3. Operation capability ratio				
Inventory turnover	Times	7,30	10,77	3,47
Net revenue/ Total asset	Times	0,55	0,62	0,07
4. Profitability ratio				
Profit after tax/Net revenue ratio	%	7,00%	8,07%	1,07%
Profit after tax/ Owners'equity ratio	%	8,53%	9,67%	1,75%
Profit after tax/Total asset ratio	%	3,85%	5,02%	1,16%
Profit from operating activities/ Net revenue ratio	%	7,56%	8,81%	1,25%

Solvency: At the end of 2019, PV Power's current ratio increased by 0,07 times to 0,94 time. The quick ratio, however, demonstrated an improvement of 0,23 times, reaching 0,86 at the end of the year. While the current debt ratio decreased slightly, the solvency of PV Power has significantly improved thanks to the steady growth in highly liquid assets such as cash and cash equivalents. During the year, these assets grew by 60% and a remarkable increase of 274% from the financial investment held to maturity.

Capital structure: As a leader in the power industry, PV Power currently expresses the financial characteristics of power plants that are in operation with stable cash flow and timely long-term debt repayment. The capital structure of PV Power has a gradual downward trend in financial leverage over the years. By the end of 2019, the debt/total assets ratio of PV Power decreased by 6,84% compared to the same period in 2018, the ratio of debt/ equity plummeted by 27,97% from 116,71% to 88,74%. The reduction of these financial ratios is mainly due to the timely guaranteed payment of PV Power on due debts, resulting in a decrease in liabilities over the years.

Operating capability: PV Power's inventory turnover showed signs of increment after period of fluctuating around seven times per year in between 2016 and 2018. The primary reason caused a sharp decline in the inventory during the year the reduction in inventories at subsidiaries. Similarly, net revenue/total assets also fluctuated as net revenue increased while total assets went south.

Profitability: In general, the profitability ratios of PV Power increased during the period 2018 - 2019 by approximately 1-2%. In particular, ROE showed a rise of nearly 10% with a 1,14% difference compared to 2018 after a slight dip between 2017 and 2018. ROA also displayed a similar upward trend from 3,85% in 2018 to 5,02% in 2019.

Operating profit/net revenue and profit after tax/net revenue ratios have identical values and trends across the period between 2016 and 2019. It indicated that targets such as corporate revenue tax, non-business profits had an insignificant impact on PV Power business operation.

OPERATING PERFORMANCE IN 2019

ORGANISATION AND PERSONNEL

CHANGES IN THE MANAGEMENT OF THE CORPORATION

No	Name	Position	Note	Effective Date
1	Mrs Vu Thi To Nga	Member of BOD	Newly appointed	19/04/2019
2	Mrs Nguyen Hoang Yen	Independent Member of BOD	Newly appointed	19/04/2019
3	Mr. Phan Ngoc Hien	Vice President	Newly appointed	30/08/2019
4	Mr. Nguyen Kien	Vice President	Newly appointed	06/09/2019
5	Mr. Chu Quang Toan	Finance and Accounting Officer	Newly appointed	19/04/2019
6	Mrs. Ha Thi Minh Nguyet	Former Chief Accountant	Dismissed to be transferred to the Supervisory Board	19/04/2019
7	Mr. Vu Huy An	Vice President	Removed	19/04/2019
8	Mr. Hoang Van Nghiep	Vice President	Retired	01/09/2019

LABOR STRUCTURE

As of December 31, 2019, the total number of employees in 2019 of the Corporation is 2.156 people, in which:

- The number of employees with a post-graduate degree: 189 people (accounting for 8,77%);
- The number of employees with university degrees: 1.289 people (accounting for 59,79%);
- The number of employees with college degrees: 336 people (accounting for 15,58%);
- The number of employees with technical skills, drivers: 312 people (accounting for 14,47%);
- The number of unskilled workers: 30 people (accounting for 1,39%).

The total number of employees of the Parent Company is 1.209 people, of which the Manager is 18 people, the employees is 1.191 people:

- The number of employees with a post-graduate degree: 123 people (accounting for 10,17%);
- The number of employees with a university degree: 774 people (accounting for 64,02%);
- The number of employees with a college degree: 122 people (accounting for 10,09%);
- The number of employees with technical skills, drivers: 180 people (accounting for 14,89%);
- The number of unskilled workers: 10 people (accounting for 0,83%).

LABOR POLICY

Labor policies

- In 2019, the Corporation launched a new salary and remuneration plan at 2 member units: the Corporation and the Corporation Branch - Nhon Trach Petro Power Company. The new plan is based on the job title of the employees instead of the old system with 2 elements: basic salary and title salary. With the approval of the majority of employees, the Corporation will apply the new payment plan to all member units of the Corporation in 2020.



Training activities for employees

- Employees received training to improve knowledge and skills as required by law and received periodic professional and safety training. In 2019, the Corporation trained 3.022 turns of employees with a total budget for training of VND 6,867 billion.

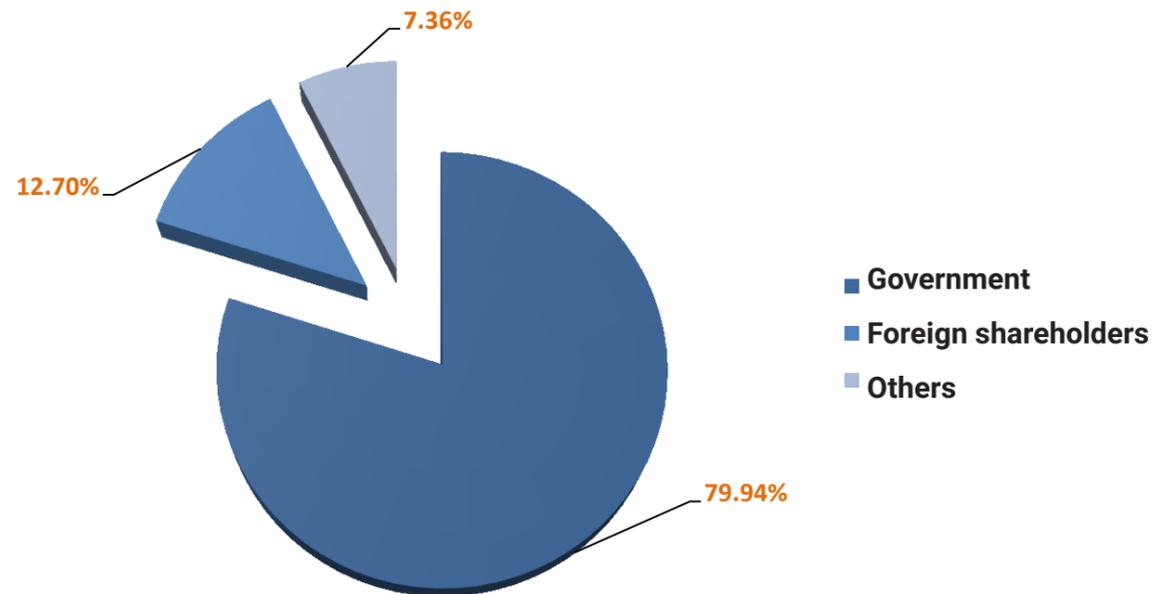
- Employees are entitled to all the regimes and policies prescribed in the state policy (such as working time, social insurance, health insurance, unemployment insurance, full payment of social and health insurance benefits such as sickness, maternity), in line with the regulation of reward, welfare, and collective labor agreement of the Corporation.
- Improving the material and spiritual life of workers, creating a friendly and hygienic working environment and conditions. Organizing cultural, art, and sports movements while creating a joyful atmosphere. Performing periodic medical examination and equipping employees with safety devices and protection. Furthermore, employees are entitled to enjoy annual tours and vacations.
- In 2019, the Corporation continued to maintain and improve the level of voluntary retirement insurance and intensive health care insurance for employees.

OPERATING PERFORMANCE IN 2019

SHAREHOLDERS AND CHANGES IN OWNER'S EQUITY

Transaction name:
PETROVIETNAM POWER CORPORATION - JOINT STOCK COMPANY
Charter capital:
VND 23.418.716.000.000
The total number of listed shares:
2.341.871.600 shares
Type of listed shares:
Ordinary shares
The volume of outstanding shares:
2.341.871.600 shares
Current number of treasury shares:
0 shares
Denomination:
VND 10.000

Shareholders structure



The list of shareholders with 5% of the charter capital or above as of 31/12/2019

No	Name of shareholder	Registration Certificate/ Securities Trading Code	Address/ Headquarter	Number of Shares	Proportion
1	Vietnam Oil and Gas Group	0100681592	18 Lang Ha, Thanh Cong Ward, Ba Dinh District, Hanoi	1.872.141.477	79,94%

Changes in owner's equity

Since the Corporation started operating as a joint stock company (date of 31 december 2019), charter capital has remained unchanged.

Treasury shares transaction

Current number of treasury share: 0.

In 2019, The Corporation did not make any treasury share transaction.

Issuance of other type of shares

In 2019, the Corporation did not issue any other type of shares.





03

REPORT OF THE EXECUTIVE MANAGEMENT BOARD

- Business performance
- Financial performance
- Business structure and management policy
- Future development plans

REPORT OF THE EXECUTIVE MANAGEMENT BOARD

ASSESSMENT ON OPERATIONAL ACTIVITIES

POWER OUTPUT TARGET

Items	2018 actual output	2019 expected output	2019 actual output	2019 actual output/expected output	2019 actual output/2018 actual output
Ca Mau 1&2 Power Plant	7.210,50	7.040,7	7.556,2	107%	105%
Nhon Trach 1 Power Plant	2.934,57	2.950,0	3.254,6	110%	111%
Nhon Trach 2 Power Plant	4.737,18	4.650,0	4.952,2	106%	105%
Nam Cat Hydropower Plant	18,02	14,7	16,5	112%	91%
Hua Na Hydropower Plant	806,24	650,6	559,8	86%	69%
Dakdrinh Hydropower Plant	423,16	525,0	432,9	82%	102%
Vung Ang 1 Power Plant	4.877,12	5.769,0	5.770,5	100%	118%
Total	21.006,8	21.600,0	22.542,6	104%	107%

The 2019 total electricity output of The Corporation was 22.543 million kWh, equivalent to 104% of the entire year target and 107% of the same period in 2018.

2019 was a challenging year for the entire national electricity network with increasing load demand, especially in the dry season. Meanwhile, due to unfavorable hydrological conditions, the amount of water in the hydroelectric reservoirs was always insufficient. In this context, gas power sources were mobilized at full capacity, including Ca Mau 1 & 2 thermal power plants. Despite the lack of gas supply to run at full capacity and the power output already exceeded the proposed target, A0 mobilized oil-powered generating units to produce more electricity in time of high power demand (295 million kWh of oil-powered electricity). The estimated output of Ca Mau 1 & 2 power plants was 7.556 kWh and 7.040 kWh, respectively, exceeding 500 million kWh. In the Southeast region, Nhon Trach 1 Power Plant produced an excessive amount of 304 million kWh (with 104 million kWh from oil). Nhon Trach 2 Power Plant exceeded the target by 302 million kWh (with 5 million kWh from petroleum).

Due to poor hydrological conditions and an inadequate amount of water in the hydroelectric reservoirs, the electricity output of the power plant did not meet the proposed target. Even though all hydropower plants already participated in the competitive generation market and had a low-cost advantage against thermal power plants, they are still dependent on uncontrollable objective factors such as weather and hydrology.

Thus, it can be seen that the Vietnam electricity network has a significant growth rate of load demand. The new power sources could not keep up with the growth in the past years and, supposedly, in the following years. In 2019, based on the power mobilization scenario and the actual operation, it can be concluded that gas thermal power plants have significant advantages against coal-fired thermal and hydropower plants. They are operating with high availability, the ability to meet the load demand instantaneously, and harmless impact on the environment. Coal-fired thermal power plants need to ensure equipment availability as well as fuel availability to operate at full capacity with efficiency. This poses a major challenge in the operation of a coal-fired thermal power plant nowadays.

Revenue targets

No	Items	Unit	2018 actual result	2018 expected result	2019 actual result	2019 actual/2019 expected	2019 actual/2018 actual
I	The revenue of Corporation	VND Billion	33.260	32.770	35.948	110%	108%
1	The revenue of the holding company	VND Billion	22.959	22.737	25.357	112%	110%
2	Subsidiaries	VND Billion	10.644	10.033	10.821	108%	102%
	PetroVietnam Power Nhon Trach 2 JSC	VND Billion	7.750	7.340	7.741	105%	100%
	Hua Na Hydropower JSC	VND Billion	883	703	669	95%	76%
	Dakdrinh Hydropower JSC	VND Billion	423	547	409	75%	97%
	Bac Kan PetroVietnam Power JSC	VND Billion	21	18	16	92%	78%
	PetroVietnam Power Services JSC	VND Billion	306	225	215	96%	70%
	PetroVietnam Machinery JSC	VND Billion	1.262	1.200	1.771	148%	140%
3	Consolidated revenue adjustment	VND Billion	-343	0	-282	-	-
II	The Parent company revenue	VND Billion	24.218	23.126	25.371	110%	105%
1	The Parent company direct revenue	VND Billion	22.959	22.737	25.357	112%	110%
1.1	Revenue from power generation units	VND Billion	22.953	22.672	25.346	112%	110%
	PetroVietnam Ca Mau Power Company	VND Billion	10.851	9.787	11.286	115%	104%
	PetroVietnam Nhon Trach Power Company	VND Billion	4.757	4.575	5.247	115%	110%
	PetroVietnam Ha Tinh Power Company	VND Billion	7.345	8.310	8.813	106%	120%
1.2	Other revenue, profit	VND Billion	6	65	11	17%	183%
2	Dividends from member units	VND Billion	1.259	389	14	4%	1%
	PetroVietnam Power Nhon Trach 2 JSC	VND Billion	1.229	372	0	0%	0%
	PetroVietnam Power Services JSC	VND Billion	9	1	7	700%	78%
	PetroVietnam Machinery JSC	VND Billion	20	16	7	44%	34%

The total revenue and profit of the Corporation in 2019 reached VND 35.948 billion, equivalent to 110% of the 2019 target and 108% of the actual result in 2018, in which:

- The direct revenue of Corporation was estimated at VND 25.357 billion, equal to 112% of the target.
- The revenue of the member units was estimated at VND 10.821 billion, equal to 108% of the target.

The total Corporation revenue in 2019 exceeded the proposed target of VND 3.716 billion.

The main reasons led to the increment in revenue:

- The increment in electricity production of gas power plants led to a climb in revenue (VND 1.733 billion).
- The surge in selling price of power plants resulted in an increase in revenue (VND 1.359 billion), due to: (i) increasing gas price of power plants and (ii) reasonable prices offered by the power plants participating in the CGM.
- PV Machino's service revenue exceeded the plan by 48% (VND 571 billion) due to actively seeking clients inside and outside of the power industry.
- Profit from Affiliates: VND 52 billion.

The main reasons led to the reduction in revenue:

- The power output of Hua Na and Dakdrinh hydropower plants decreased in comparison to the targets, leading to a decrease of VND 192 billion. The main reasons were objective factors such as unfavorable hydrological conditions, especially in Q4 2019 and no major floods in the reservoir basin. This resulted in a water shortage for electricity generation in November and December compared to the target.
- Financial revenue and other revenue decreased by VND 63 billion.
- Adjustment to consolidated income was VND 282 billion (not included in the plan).

As can be seen from above, the increment in revenue in 2019 was mainly contributed objective factors (increase in electricity mobilization from A0 because of the shortage of electricity in the entire electricity network, rising fuel prices, and mobilizing oil-powered generating units) rather than internal factors (such as effective pricing offers in the electricity market...).

REPORT OF THE EXECUTIVE MANAGEMENT BOARD

ASSESSMENT ON OPERATIONAL ACTIVITIES

PROFIT

No	Items	Units	2018 Actual	2019 Plan	2019 Actual	2019 Actual / Plan	Actual 2019/ 2018
I	The profit of Corporation	VND Billion				-	
1	Profit before tax	VND Billion	2.492	2.500	3.165	126%	126%
1.1	The profit of Parent Company	VND Billion	1.404	1.697	2.183	129%	155%
1.2	Profit of member units	VND Billion	1.063	803	930	116%	87%
	PetroVietnam Power Nhon Trach 2 JSC	VND Billion	824	706	797,4	113%	97%
	Hua Na Hydropower JSC	VND Billion	221	56	72,6	129%	33%
	Dakdrinh Hydropower JSC	VND Billion	-39	0,07	-13	-17427%	-
	Bac Kan PetroVietnam Power JSC	VND Billion	1	0,10	2,5	2504%	310%
	PetroVietnam Power Services JSC	VND Billion	21	3	18,4	611%	88%
	PetroVietnam Machinery JSC	VND Billion	35	37	44	117%	125%
	Consolidated revenue adjustment	VND Billion	25		8	-	34%
2	Profit after tax	VND Billion	2.288	2.275	2.855	125%	125%
II	Profit of Parent Company	VND Billion				-	-
1	Profit before tax	VND Billion	2.663	2.086	2.197	105%	83%
1.1	Net profit from operating activities	VND Billion	2.654	2.086	2.193	105%	83%
1.2	Other profit	VND Billion	9	0	4	-	44%
2	Profit after tax	VND Billion	2.501	1.897	1.940	102%	78%

(Note: The figures for the operating outcomes in 2018 are calculated based on two periods: the first six months of 2018 as a Single-member Limited Liability Company, and the last six months as a Joint Stock Company.)

In 2019, the profit before tax of Corporation increased by VND 665 billion compared to the plan, of which (i) the profit from direct operating activities of Parent company grew by VND 486 billion; (ii) profit of subsidiaries increased by VND 127 billion compared to the plan.

The reason that the profit exceeded the plan was that the revenue of subsidiaries of the Corporation increased by 10% but the total cost increased by only 9% compared to the plan. The total cost increment was mainly contributed by fuel costs (gas and coal), which accounted for a large proportion of the total cost, in spite of the decrease in the administration cost by 6% and financial and other expenses by 24% compared to the plan.

THE PROFIT BEFORE TAX OF CORPORATION IN 2019, EQUIVALENT TO 127% OF THE TARGET


3.165

VND BILLION

THE PROFIT BEFORE TAX OF PARENT COMPANY IN 2019, EQUIVALENT TO 105% OF THE TARGET


2.197

VND BILLION

THE PROFIT AFTER TAX OF CORPORATION IN 2019, EQUIVALENT TO 125% OF THE TARGET


2.855

VND BILLION

THE PROFIT AFTER TAX OF CORPORATION IN 2019, EQUIVALENT TO 102% OF THE TARGET


1.940

VND BILLION

STATE BUDGET PAYABLE


1.506

VND BILLION

THE CORPORATION PAYABLE TO THE STATE BUDGET

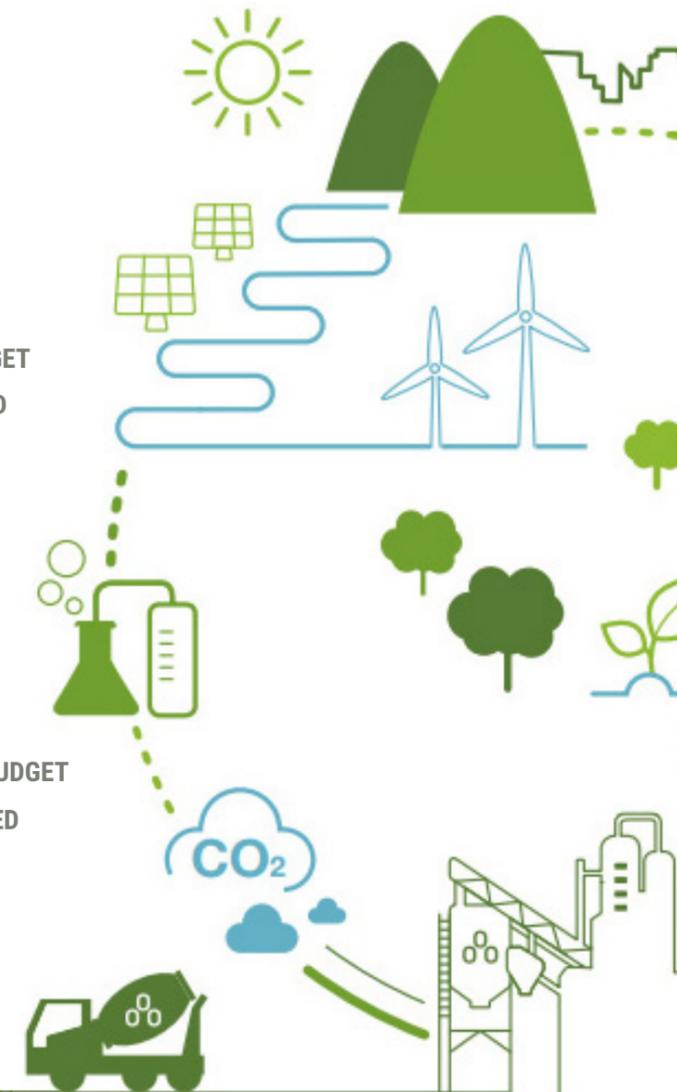
EQUIVALENT TO 115% OF THE TARGET AND 116% COMPARED TO THE SAME PERIOD IN 2018


948

VND BILLION

THE PARENT COMPANY PAYABLE THE TO STATE BUDGET

EQUIVALENT TO 124% OF THE TARGET AND 135% COMPARED TO THE SAME PERIOD IN 2018

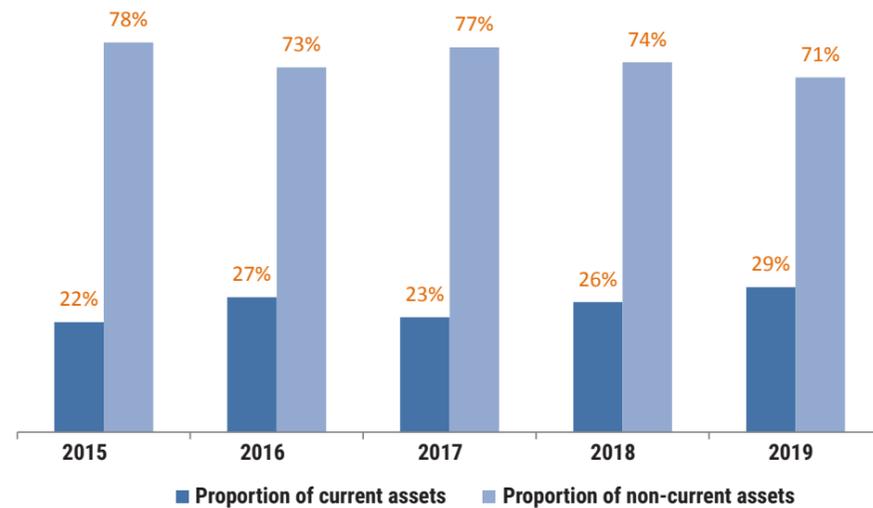


REPORT OF THE EXECUTIVE MANAGEMENT BOARD

FINANCIAL STATUS

ASSETS

Assets Structure

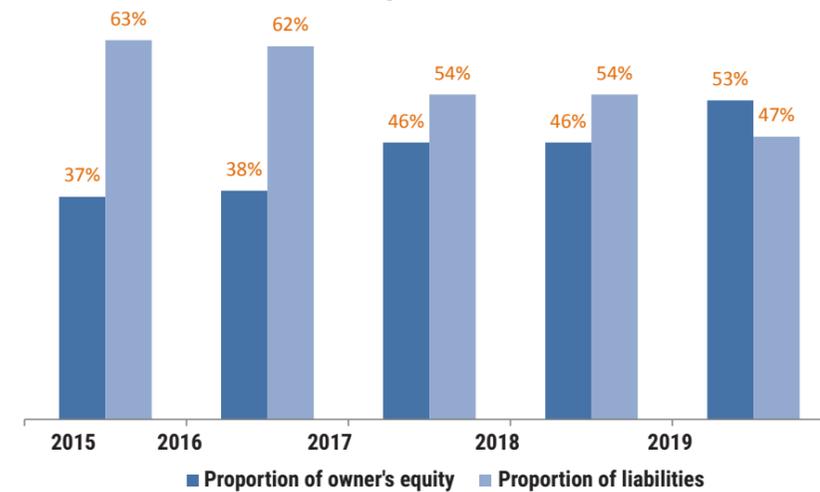


There was not much difference in PV Power asset structure as the value of current and non-current assets remained almost unchanged. In 2019, the proportion of current assets increased by 29% compared to 26% in 2018, which was contributed by the increments in account receivables (from electricity trading companies) and cash and cash equivalent. Oppositely, the proportion of non-current assets decreased by approximately 5% from 74% in 2018 to 71% in 2019. It was partly because tangible fixed assets gradually reduced over the year. The other reason was the reduction of prepaid expenses such as land lease, power plant operation insurance, credit loan insurance, and Nhon Trach 2's unallocated fixed asset repair and maintenance expenses.

Items	Unit	2015	2016	2017	2018	2019
Current assets	Billion VND	16.016	18.519	13.778	15.251	16.075
Non current assets	Billion VND	55.267	51.214	46.805	42.860	39.621
Total assets	Billion VND	71.283	69.732	60.583	58.111	55.696
Current assets ratio	%	22%	27%	23%	26%	29%
Non current assets ratio	%	78%	73%	77%	74%	71%

LIABILITIES

Capital Structure



The capital structure of PV Power indicated an apparent change over the past four years from 2015. As the proportion of owner's equity increased, the Corporation gained more financial autonomy by reducing long-term borrowings in USD.

Item	2018		2019		2019/2018
	Value (Billion VND)	Proportion	Value (Billion VND)	Proportion	
Current liabilities	17.570,68	56,14%	17.063,70	65,16%	-2,89%
Non current liabilities	13.725,37	43,86%	9.122,69	34,84%	-33,53%
Total liabilities	31.296,04	100,00%	26.186,39	100,00%	-16,33%

The liabilities structure of PV Power showed signs of reducing non-current liabilities while current liabilities remained the same. In 2019, the proportion of non-current liabilities decreased from 43,86% to 34,84%, equivalent to a decrease from 13,7 billion to 9,1 billion. Specifically, borrowings denominated in USD decreased by nearly VND 4.600 billion. Liabilities decreased by 6,84% while owner's equity increased by 7% in 2019, completely exceed the 2018 and 2017 figures by 3,28% and 3,46%, respectively. The key factor led to the growth in owner's equity was the 24% growth in profit after tax.

THE IMPROVEMENT IN BUSINESS MODEL, POLICY, AND MANAGEMENT

- Regularly reviewing and consolidating the business model towards efficiency, competitiveness aligns with the Corporation's development orientation. In addition, the functions and duties of the Divisions were regularly reviewed and modified to adapt to the current situation.
- Based on Resolution No. 10/ NQ-DLKD dated January 30, 2019, of the Board of Directors, the Corporation carried out the consolidation of business model of the member units toward compactness, suitability, and uniformity (including PV Ha Tinh Power, PV Ca Mau Power, PV Nhon Trach Power).
- Implementing the amendment, modification, and construction of new internal rules and regulations following the current provisions of the law to meet production and business requirements in time. Thereby contributing to the completion of the charter and internal rules of the Corporation.
- Directing the representative of the Corporation at the member units, the directors of the affiliated member units to review and improve the charter and internal rules pursuant to the Corporation's regulations and operational conditions of each member unit.



**PROFESSIONAL MANAGEMENT
COST OPTIMIZATION
RESONANT VALUES
TARGET COMPLETION**

The foundations and experiences accumulated in 2019 will be the motivation for PV Power to start 2020 with a breakthrough transformation.



REPORT OF THE EXECUTIVE MANAGEMENT BOARD

FUTURE DEVELOPMENT PLANS

Based on the implementation of production and business plans in 2019 and the first months of 2020 of its units, PV Power's business and production plan in 2020 will be submitted to the Annual General Meeting of Shareholders in June 2020 for approval and contain the following principal contents:

KEY MISSIONS

PRODUCTION AND BUSINESS ACTIVITIES



STRIVING TO ACHIEVE THE TOTAL
ELECTRICITY PRODUCTION IN 2020

21,6
BILLION KWH

Working closely with EVN / A0, Vinacomin, and PVGas in management, operation, and maintenance of power plants of PV Power. Mobilizing full capacity, sufficient gas/coal resources to produce electricity. Ensuring safe and efficient operation of the power plants like Ca Mau 1 & 2, Nhon Trach 1 & 2, Hua Na, Dakdrink, and Vung Ang 1.

Keeping pace with other electricity providers when participating in the competitive generation market and optimizing the efficiency of production and business performance of the power plants. At the same time, taking the necessary measures to prepare for participation in the wholesale competitive generation market.

Conducting periodic repair and maintenance of the power plants such as a minor inspection of sub-unit 11 at Nhon Trach 1 thermal power plant, hot gas path inspections of B3 Unit GT11 at Nhon Trach 1 & 2 thermal power plant, and overcoming several unexpected incidents at Vung Ang 1 power plant in 2020. Facilitating and preparing favorable conditions to conduct periodic repair and maintenance of power plants in 2021.

Concentrating on the management of PV Power's operation under the model of a successful and efficient joint-stock company. Keeping costs and expenses to the minimum; Ensuring effective business operation and investment performance of the parent company and its subsidiaries; Improving the management of supplies and equipment; Taking measures to reduce inventories for efficient capital spending.

Providing coal to Vung Ang 1 thermal power plant stably and continuously and at the same time processing ash and slag completely to ensure safe and continuous operation of Vung Ang 1 thermal power plant. Negotiating the official electricity price of the Vung Ang 1 thermal power plant after the project's final settlement is approved.

Collaborating with EVN / EPTC to finalize the PPA amendment of Ca Mau 1 & 2 thermal power plants on converting the capacity fees from USD to VND and prepare to participate in the competitive generation market.

Regularly reviewing replacement materials for regular repair, inspection, and supplies for EPC contracts to ensure reasonable inventory and highly efficient operating performance.

Assessing the performance of PV Power before and after equitization to provide recommendations for improvement of the member units and the efficiency of PVN's investment in PV Power.

Conducting fire and explosion prevention as well as procedures to ensure safe, healthy, and environmentally friendly conditions at power plants. The hydropower plants are required to coordinate with local authorities to control flood and irrigation.

CONSTRUCTION AND INVESTMENT

Conducting investment preparation such as the feasibility study (FS) report, and capital arrangement for the project. Selecting appropriate project management consultants and the Engineering, Procurement, and Construction (EPC) contractors. Preparing for site clearance and construction to carry out Nhon Trach 3 and Nhon Trach 4 thermal power plant projects in early 2021.

Preparing to add Ca Mau 3 gas thermal power plant project to the national Master Plan. Completing FS after the approval of including the project to the national Master Plan and the pre-FS by the authorities.

Investing in the Luang Prabang Hydropower project after receiving the approval of the FS and the specific project implementation mechanism of the project.

Searching for new investment opportunities.

EQUITIZING AND RESTRUCTURING

Accelerating the restructure of PV Power towards efficiency. Continuing to amend internal management documents while improving the administration to satisfy the development requirements of the Corporation.

Divesting capital in affiliates according to the approved plan. Concentrating financial resources on PV Power's sustainable development in the coming years as well as improving the financial performance of PV Power.

Finalizing the settlement of the equitization of PV Power.

OTHER TASKS

Taking care of employees' living conditions as well as promoting movements and mass activities.

Performing other tasks assigned by the Viet Nam Oil and Gas Group.



REPORT OF THE EXECUTIVE MANAGEMENT BOARD

FUTURE DEVELOPMENT PLANS

INPUT DATA

The available capacity of the power plants, hydrological forecast, national load demand estimate; fuel supply plan (gas and coal)/fuel consumption (gas and coal); repair and maintenance plan of power plants; PV Power's five-year plan to 2020 and the actual situation of PV Power over the last three years.

State documents/regulations of the electricity market, tax policy, finance, and accounting; power purchase agreements signed with EVN/EPTC; material purchase agreements signed with PV Gas /Vinacomin; loan contracts, economic and technical standards...

Oil price: 60 USD per barrel, exchange rate: 1 USD = 23.500 VND.

MAIN PRODUCTION AND PERFORMANCE TARGETS

Items	Unit	2020 target
Power output		
The Corporation	Million kWh	21.600,0
Parent company	Million kWh	15.917,7
Revenue		
The Corporation	VND Billion	35.448,6
Parent company	VND Billion	26.101,4
Profit before tax		
The Corporation	VND Billion	2.395,0
Parent company	VND Billion	2.236,6
Profit after tax		
The Corporation	VND Billion	2.043,8
Parent company	VND Billion	1.924,4
State budget payables		
The Corporation	VND Billion	1.424,4
Parent company	VND Billion	872,3
Return on equity	%	7,2
Divident payout rate	%	3%

CONSTRUCTION AND INVESTMENT PLAN

No	Item	Unit	2020 plan
1	Investment capital demand	VND Billion	786,6
	Capital construction investment	VND Billion	726,0
	Equipment procurement	VND Billion	60,6
2	Investment capital	VND Billion	786,6
	Equity	VND Billion	786,6
	Loan and others	VND Billion	-

In 2020, the Parent Company plans a preparation and implementation of Nhon Trach 3 & 4 power plants projects (Group A projects), Ca Mau 3 power plants project, head office construction project and others; purchasing new equipment for infrastructure development to increase production capacity.

DISBURSEMENT PLANS FOR SOME SPECIFIC PROJECTS

No.	Items	Figures	Owner's equity	Loans and borrowings	Increase in charter capital
I	Preparation and implementation of investment projects at the parent company	726,0	726,0	0,0	0,0
1	Nhon Trach power plant 3&4 project	296,0	296,0	0,0	0,0
2	Ca Mau 3 power plan project	15,0	15,0	0,0	0,0
3	Investment in construction of working offices for the Corporation	400,0	400,0	0,0	0,0
4	Other projects	15,0	15,0	0,0	0,0
II	Purchase of equipment for business operation	60,6	60,6	0,0	0,0
Total		786,6	786,6	0,0	0,0



04

REPORT OF THE BOARD OF DIRECTORS

Assessment on the key performance
Assessment on the performance of the
Executive Management Board

The business plans and orientations of the Board of Directors

REPORT OF THE BOARD OF DIRECTORS ASSESSMENT ON THE KEY PERFORMANCE

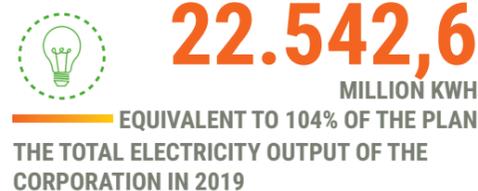
THE MACROECONOMIC AND INDUSTRY CONDITIONS

2019 was a challenging year for PV Power due to these factors: A shortage of coal supplies for electricity production in the first six months of 2019 at Vung Ang 1 thermal power plant; insufficient supply of gas to Ca Mau thermal power plant to meet the requirements of A0; a significant decline in gas supply provided to the gas thermal power plants in the Southeast region; Low (Qc) of the power plants participating in the CGM assigned by the Electricity Regulatory Authority; the return of El Nino phenomenon adversely affecting the weather and hydrological conditions on a large scale and the production efficiency of the hydropower plants; the remittance to state of numerous financial gains over the years as PV Power transformed its business model to a joint-stock company from July 2018; the unsettled debt-related dispute with EVN...

ASSESSMENT ON THE OPERATING PERFORMANCE

However, with the determination and efforts of the management team, the support from all levels, the close supervision of the shareholders and the solidarity of all employees, PV Power attained several remarkable achievements as follows:

Conducting technical and operational management, repair and maintenance of power plants with absolute safety and stability; meeting mobilization requirements of A0 while complying with the current regulations of environment protection; participating in CGM with positive outcomes and exceeding the 2019 targets approved by the General Meeting of Shareholders. The results are as follows:



THE TOTAL REVENUE OF THE CORPORATION



THE TOTAL REVENUE OF THE PARENT COMPANY



THE PROFIT BEFORE TAX OF THE CORPORATION



THE PROFIT BEFORE TAX OF THE PARENT COMPANY



THE PROFIT AFTER TAX OF THE CORPORATION



THE PROFIT AFTER TAX OF THE PARENT COMPANY



STATE BUDGET PAYABLE OF THE CORPORATION

1.526
VND BILLION



STATE BUDGET PAYABLE OF THE PARENT COMPANY

948
VND BILLION



55.695

VND BILLION
TOTAL ASSETS OF THE CORPORATION

The technical and operational management were undertaken with utmost safety and quality. The early completion of periodic repair and maintenance of the power plants ensured high availability of the equipment, stable and safe operation, specifically: the overhaul of Hua Na hydropower plants was four days ahead of schedule; the overhaul of Unit 2 of Vung Ang 1 thermal power plant completed on schedule; the minor inspection of Nhon Trach 1 thermal power plant was ahead of schedule up to 2 days; the minor inspection Nhon Trach 2 power plant was two days ahead of schedule; the minor overhaul of Ca Mau 1 & 2 thermal power plants completed on schedule.

Construction and investment

- In 2019, PV Power invested in construction and procurement of equipment and assets in compliance with the provisions of law and internal regulations of the Corporation. The key projects that the Corporation prepared for investment:
 - Luang Prabang hydropower project: Constructing of a specific set of mechanisms to submit to the Government along with the FS of the project. Actively reviewing and reporting to the authorities on the content related to the capital proposal of PV Power.
 - Nhon Trach 3 & 4 thermal power plant project: Submitting the pre-FS of Nhon Trach 3 and Nhon Trach 4 power plant projects to the Government for approval (the Prime Minister's Decision No. 234 / QD-TTg dated February 27, 2019). Selecting suitable consultancy contractors for the project preparation stage (FS preparation, FS appraisal ...) and proposing the basic design to the Ministry of Trade and Investment for an assessment on 26 December 2019.
 - To build the foundation for improvement in the coming years, PV Power concentrated on the research and development strategy of Ca Mau LNG storage chain project, Ca Mau 3 thermal

power plant project, other LNG power plant projects in Quang Ninh and Kien Giang. PV Power was also searching for an investment opportunity of floating solar panel project in Hua Na and Dakdrinh hydroelectric lakes.

- Striving to settle the investment and addressing several existing problems of Hua Na and DakDrinh hydropower plant projects.

Equitization settlement and restructure of management

- Equitization settlement: Completing the equitization settlement report and submitting Report No. 1432/ TTr-DLKD dated 28 June 2019, to the Vietnam Oil and Gas Group for approval (According to Appendix II of the Government's Decree No. 126/2017/ ND-CP on 16 November 2017, about equitizing state enterprises and single-member limited liability companies with 100% of charter capital invested by the State).
- Divesting the capital invested in Bac Kan PetroVietnam Power Joint Stock Company in the form of matching orders on the Stock Exchange at the price of VND 10.900 per share (the recovered value was VND 88,63 billion). This process complied with current regulation, ensuring publicity, transparency, and capital preservation of the Government
- Completing the development and promulgation of the internal management documents system to support the management of the Corporation under the model of a joint-stock company. Strengthening the business model and its functions. Appointing capable staffs for each role, and improving operating regulations of the Branch of PetroVietnam Power Corporation - Joint Stock Company - PetroVietnam Power Fuel Company (formerly known as the PetroVietnam Coal Company) to accommodate the new functions and missions.

REPORT OF THE BOARD OF DIRECTORS

ASSESSMENT ON THE KEY PERFORMANCE (NEXT)

ASSESSMENT ON OTHER ASPECTS OF THE COMPANY

PV Power always considers people as the core element to develop the business. As of 31 December 2019, the Corporation employed 189 staffs with post-graduate degree (8,77%); 1.289 workers with university degrees (accounting for 59,79%); 336 employees with college and secondary school qualification (accounting for 15,58%). The labor polices are fully adopted by the Corporation in accordance with the provisions of law, and benefits protection for employees.

- PV Power built a new salary policy in accordance with the requirements for development of the Corporation. The procedure was piloted at the Corporation Office and PV Power Nhon Trach Company, proceeding to deploy at the Parent Company.
- Training and developing human resources is the Corporation foremost interest. In 2019, the Corporation sent 3.022 turns of employees to both short-term and long-term training programs. These programs involved technical expertise, repair & maintenance of power plants, promotion, head of the working shift training, chief crew training, investment, finance & economics, foreign languages, and health and safety training to improve the job quality.
- The company also paid attention to the spiritual life of employees, created good conditions for mass organizations to operate, and co-chaired several useful programs to improve the spiritual life, health of employees and encouraged them to be more enthusiastic, responsible, and attached to the member unit.

Science and technology

- Establishing the Science and Technology Council of the Corporation for the 2019-2023 term in Decision No. 120 / QD-DLKD dated 28 February 2019; Consolidating the personnel of the Council in Decision No. 807 / QD-DLKD dated 15 July 2019; Develop new procedures/documents/regulations regarding the field of Science and Technology and technical innovation initiatives that fit the Corporation business model.
- There were 11 topics proposed by the Science and Technology Council in 2019 – 2020. The Science and Technology Council held meetings to consider issues such as Technical solutions to optimize the operation Vung Ang 1 power plant, the study of the possibility of sharing the infrastructure of Nhon Trach power center and LNG gas supply approach to meet the gas demand of Ca Mau Power Plant, and evaluation of "Research of solar power projects on the reservoir of Hua Na and Dakdrinh hydroelectric



Labor, wages, training and human resource development

THE TOTAL NUMBER OF EMPLOYEES OF THE CORPORATION

2.156

lakes."

Management and shareholder relation

- PV Power transferred its shares to the HoChiMinh Stock Exchange (HOSE) on 14 January 2019. Despite being a recently listed stock, in 2019, POW was promptly added to the portfolio of ETFs, FTSE Vietnam ETFs, and MSCT Frontier Markets Index, respectively, after satisfying the criteria of international financial investment funds. PV Power was also honored in the "Top 50 best listed companies in 2019" by Forbes Vietnam.
- PV Power conducted the information disclosure, stock marketing, and information management on its website in compliance with the relevant regulations of the public joint stock company. Actively providing information and answering query from securities companies, investment funds, and shareholders regarding the business operation of the Corporation.

Health and safety

- In 2019, the Corporation coordinated with the authorities and specialized agencies to implement health and safety measures to prevent fire and explosion at the power plants. With a serious attitude towards launching the programs in compliance with relevant regulations and coordination with stakeholders, the power plants operated with absolute safety. Also, there was not any violation of environmental regulations, and unfortunate incidents that negatively affect people, property as well as the reputation of PV Power.
- Social Security: In addition to conduct business operation, PV Power also paid attention to social security of its employees in accordance with the conditions and capabilities of PV Power.

ASSESSMENT ON THE PERFORMANCE OF THE EXECUTIVE MANAGEMENT BOARD

- The Executive Management Board operated the business in compliance to the law, the charter, the internal management regulations, and the Corporation's internal rules and regulations. The CEO implemented the resolutions and decisions of the BOD promptly and adequately while building a democratic, open, and decentralized working environment for each member of the Executive Management Board. As the result, they can take the initiative and responsibility when performing the assigned tasks. The Board administered the business operations professionally, honestly, and responsibly. They also overcame difficulty while improving the management professionally and continuously to fulfill the assigned tasks and maximize the benefit of the Corporation and its shareholders.
- As the legal representative of the Corporation, the CEO accomplished the assigned tasks, built a close relationship between the Board of Directors and the Executive Management Board. The CEO conducted monthly briefings with the Vice President, the Chief Accountant, the Director of each department, the functional committees, and at the same time organized thematic meetings for each projects or related groupwork to direct and immediately tackle problems that arised.
- Apart from attending regular meetings of the BODs, the CEO proactively proposed the BODs to organize thematic meetings with the Chairman and members of the BODs to report, evaluate, and review contents related to the business operation of the Corporation. Based on the requirements of the business operation, the Executive Management Board proposed necessary solutions involving finance, human resources, technology and commerce to achieve and exceed the 2019 operating targets approved by the General Meeting of Shareholders.
- The Executive Management Board worked with the member units regularly to reorganize the business operation following the Corporation's orientation. Also, the Board tackled the existing problems in the process of operating business and managing investment in each member unit of the Corporation on schedule.
- The CEO directed the consolidation of the organizational structure and personnel. Developing a new salary policy to ensure fairness among labor while encouraging employees to make the efforts to contribute to the overall development of the Corporation.
- The Executive Management Board continued to facilitate and coordinate well with the Communist Party and the Corporation's mass organizations. The cooperation involved organizing a competition in the business operation, cultural and artistic activities while taking care of the material and spiritual life of the employees.

REPORT OF THE BOARD OF DIRECTORS

THE BUSINESS PLANS AND ORIENTATION OF THE BOARD OF DIRECTORS

GENERAL PLAN AND ORIENTATIONS



Continuing to encourage the BODs to work with a high sense of responsibility in compliance with the provisions of law, the Corporation's charter and the working regulations of the BODs. Focusing on directing and supervising the Executive Management Board to fulfill the 2020 operating targets successfully.



Maintaining regular meetings according to the regulations and organizing unexpected meetings if necessary to handle the tasks under the authority of the BODs. Participating in briefings and meetings of the Executive Management Board to tackle issues immediately.



Speeding up and scrutinizing the implementation of Resolutions/Decisions/Directives of the BODs and relevant authorities.



Delegating more to the CEO while improving the initiative of the Executive Management Board in managing and conducting the business operation of the Corporation to meet the actual production demand and enhancing the Corporation's efficiency.



Enhancing supervision and risk management for the activities of the Corporation and its member units.



Continuing to arrange, consolidate, and develop the human resources of the Corporation effectively and efficiently. Promulgating policies that attract high-quality human resources.



Strengthening relationships with domestic and foreign business partners to seek new investment opportunities. Improving cooperation with business partners, and hence, the development of the Corporation.



Taking on more responsibility in conserving the environment and society by using renewable energy for the sustainable development of the Corporation and community.



REPORT OF THE BOARD OF DIRECTORS
DETAILED PLANS, ORIENTATIONS AND INSTRUCTIONS
1 BUSINESS OPERATION

Items	Unit	2020 Plan
Power output	Billion kWh	21,6
Total revenue	Billion VND	35.448,6
Total Profit before tax	Billion VND	2.395,0

- Directing the management of production, repair and maintenance of the power plants to ensure the availability of equipment. Mobilizing the power plants at full capacity with utmost safety and efficiency. The Corporation is striving to attain the total output of 21,6 billion kWh in 2020, the total revenue of VND 35,5 trillion, the profit after tax of VND 2,1 trillion, and the state budget payable of VND 1,4 trillion.
- Strictly following the trend of the competitive generation market while optimizing the efficiency of the business operation of the power plant. At the same time, deploying strategic steps to participate in the wholesale competitive generation market.
- Directing the periodic repair and maintenance of the power plants: Implementing minor inspection of sub-furnace 11 and hot gas path inspection of 3 GT11 generating units at Nhon Trach 1 power plant as well as Nhon Trach 2 power plant. Conducting an overhaul of Dakdrink hydropower plant, minor overhaul of Hua Na hydropower plant and solving abnormalities at Vung Ang 1 thermal power plant to ensure quality, progress, and safety of each power plant. Taking the necessary steps to prepare for the repair and maintenance of the power plants in 2021.
- Directing the Executive Management Board and relevant departments to collect debt from EVN / EPTC. Amending the power purchase agreement of Ca Mau 1 & 2 thermal power plants on converting the capacity cost from USD to VND. Preparing the power plants to participate in the competitive generation market shortly.
- Directing the Executive Management Board and relevant member units to ensure a stable, continuous, and long-term coal supply to Vung Ang 1 thermal power plant. Processing ash and slag completely to ensure safe and long-term operation for Vung Ang 1 thermal power plant. Negotiating the official electricity price of Vung Ang 1 thermal power plant after the invested capital settlement is approved.
- Directing the Executive Management Board and relevant departments to perform environment protection, health and safety procedures, fire and explosion prevention at the power plants.

2 CONSTRUCTION AND INVESTMENT

Focusing on the key projects of the Corporation: Nhon Trach 3 & 4 thermal power plant projects (approving FS, arranging capital, selecting EPC contractors, thoroughly preparing conditions to commence the project); Ca Mau 3 thermal power plant project, Mien Trung 1 & 2 project, Luang Prabang Hydropower plant project (building specific mechanisms, arranging capital,...). Building the Corporation's headquarters (selecting the location and forms of investment, developing a capital arrangement plan). Accelerating Ca Mau 3 thermal power plant projects and supplying LNG to the Group of Ca Mau and Nhon Trach power plants, LNG Quang Ninh and LNG Phu Quoc Projects. Searching for new investment opportunities or projects for development purposes.

3 CORPORATE GOVERNANCE AND FINANCIAL MANAGEMENT

- Directing the Executive Management Board to review, amend, and promulgate new internal management documents under the business model of a joint-stock company. Ensuring the assigned tasks are carried out quickly and effectively. Improving the corporate governance to meet the development requirements of the Corporation.
- Improving the coordination among functional committees of the Corporation, between member units and functional committees, and between member units during business operation process. Improving the representative's compliance with the Directives of the Corporation. Implementing the Representative's functions, duties, roles, and responsibilities at the member units. Complying with the internal regulations of each member unit, the Directives and regulations of the Corporation.
- Focusing on the implementation of corporate governance, supervisory, and cost control. Managing capital and assets safely and properly. Ensuring effective business operations and investment activities of the Parent company and its subsidiaries. Strengthening the management of materials and equipment procurement. Taking appropriate measures to reduce inventories and hence, improve capital spending efficiency.
- Improving the shareholders' access to information, the quality of published information, mainly the annual reports of the listed companies. Creating favorable conditions for minority shareholders, especially foreign shareholders, in exercising their rights of shareholders. Devising plans to prevent and handle conflicts of interest. Promoting environmental, social, and labor activities. Increasing sanctions and penalty for violations.

4 RESTRUCTURING AND INNOVATING BUSINESSES

- Finalising the equitization settlement of PV Power.
- Speeding up and reviewing the organisational restructuring toward compactness of PV Power.
- Implementing the divestments in member units in compliance with the approved plan. Focusing financial resources on the sustainable development of PV Power in the coming years, as well as improving the financial performance of PV Power.

5 OTHER TASKS

- Conducting social security for employees suitable to the conditions and abilities of the Corporation.
- Improving the quality of employee's life while promoting movements and unions activities.
- Performing other duties assigned by the General Meeting of Shareholders.



CORPORATE GOVERNANCE

The Board of Directors
The Board of Supervisors
Transaction and remuneration
Corporate governance improvement

CORPORATE GOVERNANCE
BOARD OF DIRECTORS
MEMBERS OF BOARD OF DIRECTORS

No.	Member	Position	Commencement date/ Dimissal date	Number of meetings attended	Attendance rate	Absence reasons
A Incumbent member						
1	Ho Cong Ky	Chairman	26/06/2018	18	100	
2	Le Nhu Linh	Member & CEO	01/12/2018	17	94,4	Business trip
3	Nguyen Huu Quy	Member	26/06/2018	17	94,4	Business trip
4	Pham Xuan Truong	Member	26/06/2018	16	89	Business trip
5	Vu Thi To Nga	Member	19/04/2019	14	100 (since the election day)	Elected on 19/04/2019
6	Nguyen Hoang Yen	Member	19/04/2019	12	86 (since the election day)	Business trip (Elected on 19/04/2019)
B Dismissed member						
1	Vu Huy An	Member	26/6/2018 - 19/04/2019	01	100 (during incumbent period)	Retired on 01/02/2019; Dismissed by General Meeting of Shareholders of PV Power on 19/04/2019

ASSESSMENT ON THE ACTIVITIES OF BOD

The content of the meetings and Resolutions/Decisions of the General Meeting of Shareholders (including Resolutions of the General Meeting of Shareholders ratified by conducting absentee voting of shareholders) are as follows:

No	Resolution/Decision number	Date	Content
1	52/NQ-DHDCD	19/04/2019	Approving the contents of PV Power's Annual General Meeting of Shareholders 2019.

In 2019, the BODs held 18 meetings, issued 40 Resolutions/Decisions (direct meetings or absentee voting) to perform the corporate governance of the Corporation and direct the Executive Management Board to conduct business plan assigned by the General Meeting of Shareholders, as follows:

- Organizing the 2019 Annual General Meeting of Shareholders in compliance with the law and the Corporation regulations.
- The BODs held meetings every quarter, issued comprehensive orientations to Executive Management Board to conduct business plan approved by the General Meeting of Shareholders. Between periodic meetings, the BODs approved several Guidelines and Decisions in forms of thematic meetings/ absentee voting to meet the work progress. Members of the Board of Supervisors were invited to participate and contribute ideas at every meeting. Resolutions and Decisions of the Board of Directors were issued in accordance to the actual operating conditions. Creating favourable conditions for the Executive Management Board helped them take initiative in conducting the 2019 business operation.

THE ACTIVITIES OF INDEPENDENT MEMBERS OF THE BOD AND FUNCTIONAL COMMITTEES UNDER BODs
Activities of independent board members of the BODs

- At the Annual General Meeting of Shareholders on 19 April 2019, Ms. Nguyen Hoang Yen was elected as the independent member of the BODs of PetroVietnam Power Corporation – JSC.
- In 2019, the independent members of the Board of Directors performed their duties and assigned task properly and responsibly, fulfilling the role of the independent Board in ensuring the capital safety of shareholders, especially protecting the interests of the small shareholders and other interest groups related to the Corporation.

Activities of functional committees in the BODs

According to Article 17 of the Government's Decree No. 71/2017/ ND-CP dated 6 June 2017 guiding corporate governance of public companies, the Charter and internal corporate governance regulations of PV Power, the establishment of subcommittees working under the Board of Directors is not compulsory. Therefore, up to this point, the Board of Directors has not established any functional committees.

SUPERVISORY ACTIVITIES OF THE BOARD OF DIRECTORS TO THE EXECUTIVE MANAGEMENT BOARD

In 2019, the Board of Directors fulfilled the task of directing and supervising the Executive Management Board regarding the management and administration of PetroVietnam Power Corporation - JSC via:

- Holding 18 meetings, chairing and co-chairing many important conferences related to production activities, construction and investment, finance, personnel, restructuring of the Corporation, and attending regular briefings of the Executive Management Board.
- Reviewing reports and proposals from the Board of Supervisors, the assisting departments of PV Power and its member units.
- Discussing and requesting explanations from the Executive Management Board on the implementation of Resolutions, Decisions, Directives of the General Meeting of Shareholders and the Board of Directors. Clearly defining responsibilities of the Board of Directors and the CEO in compliance with the current provisions of law.

CORPORATE GOVERNANCE

THE BOARD OF SUPERVISORS

MEMBER OF THE BOARD OF SUPERVISORS

No.	Members of the Board of Supervisors	Position	Commencement date/ dismissal date	Number of meetings attended	Attendance rate	Absence reasons
1	Vu Quoc Hai	Head of the Board	26/06/2018	15	100%	
2	Ly Thi Thu Huong	Member	26/06/2018	15	100%	
3	Vu Thi Ngoc Dung	Member	26/06/2018	15	100%	
4	Ha Thi Minh Nguyet	Member	19/4/2019	10	100%	Elected on 19/04/2019

EVALUATION ON THE ACTIVITIES OF THE BOARD OF SUPERVISORS

Primary duties of the Board of Supervisors

In 2019, the Board of Supervisors operated in compliance with the provisions of the Enterprise Law No. 68/2014/ QH13 and the requirements of the Charter of Petro Vietnam Power Corporation - JSC, as follows:

Organizing 15 meetings to conduct the followings: assigning the 2019 duties for each member (after adding new supervisor), planning the 2020 activities for the Board of Supervisors, and unifying the opinions on the content. Assessing the operating outcomes and supervision at the member units before sending it to the Board of Directors and the Executive Management Board according to the promulgated process. The content and outcomes of these meetings were approved by all members (4/4).

- Regular supervision:** The Board of Supervisors scrutinized and assessed the conduct of business operation, actual results and financial indicators to ensure preservation of owner's equity. Supervising the preparation and implementation of both economic and technical quotas and cost controlling measures. The Board also monitored the compliance with the law and Charter, inspected the legitimacy, honesty, and prudence of the BOD/Chairman and Executive Management Board in exercising their ownership rights and management of the business operation.

- Periodic supervision:** Auditing the 2018 financial statements of the Parent Company; reviewing and analyzing several financial indicators of the 2018 financial statements at the member units; supervising the implementation of stocktaking on 1 January 2019 and handling the results according to regulations. Monitoring the debt collection of the Corporation and its member units; supervising the settlement of the capital invested in Hua Na and Dakdrink hydropower plant projects and the settlement of periodic repair and maintenance costs at Vung Ang 1 thermal power plant. Monitoring financial activities, the compliance to financial and accounting regimes in accordance with the Accounting Law. Preserving capital and maintain the effective operation of enterprises; supervising commerce activities, economic contracts, purchase agreements, borrowing and lending contracts, and other agreements of the Corporation. Supervising the divestment in affiliates; controlling the electricity costs at the power plants; monitoring the fulfilment of the 2019 economic and technical quotas, the actual business operation compared to 2019 plan. Supervising human resource and labor compensation, salary fund as well as bonus and welfare fund; Monitoring the preparation of 2020 business plans and orientations. Overseeing the implementation of the Corporation's development strategy following the approved decision; Cooperating with the Board of Directors to select the independent auditing firm in compliance with the current regulations. Evaluating of the 3rd Quarter Financial Statements of the Corporation and working with an independent auditor about auditing the 2019 financial statements.

The Board of Supervisors' monitor of the Board of Directors, Executive Management Board and shareholders:

- The Board of Directors followed the Resolution of the General Meeting of Shareholders closely when operating and performing their duties. The Board issued Resolutions and Decisions related to restructuring, equitization, reorganization and renovation of the Corporation while consolidating the business model of its member units. Arranging appointment and reappointment of officers and employees at the member units and the Corporation via amendments and promulgation of regulations, policy, and official dispatches.
- The Board of Directors held quarterly meetings in accordance with the regulations (despite being late at the end of the quarter) or unexpected meetings to process proposals or concerns of the Corporation when operating business.
- The CEO held regular meetings (once a month) to direct the Corporation's activities and implement the Resolutions and Decisions of Vietnam Oil and Gas Group, the General Meeting of Shareholders and the BODs. Also, to tackle difficulties and obstacles during the process of conducting business operation of the Corporation, several thematic meetings were organized.
- The promulgation of Resolutions and Decisions of the Board of Directors and CEO was generally consistent with the law, the Charter and operation of the Corporation. The Corporation also followed the resolutions of the General Meeting of Shareholders and Vietnam Oil and Gas Group closely.

The coordination between the Board of Supervisors, the Board of Directors and the Executive Management Board in supervising the Corporation

- The Board of Supervisors participated in quarterly BOD meetings as required, and participated in unplanned meetings of the Board of Directors and CEO. At the meetings, the Board commented on the contents, quality, and performance of the Board of Directors, the Executive Management Board, and other issues as requested. At the time, the Board gave recommendations, solutions, and proposals to deal with shortcomings, contributing to the targets completion approved by the General Meeting of Shareholders.
 - Taking initiative to implement the approved monitor and inspection plan and informing the Board of Directors, the Executive Management Board, and the member units subjected to audit of details, time, and place for better coordination.
 - Upon completion of supervising duties, the Board of Supervisors assessed, synthesized, and made a proposal on each item and subject under their authority. Informing the Board of Directors and the Executive Management Board timely and accurately to support the development of the Company.
 - The Board of Supervisors strictly adhered to the Decisions and Directions of the General Meeting of Shareholders. When it comes to control and coordination with the BODs and the Executive Management Board, the Board of Supervisors always respects their authority and obligations. The Board did not involve in voting and deciding the contents beyond its authority in compliance with the current law and regulations.
 - The BODs and Executive Management Board created favorable conditions for the Board of Supervisors to achieve the proposed targets successfully. Receiving the information and operating outcomes of the Board of Supervisors in forms of report. Directing the controlled entities to overcome and/or correct the existing difficulties by issuing the recommendations and proposals.

Other activities initiated by the Board of Supervisors

Apart from operating in accordance with the law and the Corporation's Charter, supervisors also participated in the conferences and seminars held by PV Power to improve the expertise in energy production field. Participating in the market surveys and sharing experience with business partners regarding management models of power plants and markets; participating in the professional and foreign language training courses and programs launched by PV Power; participating in other events held by other social and political organizations of the Group and Corporation.

TRANSACTION AND REMUNERATION

SALARY, REWARD, REMUNERATION AND OTHER BONUSES

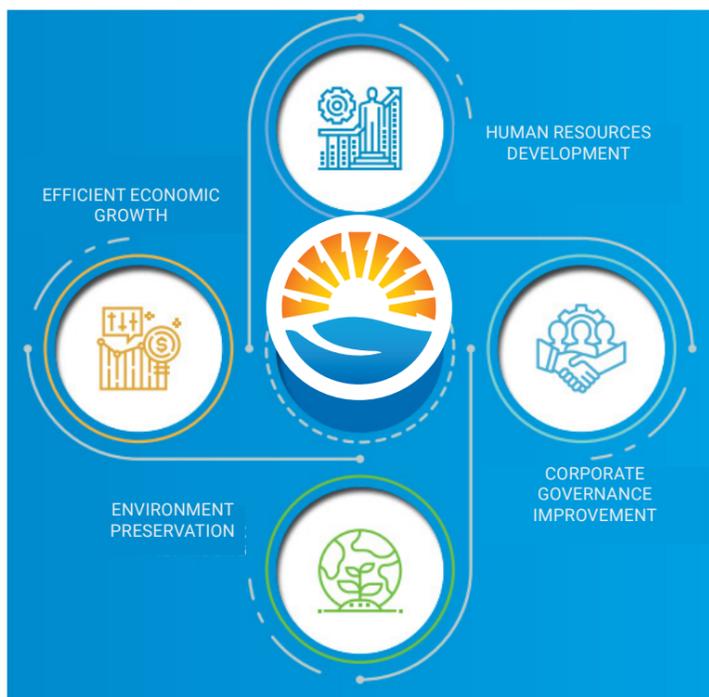
No.	Name	Position	Salary	Total revenue (including salary and other bonuses)
1	Mr. Ho Cong Ky	Chairman of the Board of Directors	1.222.934.903	1.331.128.028
2	Mr. Le Nhu Linh	Member of the Board of Directors -President	1.222.934.903	1.287.450.528
3	Mr. Nguyen Huu Quy	Member of the BOD	1.087.053.247	1.190.321.372
4	Mr. Pham Xuan Truong	Member of the BOD	1.087.053.247	1.189.621.372
5	Ms. Vu Thi To Nga	Member of the BOD	666.338.343	800.830.636
6	Ms. Nguyen Hoang Yen	Member of the BOD	679.415.152	815.542.045
7	Ms. Nguyen Thi Ngoc Bich	Vice President	1.087.053.247	1.197.621.372
8	Mr. Nguyen Duy Giang	Vice President	1.087.053.247	1.189.621.372
9	Mr. Phan Dai Thanh	Vice President	1.087.053.247	1.189.621.372
10	Mr. Nguyen Manh Tuong	Vice President	1.087.053.247	1.189.621.372
11	Mr. Nguyen Minh Dao	Vice President	1.087.053.247	1.189.621.372
12	Mr. Phan Ngoc Hien	Vice President	282.500.000	300.500.000
13	Mr. Nguyen Kien	Vice President	268.235.931	286.235.931
14	Mr. Vu Quoc Hai	Head of Supervisory Board	1.087.053.247	1.190.321.372
15	Ms. Vu Thi Ngoc Dung	Member of Supervisory Board	966.269.553	1.071.837.678
16	Ms. Ly Thi Thu Huong	Member of Supervisory Board	966.269.553	1.071.837.678
17	Ms. Ha Thi Minh Nguyet	Chief accountant	990.611.255	1.098.679.380
18	Mr. Chu Quang Toan	In charge of Finance and Accounting - Deputy Head of Finance and Accounting and Auditing Department	623.979.407	673.979.407
19	Mr. Vu Huy An	Former Member of the BOD (retired)	115.537.662	170.805.787
20	Mr. Hoang Van Nghiep	Former Vice President (retired)	804.533.247	890.821.372

SHARE TRADING TRANSACTION OF INTERNAL SHAREHOLDERS

No	Transaction initiator	Opening balance of shareholdings		Closing balance of shareholdings		Reason of increase or decrease (purchase, sale, conversion, bonus...)
		Number of share holding	Ratio	Number of Share holding	Ratio	
1	Nguyen Ngoc Ha - Person authorized to disclose information	26.800	0,0011%	16.800	0,0007%	Personal financial needs
2	The relevant group of foreign investors is the major shareholder (The date of transaction that changed the ownership ratio of the related foreign investors who is no longer a major shareholder: October 7, 2019)	118.309.740	5,0517%	117.037.310	4,9974%	Ownership structure
2.1	Amersham Industries Limited	16.655.470	0,7112%	16.585.470	0,7082%	
2.2	Norges Bank	29.860.000	1,2750%	29.690.000	1,2678%	
2.3	Aquila SPC Ltd	10.659.740	0,4551%	10.659.740	0,4551%	
2.4	Wareham Group Limited	8.624.530	0,3683%	8.307.100	0,3547%	
2.5	KB Vietnam Focus Balanced Fund	2.815.000	0,1202%	2.560.000	0,1093%	
2.6	Auriga SPC Ltd	6.600.000	0,2818%	6.600.000	0,2818%	
2.7	Vela SPC Ltd	11.550.000	0,4931%	11.550.000	0,4931%	
2.8	Hanoi Investments Holdings Limited	12.215.000	0,5216%	12.215.000	0,5216%	
2.9	Saigon Investments Limited	6.615.000	0,2825%	6.615.000	0,2825%	
2.10	Danang Investments Limited	3.780.000	0,1614%	3.780.000	0,1614%	
2.11	DC Developing Markets Strategies Public Limited Company	3.935.000	0,1680%	3.775.000	0,1612%	
2.12	Quena Ltd	5.000.000	0,2135%	4.700.000	0,2007%	

CORPORATE GOVERNANCE IMPROVEMENT

COMPLIANCE WITH REGULATIONS ON CORPORATE GOVERNANCE



The Corporation was established and operated as a joint-stock company from 1 July 2018. On 31 August 2018, it officially became a public company, and POW stock was officially listed on HoChiMinh City Stock Exchange (HOSE) from 14 January 2019.

The corporate governance and administration structure were established in compliance with the provisions of the Enterprise Law, the Securities Law, Decree 71/2017/ ND-CP, and other relevant specialized laws. The Board of Directors of the Corporation appointed a Corporate Administrator of PetroVietnam Power Corporation - JSC on 14

October 2019. The Board of Directors had a sufficient number of independent member in compliance with the provisions of Decree 71/2017/ND-CP.

In addition to fulfilling the obligations of information disclosure in the field of securities, the Corporation's management system was strictly under control. The management system of the BODs and the Executive Management Board were always transparent and under supervision. Besides, with perennial experience in the field of electricity production and trading, the Corporation's management team always strives to minimize the operating risks of the Corporation.

IMPROVEMENT OF CORPORATE GOVERNANCE EFFECTIVENESS

In 2019, PetroVietnam Power Corporation - Joint Stock Company organized several training programs on corporate governance for the members of the Board of Directors, the Board of Supervisors, the President & CEO, other managers, the Corporate Administrator, the secretaries of the Board of Directors/Executive Management Board, namely:

- "Enhancing governance competence in joint-stock companies in the petroleum industry";
- "Corporate governance" for managers of PetroVietnam Power Corporation - Joint Stock Company.

Member of the Board of Directors, the Board of Supervisors, Chief Executive Officer, other managers, The Corporate Administrator secretaries of Board of Directors/Executive Management Board participated in the programs and received a certificate of corporate governance training upon completion.

No.	Member of BOD	Position	Number of certificates completed the course	Training units
1	Ho Cong Ky	Chairman of the Board of Directors	No. 01 QTCT 119QD-TTNC, date of issue: 27/5/2019	The Securities Reseach and Training Center
2	Le Nhu Linh	Member of the Board of Directors cum President	No. 19 QTC 48 / QD-TTNC, date of issue: 10/4/2017; No. 05 QTCT 119 / QD-TTNC, date of issue 27/5/2019	The Securities Reseach and Training Center
3	Nguyen Huu Quy	Member of the BOD	No. 01 QTC 233 / QD-TTNC, date of issue: 30/9/2019	The Securities Reseach and Training Center
4	Pham Xuan Truong	Member of the BOD	No. 02 QTC 119 / QD-TTNC, date of issue: 27/5/2019	The Securities Reseach and Training Center
5	Vu Thi To Nga	Member of the BOD	No. 03 QTC 119 / QD-TTNC, date of issue: 27/5/2019	The Securities Reseach and Training Center
6	Nguyen Hoang Yen	Independent member of BOD	No. 04 QTC 119 / QD-TTNC, date of issue: 27/5/2019	The Securities Reseach and Training Center
7	Nguyen Thi Ngoc Bich	Vice President	No. 07 QTC 119 / QD-TTNC, date of issue: 27/5/2019	The Securities Reseach and Training Center
8	Nguyen Duy Giang	Vice President	No. 08 QTC 119 / QD-TTNC, date of issue: 27/5/2019	The Securities Reseach and Training Center
9	Phan Dai Thanh	Vice President	No. 09 QTC 119 / QD-TTNC, date of issue: 27/5/2019	The Securities Reseach and Training Center
10	Nguyen Minh Dao	Vice President	No. 02 QTC 119 / QD-TTNC, date of issue: 30/9/2019	The Securities Reseach and Training Center
11	Phan Ngoc Hien	Vice President	No. 02 QTC 119 / QD-TTNC, date of issue: 30/9/2019	The Securities Reseach and Training Center
12	Nguyen Kien	Vice President	No. 03 QTC 119 / QD-TTNC, date of issue: 30/9/2019	The Securities Reseach and Training Center
13	Vu Quoc Hai	Vice President	No. 11 QTC 119 / QD-TTNC, date of issue: 27/5/2019	The Securities Reseach and Training Center
14	Vu Thi Ngoc Dung	Vice President	No. 12 QTC 119 / QD-TTNC, date of issue: 27/5/2019	The Securities Reseach and Training Center
15	Ly Thi Thu Huong	Vice President	No. 13 QTC 119 / QD-TTNC, date of issue: 27/5/2019	The Securities Reseach and Training Center
16	Ha Thi Minh Nguyet	Vice President	No. 14 QTC 119 / QD-TTNC, date of issue: 27/5/2019	The Securities Reseach and Training Center



06

SUSTAINABILITY REPORT

Sustainable development targets

Labor policy

Environmentally responsible policy

Local community responsibility report





SUSTAINABLE DEVELOPMENT TARGETS

RESOURCE MANAGEMENT

In 2019, **the total natural gas** consumption of the power plants directly operated by PV Power (Ca Mau 1 & 2, Nhon Trach 1 thermal power plant) is

2.056,541
Million Sm³ gas

2.616.356 ton
total coal consumption of Vung Ang 1 Thermal power plant.

Ca Mau 1 & 2 thermal power plant

consumed **1.438,80** million Sm³ gas from gas source Block PM3 CAA and Block 46 Cai Nuoc under gas purchase agreement No. 8679 / HD-DKVN dated **6 November 2012** with the Vietnam Oil and Gas Group and additional gas purchase agreement from Malaysia.

Nhon Trach 1 thermal power plant

consumed **617,741** Million Sm³ gas from gas sources Lot 06.1 and 11.2 (Nam Con Son gas), Lot 05-2 and 05-3 (Hai Thach - Moc Tinh), Thien Ung and Dai Hung fields under the gas purchase agreement No. 45 / DLDKVN- PVG dated **4 June 2008** with Vietnam Gas Corporation - JSC.

The total volume of oil consumed: **78.869,81** ton DO , in which:

- Ca Mau 1 & 2 thermal power plant: 49.493 ton DO;
- Nhon Trach 1 thermal power plant: 20.148,65 ton DO;
- Vung Ang 1 thermal power plant: 9.228,16 ton DO.

In 2019, Vung Ang 1 thermal power plant converted secondary fuel from HFO oil to DO oil to reduce the content of dust, SO_x emissions, ... to meet the requirements of current environmental regulations.

LABOR POLICY

THE NUMBER OF EMPLOYEES AND THEIR AVERAGE INCOME

The total number of employees (excluding managers) as of 31 December 2019 of the Corporation was 1,191 people. The actual average labor force in 2019 was 1.188,33 people.

The average revenue of the Corporation employees in 2019 was VND 26,13 million per person per month.

LABOR POLICY TO ENSURE THE HEALTH, SAFETY, AND WELFARE OF WORKERS

Laborers are entitled to all the regimes and policies prescribed by the State Policy (regarding working time, social insurance, health insurance, unemployment insurance, full payment of social and health insurance benefits such as sickness, maternity) in compliance with the regulation of rewards, welfare and collective labor agreement of the Corporation.

Improving the material and spiritual life of workers, creating a friendly and hygienic working environment and conditions; organizing cultural, art, and sports events to create a joyful working environment. Performing periodic medical examination and treatment and equipping employees with safety devices and protections.

Encouraging and reassuring employees to avoid exhaustion and take a break from work. Improving social knowledge and cultural awareness to enrich Corporation's culture. In 2019, the Corporation held tours and vacation programs for employees at foreign destinations such as Japan, China, Turkey, Thailand, South Korea, and at domestic locations such as Phu Quoc, Nha Trang, Quy Nhon.

In 2019, the Corporation continued to maintain and increase the level of voluntary retirement insurance, intensive care health insurance for employees.

EMPLOYEE TRAINING ACTIVITIES

Employees were trained to improve professional knowledge and skills as required by law and receive periodic professional and safety training. In 2019, the company trained 3.022 turns of employees with a total budget of VND 6.867 billion.

SUSTAINABILITY REPORT

POLICY RELATED TO ENVIRONMENTAL RESPONSIBILITIES

THE SAFETY AND ENVIRONMENT-RELATED RISKS

Safety and environment-related risks that may affect production and business activities:

Power plants are always at high risk of fire and explosion, which could seriously affect the production of the Corporation. The power plants of PV Power are equipped with modern automatic fire and explosion prevention systems, and each factory has a specialized fire prevention team and fire truck with 24/24 readiness to ensure the most effective fire prevention and rescue.

The power plants of PV Power are all equipped with a strictly controlled exhaust gas and wastewater treatment system while connecting its data to the local Department Of Natural Resources And Environment. Hence, the possibility of the emission exceeding the pre-determined standards, causing environmental pollution is unlikely.

Vung Ang 1 coal thermal power plant has a high chance of polluting the marine environment with ash and scrap waste, which is a potential risk stopping the plant from operating properly. Being aware of this risk, PV Power has drastically implemented solutions to consume ash and residue waste generated in the regular operation of the plant as well as those stored in the dump. In 2019, ash and waste consumption rate had reached 57% of the generated volume and had initially consumed ash and residue at the disposal site. Currently, PV Power is developing a plan to process the ash at the disposal site to reduce the amount to a safer level. The project will help minimizing the risk of affecting the surrounding environment and ensuring the safe and efficient operation of the power plant. According to the project in 2020, PV Power will spend VND 70 billion on ash and waste consumption.

ENVIRONMENTALLY SUSTAINABLE DEVELOPMENT TARGETS

Ensuring operational activities, products, and services of PV Power meeting the laws requirement and relevant environmental standards. Ensuring all emission indicators not exceeding the law standards.

SHORT-TERM ENVIRONMENTAL PROGRAMS

- Strictly complying with state regulations on environmental protection to build a robust environmental risk management.
- Reducing greenhouse gas emissions through the use of economical and efficient fuels.
- Keeping the chemicals and wastes, especially hazardous waste at power plants under control.
- Promoting environmental audit program.
- Successfully maintaining the environmental management system according to ISO 14001.

LONG-TERM ENVIRONMENTAL PROGRAMS

Using high-tech, efficient, environmentally friendly technology with a reliable and safe level, focusing on waste treatment suitable for Vietnamese conditions, actively participating in the Clean Development Mechanism (CDM).

Promoting emulation movements, creativity, and technical improvement; innovative solutions must be implemented quickly and effectively. Actively seeking solutions for environmental protection and continually improving the health assurance, working conditions and environment for employees.



COMPLIANCE WITH THE ENVIRONMENTAL PROTECTION LAW

The number of penalties for non-compliance with environmental laws and regulations: 0.

The total amount of sanctions and penalty for non-compliance with environmental laws and regulations: 0 VND.

ASSESSMENT ON THE ENVIRONMENTAL INDICATORS

The Corporation and its affiliates are always proactive in implementing the best possible solutions to minimize impacts on the environment. Specifically:

Emissions: Gas thermal power plants are using advanced combustion technology, and emissions are always much lower than the standards. Vung Ang 1 coal-fired thermal power plant is also equipped with a high-performance exhaust treatment system to ensure that the emissions are up to standard. In 2018, Vung Ang 1 thermal power plant converted the burning fuel from HFO to DO which put the exhaust treatment system into operation immediately when the furnace started. All of the exhaust chimneys of the power plant are equipped with continuous automatic monitoring equipment. Some power plants directly connected their data to the local Department Of Natural Resources And Environment.

Wastewater: All of the power plants has industrial and domestic wastewater treatment systems, ensuring that the processed wastewater always meets the standards before being released into the environment. There are a quality monitoring and automatic flow system continuously transferring the data to the local Department Of Natural Resources And Environment.

Solid waste: Ordinary solid waste as well as the hazardous waste are transferred to a competent functional firm under a signed contract. Ashes of Vung Ang thermal power plant are eligible byproduct that can be used for producing construction materials. They have been transferred to organizations such as cement plants, concrete batching plants to create construction material.

Financial obligations to the environment: PV Power's subsidiaries always comply with environmental, financial obligations as prescribed in the law. In 2019, the Corporation spent VND 217 billion on environmental protection expenses, including surface water utilization, forestry service fee, environmental protection fee for wastewater, waste treatment, disposal costs, environmental protection equipment, and others.

Indicators	Unit	Amounts
Clean water consumption	m3	2.278.210
Cooling surface water consumption	m3	2.044.054.659
Energy consumption (percentage of electricity self consumed)		3,48%
Total emissions	million m3	131.421
Total wastewater	m3	17.726.975
Ordinary solid waste	Tons	992
Coal thermal ash	Tons	775.700
Coal thermal ash	Tons	167

REPORT ON THE RESPONSIBILITY FOR THE LOCAL COMMUNITY



In 2019, in addition to operating business, PV Power focused on ensuring social security for the local community. Social security was carried out following the direction of PetroVietnam Power Corporation, making significant contributions to eradicate hunger, reduce poverty, and construct new rural area. Specifically, the Corporation sponsored education and school projects/programs in Nam Dinh, Nghe An, Lang Son, Ninh Phuoc, Ha Tinh, Quang Tri. Implementing health programs to help reducing the workload of Bach Mai Hospital and National Hospital of Endocrinology. Launching gratitude programs, taking care, and giving presents to people with meritorious services to the Communist Party's revolution. Sponsoring activities to help poor women and children, and children with difficult circumstances. Also, addressing the consequences of natural disasters for humanitarian relief purposes, contributing to the improvement of the local life quality and the development of the country.





07

CONSOLIDATED FINANCIAL REPORT

Consolidated balance sheet

Consolidated income statements

Consolidated cash flow statements

Notes to the consolidated financial statements



THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD BETWEEN 1 JANUARY 2019 AND 31 DECEMBER 2019

PETROVIETNAM POWER CORPORATION - JSC
(ESTABLISHED IN THE SOCIALIST REPUBLIC OF VIETNAM)

**REPORT
OF THE EXECUTIVE
MANAGEMENT
BOARD**

The Executive Management Board of Petrovietnam Power Corporation - JSC (hereafter referred to as "Corporation") submits this report with Corporation's consolidated financial statements for the financial year ended 31 December 2019.

THE BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT BOARD

Members of the Board of Directors and the Executive Management Board who have administered the Company since 1 January 2019 include:

THE BOARD OF DIRECTORS

Mr Ho Cong Ky	Chairman
Mr Le Nhu Linh	Member
Mr Nguyen Huu Quy	Member
Mr Pham Xuan Truong	Member
Mrs Vu Thi To Nga	Member (Appointed on 19/04/2019)
Mrs Nguyen Hoang Yen	Member (Appointed on 19/04/2019)
Mr Vu Huy An	Member (Retired on 01/02/2019)

EXECUTIVE MANAGEMENT BOARD

Mr Le Nhu Linh	President & CEO
Mrs Nguyen Thi Ngoc Bich	Vice President
Mr Nguyen Duy Giang	Vice President
Mr Nguyen Manh Tuong	Vice President
Mr Phan Dai Thanh	Vice President
Mr Nguyen Minh Dao	Vice President
Mr Phan Ngoc Hien	Vice President (Appointed on 30/08/2019)
Mr Nguyen Kien	Vice President (Appointed on 06/09/2019)
Mr Hoang Van Nghiep	Vice President (Retired on 01/09/2019)

THE RESPONSIBILITIES OF THE EXECUTIVE MANAGEMENT BOARD

The Executive Management Board is responsible for preparing the consolidated financial statements as of 31 December 2019, as well as Consolidated Income Statements and consolidated Cash Flow Statements in compliance with the Vietnamese Accounting Standards, Vietnamese Accounting System and prevailing relevant regulations in Vietnam on preparation and presentation of the consolidated financial statements. In preparing these consolidated financial statements, the Board of Directors is required to:

- Select suitable accounting policies and apply them consistently.
- Make judgments and estimates that are reasonable and prudent.
- Specify whether the applicable accounting principles are followed, and any material misstatements are subjected to information disclosure and explanation in the Financial Statements.
- Prepare the financial statements based on the assumption of continuous operation unless assumed otherwise.
- Design and implement an effective internal control system to prepare and present the consolidated financial statements accurately, minimizing errors and frauds.

The Executive Management Board is responsible for ensuring that proper accounting records are kept, to reflect, with reasonable accuracy at any time, the financial position of the Corporation accurately and to ensure that the consolidated financial statements complying with Vietnamese Accounting Standards, Vietnamese Accounting System and relevant regulations in Vietnam on preparation and presentation of consolidated financial statements. The Executive Management Board is also responsible for securing the assets of the Corporation and taking the proper measures to prevent and detect fraudulence practices and other violations.

The Executive Management Board confirms that the requirements mentioned above have been complied with when the consolidated Financial Statements are prepared.

On behalf of the Executive Management Board,



Le Nhu Linh
President & CEO

Ha Noi, 17 March 2020

INDEPENDENT AUDITOR

To: Shareholders
The Board of Directors and Management Board
Petrovietnam Power Corporation – JSC

We have audited the accompanying consolidated balance sheet of Petrovietnam Power Corporation - JSC (hereafter referred to as "Corporation"), prepared on 17 March 2020, from page 5 to page 39, including Consolidated Balance Sheet as of 31 December 2019, the Consolidated income Statements, Consolidated Cash Flow Statements for the financial year ended on the same date and the Notes to the consolidated financial statements.

Responsibilities of the Executive Management Board

The Executive Management Board of the Corporation is responsible for preparing and presenting the consolidated financial statements of each year, which give a true and fair view of the Corporation in compliance with the Vietnamese Accounting Standards, Vietnamese Accounting System and relevant regulations in Vietnam on preparation and presentation of the consolidated Financial Statements. The Board is also responsible for the internal control deemed necessary to ensure that the Financial Statements are free of material misstatements due to fraudulence or mistake.

Responsibilities of Auditor

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We have conducted the audit in accordance with the Vietnamese auditing standards. Those standards require that we plan and perform the audit to obtain reasonable

assurance that the consolidated financial statements are free of material misstatements.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. The selected auditing procedures are based on the Auditor's judgment, including risk evaluation of material misstatements in the consolidated Financial Statements due to fraudulence or mistake. When such risks are evaluated, Auditor has considered the Corporation's internal controls on preparing and presenting the consolidated Financial Statements in a true and fair view to design the auditing procedures in accordance with the practice. However, it does not aim to give out opinions on the effectiveness of the Corporation's internal controls. An audit also includes assessing the appropriateness of accounting principles used and the rationale of significant estimates made by management, as well as evaluating the overall consolidated financial statements presentation.

We believe that the auditing evidence collected by us provides a sufficient and reasonable basis for our opinion.

Opinion of Auditor

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material aspects, of the financial position of the Corporation as at 31 December 2019 and the results of its operations and its cash flows

for the financial year ended on the same date in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System and prevailing relevant regulations in Vietnam.

Issues to be emphasized

As presented in Note 01 of the Notes to the consolidated financial statements, the figures that are presented in the comparison column of the Consolidated income Statement, Consolidated Cash Flow Statement and corresponding notes are the data of the consolidated financial statements for the first operating period after the Corporation transformed into a joint-stock company from July 1, 2018 (the date the Corporation officially transformed into a joint-stock company) to December 31, 2018, to provide information to readers of financial statements and cannot be compared with this year figures due to the heterogeneity of the accounting period. As presented in Note 2 of the Notes to the consolidated financial statements, at the date

drafting consolidated financial statements, the competent authorities have not approved the equitization finalization at the time of the Corporation officially transformed into a joint-stock company. As stated in Note 6 of the Notes to the consolidated financial statements, at the date of these consolidated financial statements, the Corporation is awaiting the final decision of the competent authorities regarding the payment that Power Trading Company - Vietnam Electricity Group withheld from the Corporation.

As stated at Note 10 and Note 17 of the Notes to the consolidated financial statements, as of December 31 2019, PetroVietnam Power Engineering Services Joint Stock Company (Subsidiary of The Corporation) has collated with Siemens contractor Aktiengesellschaft ("Siemens") and made adjustments to reduce liabilities to Siemens and corresponding inventories related to repair and maintenance of power plants.

Our audit opinion is not related to such issues.



Khúc Thi Lan Anh
Vice President
CPA Certificate No. 0036-2018-001-1

Nguyen Cong Cuong
Auditor
CPA Certificate No. 3992-2017-001-1

DELOITTE VIETNAM COMPANY LIMITED

17 March 2020
Hanoi City, S.R. Vietnam

FORM NO B 01-DN/HN
 Issued under the circular No 202/2014/QĐ-BTC
 of The Ministry of Finance dated 22 December 2014

CONSOLIDATED BALANCE SHEET

As of 31 December 2019

ASSETS	Code	Note	31/12/2019	01/01/2019	
			VND	VND	
A. CURRENT ASSETS			16.075.192.778.306	15.251.081.151.956	
I. Cash and cash equivalents	110	4	5.083.277.330.894	3.185.329.931.901	
1. Cash	111		170.377.330.894	173.809.128.318	
2. Cash equivalents	112		4.912.900.000.000	3.011.520.803.583	
II. Short-term financial investment	120	5	657.920.790.416	176.038.035.938	
1. Investments held to maturity (HTM)	123		657.920.790.416	176.038.035.938	
III. Short-term accounts receivable	130		8.714.021.377.973	7.530.962.791.986	
1. Short-term trade accounts receivable	131	6	8.938.119.337.561	7.320.055.298.911	
2. Short-term advances to suppliers	132	7	120.471.089.910	115.357.557.465	
3. Others	136	8	312.915.441.439	343.075.281.114	
4. Provision for bad debts	137	9	(657.484.490.937)	(247.525.345.504)	
IV. Inventories	140	10	1.427.591.320.436	4.186.613.364.909	
1. Inventories	141		1.434.323.555.929	4.186.795.764.909	
2. Provision for devaluation of inventories	149		(6.732.235.493)	(182.400.000)	
V. Other current assets	150		192.381.958.587	172.137.027.222	
1. Short-term prepayments	151	11	29.273.621.756	39.209.633.649	
2. Deductible VAT	152		161.053.278.815	132.500.096.856	
3. Taxes and other receivables from State budget	153	18	2.055.058.016	427.296.717	
B. NON-CURRENT ASSETS			39.620.509.755.655	42.860.348.445.729	
I. Non-current receivables	210		3.022.294.619	41.591.339.201	
1. Trade accounts receivable	211		1.268.440.794	1.268.440.794	
2. Other non-current receivables	216	8	1.753.853.825	40.322.898.407	
II. Fixed assets	220		37.319.569.436.868	40.177.239.576.482	
1. Tangible fixed assets	221	12	37.249.074.787.530	40.113.277.709.063	
- Cost	222		69.502.840.902.510	69.293.799.627.813	
- Accumulated depreciation	223		(32.253.766.114.980)	(29.180.521.918.750)	
2. Intangible fixed assets	227	13	70.494.649.338	63.961.867.419	
- Cost	228		113.123.594.604	98.742.512.044	
- Accumulated depreciation	229		(42.628.945.266)	(34.780.644.625)	
III. Investment properties	230	14	-	33.528.513	
- Cost	231		17.545.622.940	17.545.622.940	
- Accumulated depreciation	232		(17.545.622.940)	(17.512.094.427)	
IV. Long-term assets in process	240		217.166.328.196	377.538.888.628	
1. Construction in progress	242	15	217.166.328.196	377.538.888.628	
V. Long-term financial investment	250		982.538.690.891	936.917.037.288	
1. Investment into affiliates and joint ventures	252	5	416.643.121.743	367.903.598.694	
2. Capital contribution to other entities	253	5	604.520.976.073	604.520.976.073	
3. Provision for long-term financial investment	254	5	(38.625.406.925)	(35.507.537.479)	
VI. Other non-current assets	260		1.098.213.005.081	1.327.028.075.617	
1. Long-term prepayments	261	11	466.948.731.741	671.717.153.227	
2. Deferred tax assets	262		3.937.045.171	-	
3. Long-term equipment and spare parts for replacement	263	16	618.325.227.296	639.372.102.109	
4. Goodwill	269		9.002.000.873	15.938.820.281	
TOTAL ASSETS	270		55.695.702.533.961	58.111.429.597.685	
(270=100+200)					

CAPITAL	Code	Note	31/12/2019	01/01/2019	VND	VND
C. LIABILITIES			300		26.186.388.222.756	31.296.044.641.920
I. Short-term liabilities			310		17.063.695.864.858	17.570.678.653.190
1. Short-term trade payables	311	17			4.201.761.470.833	5.900.467.676.009
2. Short-term advance from customers	312				20.791.330.544	16.462.104.003
3. Taxes and payables to State budget	313	18			297.110.517.686	298.541.103.387
4. Payables to employees	314				175.278.868.740	139.706.914.562
5. Short-term expenses	315	19			1.608.992.390.404	2.018.072.932.291
6. Short-term unrealized revenue	318				1.255.138.330	617.551.080
7. Others	319	20			1.327.867.877.294	2.403.293.790.705
8. Short-term borrowings and loans from finance lease	320	21			9.157.536.870.815	6.554.398.505.035
9. Provisions for short-term payables	321	22			148.406.550.954	143.181.837.310
10. Bonus and welfare fund	322				124.694.849.258	95.936.238.808
II. Non-current liabilities			330		9.122.692.357.898	13.725.365.988.730
1. Other long-term payables	337	20			971.515.195	759.840.195
2. Long-term borrowings and loans from finance lease	338	21			8.394.084.458.923	13.303.846.087.570
3. Provisions for long-term payables	342	22			595.987.979.917	251.593.468.605
4. Science and Technology Development Fund	343	23			131.648.403.863	169.166.592.360
D. OWNER'S EQUITY			400		29.509.314.311.205	26.815.384.955.765
I. Owner's Equity			410	24	29.509.314.311.205	26.815.384.955.765
1. Contributed capital of owner	411				23.418.716.000.000	23.418.716.000.000
- Ordinary shares	411a				23.418.716.000.000	23.418.716.000.000
2. Share premium	412				(274.807.025)	(311.254.328)
3. Others	414				227.887.397.807	227.887.397.807
4. Revaluation differences on assets	416				(191.305.728.000)	(191.305.728.000)
5. Investment & Development Fund	418				780.958.252.480	192.215.107.853
6. Retained earnings after tax	421				2.650.694.553.578	859.274.196.129
- Retained earnings after tax of the last period	421a				808.666.342.566	542.515.585.296
- Retained earnings after tax of this period	421b				1.842.028.211.012	316.758.610.833
7. Benefits of uncontrolled shareholders	429				2.622.638.642.365	2.308.909.236.304
TOTAL RESOURCES			440		55.695.702.533.961	58.111.429.597.685
(440=300+400)						

Quach Thi Hong Lien
Prepared by

Chu Quang Toan
Chief Accountant



Le Nhu Linh
President & CEO

17 March 2020

The accompanying notes are an integral part of these consolidated financial statements.

FORM NO B 02-DN/HN
 Issued under the circular No 202/2014/QĐ-BTC
 of The Ministry of Finance dated 22 December 2014

CONSOLIDATED INCOME STATEMENTS

For the period ended 31 December 2019

ITEMS	Code	Note	01/01/2019	01/07/2018
			- 31/12/2019 VND	- 31/12/2018 VND
1. Gross turnover and services	01	27	35.374.268.090.529	14.835.199.327.861
2. Deduction	02		-	-
3. Net turnover and services (10=01-02)	10		35.374.268.090.529	14.835.199.327.861
4. Costs of goods sold	11	28	30.236.634.203.496	13.075.124.797.360
5. Gross profit (20 =10-11)	20		5.137.633.887.033	1.760.074.530.501
6. Financial revenue	21	30	453.447.173.083	243.410.811.255
7. Financial expense	22	31	1.323.606.244.635	1.031.822.777.468
- In which: Interest expenses	23		1.154.051.870.401	661.190.866.665
8. Interest in affiliates and Joint Ventures	24		52.036.013.536	40.604.496.676
9. Selling expense	25	32	27.018.625.533	10.839.566.997
10. General and administrative expenses	26	32	1.176.430.753.504	358.522.593.396
11. Net operating profit (30=20+(21-22)+24-(25+26))	30		3.116.061.449.980	642.904.900.571
12. Other revenues	31	33	68.255.684.564	17.739.038.522
13. Other expenses	32	34	19.279.357.902	5.537.884.662
14. Other profits (40=31-32)	40		48.976.326.662	12.201.153.860
15. Total accounting profit before tax (50=30+40)	50		3.165.037.776.642	655.106.054.431
16. Current corporate revenue tax expenses	51	35	314.086.018.090	79.660.985.050
17. Deferred current corporate revenue tax expenses (revenue)	52		(3.937.045.171)	250.816.922
18. Profit after tax (60=50-51-52)	60		2.854.888.803.723	575.194.252.459
Profit after tax of Corporation	61		2.509.695.587.374	431.441.727.122
Profit after tax of uncontrolled shareholders	62		345.193.216.349	143.752.525.337
19. Basic earnings per share	70	36	1.028	174

Quach Thi Hong Lien
Prepared by

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Chief Accountant



Le Nhu Linh
President & CEO
17 March 2020

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FORM NO B 03-DN/HN
 Issued under the circular No 202/2014/QĐ-BTC
 of The Ministry of Finance dated 22 December 2014

CONSOLIDATED CASH FLOW STATEMENTS

For the period ended 31 December 2019

ITEMS	Code	01/01/2019	01/07/2018
		- 31/12/2019 VND	- 31/12/2018 VND
I. CASH FLOWS FROM OPERATING ACTIVITIES			
1. Pre-tax profit	01	3.165.037.776.642	655.106.054.431
2. Adjustments for:			
Depreciation of fixed assets and investment properties	02	3.131.855.859.595	1.906.127.430.872
Provisions	03	769.246.075.328	(259.050.178.863)
Gain/(Loss) from revaluation of account denominated in foreign currency	04	(30.361.834.569)	122.697.627.971
(Gains) on investing activities	05	(305.807.267.252)	(133.047.575.498)
Interest expenses	06	1.154.051.870.401	661.190.866.665
Others	07	-	(35.729.056.847)
3. Operating profit before modification in working capital	08	7.884.022.480.145	2.917.295.168.731
Changes in receivables	09	(1.534.763.734.128)	1.786.558.328.746
Changes in inventory	10	2.773.519.083.793	(408.246.861.610)
Changes in liabilities (excluding payable interest, corporate revenue tax payables)	11	(2.374.624.744.532)	(1.108.562.414.571)
Changes in prepaid expenses	12	214.704.433.379	46.639.033.733
Interest paid	14	(1.203.196.728.897)	(684.950.702.336)
Paid corporate revenue tax	15	(325.563.541.380)	(56.060.259.658)
Other cash outflows	17	(111.518.794.158)	(25.116.323.272)
Net cash flows from operating activities	20	5.322.578.454.222	2.467.555.969.763

II. CASH FLOWS FROM INVESTING ACTIVITIES

Acquisition of fixed assets and other long-term assets	21	(187.473.764.505)	(154.905.148.181)
Proceeds from liquidation, disposal of fixed assets and other long-term assets	22	(3.710.535.635)	-
Cash outflow for lending and buying debts of other entities	23	(895.850.346.482)	(173.334.184.152)
Cash inflow for lending and reselling debts of other entities	24	286.094.491.044	124.987.209.584
Cash recovered from investments in other entities	26	80.847.627.911	-
Interest earned, dividends and profits received	27	297.985.233.991	531.339.078.058
Net cash flows from investing activities	30	(422.107.293.676)	328.086.955.309

These accompanying notes are an integral part of these consolidated financial statements.

FORM NO B 03-DN/HN
 Issued under the circular No 202/2014/QD-BTC
 of The Ministry of Finance dated 22 December 2014

CONSOLIDATED CASH FLOW STATEMENTS

For the period ended 31 December 2019

ITEMS	Code	01/01/2019	01/07/2018
		- 31/12/2019 VND	- 31/12/2018 VND
III. CASH FLOWS FROM FINANCING ACTIVITIES			
1. Proceeds from issuing shares, contributed owner's equity	31	2.085.950.000	-
2. Proceeds from borrowings	33	12.946.811.016.850	3.856.450.702.934
3. Principal repayment	34	(15.200.725.040.838)	(9.248.603.856.655)
4. Dividends paid to owner	36	(750.693.717.584)	-
Net cash flows from financing activities	40	(3.002.521.791.572)	(5.392.153.153.721)
Net cash flow in the period (50=20+30+40)	50	1.897.949.368.974	(2.596.510.228.649)
Beginning cash and cash equivalents	60	3.185.329.931.901	5.781.844.937.864
Changes from fluctuations of foreign exchange rates	61	(1.969.981)	(4.777.314)
Closing cash and cash equivalents (70=50+60+61)	70	5.083.277.330.894	3.185.329.931.901

Quach Thi Hong Lien
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 Chief Accountant

Le Nhu Linh
 President & CEO
 17 March 2020

These accompanying notes are an integral part of these consolidated financial statements.

FORM NO B 09-DN/HN
 Issued under the circular No 202/2014/QD-BTC
 of The Ministry of Finance dated 22 December 2014

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

These notes are an integral part of and read with the accompanying consolidated financial statements.

1. GENERAL INFORMATION ABOUT FORM OF CAPITAL OWNERSHIP

Form of capital ownership

Petrovietnam Power Corporation - JSC (hereafter referred to as "Corporation or PV Power") is incorporated by equitizing Petrovietnam Power Corporation - Single Member Co., Ltd under the Decision No. 1795/QD-DKVN of Member Council of Vietnam Oil and Gas Group (the Corporation's Corporation). Petrovietnam Power Corporation - Single Member Co., Ltd is established in accordance with the Decision No.1468/QD-DKVN dated 17 May 2007 of the Vietnam Oil and Gas Group's Member Council and the Enterprise Registration Certificate for Single Member Limited Liability Company No. 0102276173 initially issued on 31 May 2007 by Hanoi Authority for Planning and Investment.

The Corporation has been officially transformed into the Joint Stock Company Model since 1 July 2018 and recognized with charter capital of VND 23,418,716,000,000 under the 13th amended Enterprise Registration Certificate issued on 1 July 2018 by Hanoi Authority for Planning and Investment. The Corporation is issued with the latest amended Enterprise Registration Certificate (14th amendment certification) dated 6 December 2018.

The Corporation's stock was listed at HoChiMinh Stock Exchange (HOSE) on 17 December 2018 and officially traded from 14 January 2019 with the stock code of POW.

The Parent company of the Corporation is Vietnam Oil and Gas Group.

Total employees of the Corporation and its subsidiaries as of 31 December 2019 were 2.237 (2.376 as of 31 December 2018).

Primary business lines and activities

The Corporation's business lines include:

Power generation; Industrial and civil power trading and sales; Management and operation of power plants; short-term and thematic training course services in some industrial fields; Skillful human resources supply service for O&M of power plants and industrial facilities; Electrical system installation in construction works; Supply of power project management services, consultancy services for the energy-related construction; Goods storage; Wholesales of solid, liquid, gas and related product fuels; Construction of power plants in the power engineering industry; Construction and development of power infrastructure, LV and MV grid; Investment in constructing independent power projects; Construction and development of clean power CDM projects; Electrical system procurement services for the construction site; Trading materials and spare parts for power production and trading; Supply of IT services; Supply of Certified Emission Reductions Solution (CERs) of power projects; Research and application of new technology advances in developing power projects and using energy such as: wind power, solar power, nuclear power; Providing technical and operational services, training human resources to manage the operation, repair and maintenance for power generation and trading; Lease of means of transportation, cranes and towing vehicles; Trading ash, slag and scrap; Importing and exporting

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

energy, raw materials, consumables, spare parts for power generation and trading; Importing and exporting goods provided by the Corporation.

As of 31 December 2019, the Corporation own power plants that operate commercially including: Ca Mau 1 & 2 Thermal power plants in Ca Mau province, Nhon Trach 1 & 2 Thermal power plants, Vung Ang 1 Thermal power plant in Ha Tinh province, Nam Cat Hydropower Plant in Bac Kan province, Hua Na Hydropower Plant in Nghe An province and Dakdrinh Hydropower Plant in Quang Ngai province.

Normal production and Business period

The Corporation average production and operation period are carried out for less than 12 months.

Business Structure

As of 31 December 2019, the dependent accounting units of the Corporation included:

- Branch of PetroVietnam Power Corporation - JSC - Petrovietnam Ca Mau Power Company
- Branch of PetroVietnam Power Corporation - JSC - Petrovietnam Nhon Trach Power Company
- Branch of PetroVietnam Power Corporation - JSC - Petrovietnam Ha Tinh Power Company
- Branch of PetroVietnam Power Corporation – Petrovietnam Power Coal Import and Supply Company
- Branch of PetroVietnam Power Corporation - Gas Power Project Investment Preparation Board

Details of subsidiaries and affiliates as of 31 December 2019 are described as follows:

Company name	Incorporation and operation place	Ownership percentage (%)	Percentage of voting rights (%)	Principal activities
Subsidiaries				
Hua Na Hydropower Joint Stock Company	Nghe An	84,14%	84,14%	Power generation
PetroVietnam Nhon Trach 2 Power JSC	Dong Nai	59,37%	59,37%	Power generation
Dakdrinh Hydropower JSC	Quang Ngai	95,27%	95,27%	Power generation
PetroVietnam Machinery JSC	Ha Noi	51,58%	51,58%	Commerce
PetroVietnam Power Services JSC	Ha Noi	51,00%	51,00%	Services
Affiliates				
Nam Chien Hydropower Joint Stock Company	Son La	30,72%	30,72%	Power generation
Song Hong Hydropower Joint Stock Company	Yen Bai	44,07%	44,07%	Power generation
PetroVietnam Machinery JSC - the North	Ha Noi	17,84%	34,58%	Commerce

Increasing investment in DakDrinh Hydropower Joint Stock Company

On 13 February 2019, the Board of Directors of the Corporation approved the plan to purchase additional 13.723.480 shares out of 13.932.075 shares for sales at DakDrinh Hydropower Joint Stock Company by cash. On 15 February 2019, the Corporation contributed capital in the form of cash to Dakdrinh Hydropower Joint Stock Company with the amount of VND 137.234.800.000, increasing the capital contribution to Dakdrinh Hydropower Joint Stock Company from 94,83% to 95,27% of charter capital.

Divestment in Bac Kan PetroVietNam Power Joint Stock Company

On 25 September 2019, the Board of Directors of the Corporation approved the plan to transfer the shares of Corporation in the Bac Kan Petroleum Power Joint Stock Company. Accordingly, on 15 October 2019, the Corporation transferred all its capital contribution in Bac Kan PetroVietNam Power Joint Stock Company with the transfer value of VND 88.765.240.000. Profits from the transfer transaction of VND 8.072.098.394 has been recognized in the consolidated income statement.

Notes to data comparability in the consolidated financial statements

The figures presented in the comparative column of the Consolidated Balance Sheet and corresponding notes were audited as of 31 December 2018.

The figures presented in the comparative column of the Consolidated income Statement, Consolidated Cash Flow Statement, and corresponding notes are those of the audited consolidated financial statements for the first activities in the period after the Corporation transforms into a joint-stock company from 11 July 2018 (the date the Corporation officially transformed into a joint-stock company) to 31 December 2018. These figures are to provide information to people along with the financial statements and cannot compare with this year's figures due to different accounting periods.

2. THE BASIS OF PREPARATION

The consolidated financial statements

The accompanying Consolidated Financial Statements are presented in Vietnam Dong (VND) in accordance with the cost principle and the Vietnamese Accounting Standards, Vietnamese Accounting System, and prevailing relevant regulations in Vietnam on preparation and presentation of the consolidated Financial Statements.

The accompanying consolidated Financial Statements do not reflect the financial position, business performance, and cash flow statement in accordance with the widely accepted accounting principles and practices in other countries than Vietnam.

Equitization settlement

At the date of preparing the consolidated financial statements, the authorities did not approve the equitization settlement at the time the Corporation was officially transformed into a joint-stock company.

Financial year

The Corporation's financial year starts on 1 January and ends on 31 December.

3. 1. SUMMARY OF KEY ACCOUNTING POLICIES

Key accounting policies are mainly applied for preparation of the consolidated financial statements by the Corporation, concretely

Accounting estimates

Preparation of the consolidated Financial Statements under the Vietnamese Accounting Standards, Vietnamese Accounting System and prevailing relevant regulations on preparation and presentation of the consolidated Financial Statements requires the Executive Management Board to release estimates and assumptions affecting the disclosures on liabilities, assets, and presentation of potential liabilities and assets as of the date of consolidated financial statements as well as the disclosures on revenue and costs in the period. Although the estimates are released to the Executive Management Board's best knowledge, the actual operating performance may be different from the set estimates and assumptions.

Basis of the consolidated financial statements

The consolidated financial statements include the financial statements of PV Power & its controlled companies (subsidiaries) prepared for the financial year ended 31 December 2019. Such control is obtained when the Corporation may successfully control the investee's financial policies and activities to obtain the benefits from activities of such subsidiaries.

Business results of acquired or resold subsidiaries in the period are presented in the Consolidated income Statements since the acquisition date or till the investment in such subsidiaries is sold. The Financial Statements of subsidiaries are adjusted so that the accounting policies applied in the Corporation and its subsidiaries are identical.

All operations and balances incurred between the Corporation and its subsidiaries and among subsidiaries are removed when the Financial Statements are consolidated.

Benefits of uncontrolled shareholders include the value of uncontrolled shareholders' benefits as of initial business consolidation date (see the contents below for more details) and the benefits

of uncontrolled shareholders in changes of total owner's equity since the dating of business consolidation. The losses incurred by subsidiaries must be respectively distributed to the ownership of uncontrolled shareholders, including even when such loss is greater than the non-controlling interest of net assets in such subsidiaries.

Business consolidation

Assets, liabilities, and potential liabilities of subsidiaries are determined by reasonable value as of subsidiary acquisition date. Any surplus amount between the buying rate and the total reasonable value of acquired assets is recognized as goodwill. Any inadequacy between acquisition price and total reasonable value is included in the business results of the period that the subsidiaries are acquired.

The benefits of uncontrolled shareholders as of initial business consolidation date are determined by the shareholding of uncontrolled shareholders against the total reasonable value of assets, liabilities, and potential liabilities to be recognized.

Investments in Affiliates

Affiliates as a company that the Corporation's significant influence is found but not a subsidiary or Joint Venture Company of the Corporation. The significant influence is demonstrated in the rights to make decisions on financial policies and activities of the investee, rather than control or co-control influence on such policies.

Business performance, assets, and liabilities of affiliates are consolidated in the Financial Statements under the equity method. The capital contribution for affiliation is presented in the Consolidated Balance Sheet in accordance with the historical cost, which is adjusted by changes in the Corporation's contributed capital into the affiliates' net assets after the date of investment acquisition. Losses incurred by the affiliates exceeding the Corporation's contributed capital at such affiliates (regardless

of long-term contributed capital that constitutes the Corporation's net investment in such affiliates) are not recognized.

In the case of a member company of the Corporation conducting transactions with an associate of the Corporation, unrealized profit/loss corresponding to the Corporation's capital contribution to the associated company is excluded from consolidated financial statements. When selling subsidiaries or associates, the residual value of the uncomplicated goodwill is included in the profit/loss attributable to the sale of the corresponding company.

Cash and cash equivalents

Cash and cash equivalents, including cash in hand, demand deposits, short-term investments, are characterized by high liquidity, easily capitalized and less risky related to value variation.

Financial investment

Financial investment held to maturity

Investments held to maturity (HTM) include investments that are planned and able to held to maturity by the Corporation. Investments held to maturity (HTM) refers to term deposit for the purpose of period interest payment.

Invest in equity instruments of other entities

Investment into other entities' capital instruments reflects the capital instrument investments that may not be controlled, co-controlled or significantly affected by the Corporation to the investee. Investment into other entities' capital instruments is reflected in accordance with the historical cost, except for provisions for investments.

Provision for long-term financial investments

Investments in equity instruments of other entities are stated in the consolidated balance sheet at cost less provision for diminution (if any). Allowance for diminution in value of investments is made when there is strong evidence that there is a decline in value of these investments at the balance sheet date.

Receivables

Receivable debts are recoverable amount from the client or otherwise. Liabilities are calculated by book value deducting provisions for bad debts. Provisions for bad debts are made for the overdue liabilities over 06 months, or liabilities that the debtor is unable to make payment due to liquidation, bankruptcy or similar difficulties.

Inventories

Inventories are determined by the lower price between the historical cost and net realizable value. The historical costs of inventories include direct raw materials, direct labor cost and general production expenses, if any, to have inventories located at the current location and status. Inventories are posted under the perpetual inventory method. Its historical cost is determined under the weighted average method. Net realizable value is determined by selling price, less estimated costs to complete the products as well as marketing, turnover and distribution accruals.

Provision for devaluation of inventories is Made in accordance with the applicable accounting regulations. Accordingly, the Corporation is authorized to make provision for devaluation of obsolete, disqualified and damaged inventories and in the event that the cost of inventories is higher than the net realizable value as of finishing date of accounting period.

Tangible fixed assets and depreciation

Tangible fixed assets are demonstrated in historical cost less accumulated depreciation value. The cost of fixed assets form from purchase includes the purchase price and other expenses directly related to putting assets into ready use status. For the fixed assets form from investment into construction in progress under contracting method or self-construction and production method, the cost is the payment price of construction works in accordance with the applicable regulation on investment and construction management, other directly related expenses, and registration fee (if any). In the event that the project is completed and put into operation, but the

settlement is not approved, then the cost of fixed assets is recognized by temporary price on the spent actual expense basis to obtain the fixed assets. Temporary cost is adjusted in accordance with the settlement price approved by the competent authorities. Tangible fixed assets are depreciated under the straight-line method in accordance with the expected useful life, as follows:

	Years
Buildings and architectural structures	5 - 30
Plants and equipment	5 - 20
Vehicles	5 - 15
Office equipment	3 - 7

Profits and losses arose upon asset liquidation and turnover are the difference between revenue from the liquidation and remaining value of assets and included in the Consolidated income Statements.

Rental property

A lease is considered a financial lease when the majority of the rights and risks of property ownership.

Intangible fixed assets and depreciation

Intangible fixed assets include land use rights, computer software are presented by cost less accumulated amortization value. Term land use rights are depreciated under the straight line method in accordance with the land lot use period, long-term land use rights without amortization. Computer software is amortized under straight line method in accordance with the expected useful life of 3 years.

Investment properties

Investment properties, including land use rights, buildings and architectural structures held by the Corporation for the purpose of benefits from lease, are presented by cost less accumulated depreciation value.

Investment properties are depreciated under the straight-line method in accordance with the expected useful life, concretely:

	Years
Land use rights	4
Buildings and architectural structures	4 - 25

Construction in progress

Construction in progress for the purposes of production, lease, management or otherwise is recognized at its cost. Such costs include necessary costs to form the properties, including construction expense, equipment and other related expenses in accordance with the Corporation's accounting policies. Such costs are passed to cost of fixed assets under temporary price (if no settlement is approved) when the properties are handed over and put into use.

According to the State regulations on investment and construction management, depending on the management decentralization, the settlement value of complete construction works must be approved by the competent authorities. Therefore, the ultimate value of such works may be changed and relied on settlement approved by the competent authorities.

Prepayments

Prepaid expenses include actual accruals related to business results of many accounting periods. Prepaid expenses mainly include insurance for long-term foreign loans, maintenance and service charges under maintenance and service contract for power plant's machine and equipment, prepayment of office rental, land rental, site clearance expenses, expenses Premiums, maintenance and service expenses are allocated into the Consolidated income Statements under the straight line method, corresponding to the term of signed loan contracts and long-term maintenance service contracts.

Prepayment of office rental is allocated into the cost, corresponding to the prepaid lease term.

Other prepaid expenses are considered to offer the Corporation with future economic benefits. Such expenses are capitalized in the form of prepayments and allocated into the Consolidated income Statements, using straight-line method in accordance with current accounting regulations.

Accruals

Accruals include interest expenses payable and some other pre-provided and unused costs but estimated and recognized into the cost of the period.

Interest expenses are recognized by loan principal and interest.

Other expenses are other expenses incurred in the period but not invoiced by the supplier

Payable provisions

Payable provisions are recognized when the Corporation is subject to current debt obligation due to results from an occurred event and the Corporation may cover such obligation. Provisions are identified by estimates of the Executive Management Board regarding the necessary expenses for paying such debt obligation as of finishing date of accounting period.

Science and technology development fund

Science and technology development fund is made to create an investment source for science and technology activities launched by the Corporation. The Fund is set up by providing at most 10% of pre-taxable revenue when corporate revenue tax is assessed and recognized into the business results in the period. For the financial year ended 31 December 2019, based on the use of funds, the Executive Management Board decided not to set up additional science and technology development fund.

Recording revenue

Turnover

Turnover is recognized when all five (5) following conditions are satisfied:

- (a) Significant risks and rewards of ownership of the product or goods have been passed to the buyer;
- (b) Goods management rights or goods control rights are no longer obtained as goods owner;
- (c) Revenue is reliably determined;
- (d) It is possible to gain economic benefits from such transactions;
- (e) Turnover transaction-related costs are reliably determined.

Power turnover

Power turnover is recognized when the transaction results are reliably determined and economic benefits may be obtained from such transactions by the Corporation. Revenue is recognized when minutes on power output connected with the National Grid is released.

Revenue from services

Revenue from services is recognized when the results of such transactions are reliably determined. If service supply transaction is related to a series of the period, revenue is recognized in the period in accordance with the implemented work as of the date of Balance Sheet of such period. Results of service supply transaction are determined when four (4) conditions are completely satisfied:

- (a) Revenue is reliably determined;
- (b) It is possible to gain economic benefits from such transactions;
- (c) Determine the implemented task as of the date of the Balance Sheet
- (d) Determine the transaction accruals to successfully fulfill such service supply transaction.

Accumulated deposit interest is recognized and determined by the balance of deposit accounts and applicable interest.

Interest from investments is recognized when the Corporation is entitled to earn the interest.

Foreign currency

Foreign currency-denominated operations are converted in accordance with the exchange rate as of date of operations. Balance of foreign currency-denominated cash items as of date of closing accounting period is converted in accordance with the exchange rate as of this date. Accrued exchange rate difference is included in the Consolidated income Statements.

Interest expenses

Interest expenses are recognized into the operating cost in the period upon occurrence, unless it is capitalized as prescribed in Vietnam Accounting Standard No. 16 "Interest expenses". Accordingly, the interest expenses directly related to acquisition, construction investment or production of assets which are required to have a relatively long time to put into use or commercial operation are added to historical cost till such assets are put into use or operation. Revenues from temporary loan financing are deducted from historical cost of related assets. Regarding dedicated loans for development of fixed assets and investment properties, interest is capitalized even when the construction period is less than 12 months.

Taxes

Corporate Income Tax (CIT) demonstrates the total current and deferred tax value.

Current tax payables are determined by taxable income in the period. Taxable income other than pre-tax profit is presented in the Consolidated Income Statements because the taxable income excludes taxable income or expenses, or it is deducted in other periods (included carry-forward loss, if any). It also excludes non-taxable or non-deductible items.

Under the Investment Certificate No. 47121000093 dated 28 December 2007, Nhon Trach 1 Thermal power plant (under Petrovietnam Power Nhon Trach 1 Co., Ltd) is enjoyed with annual preference CIT rate of 20% against 10-year profit since the project is put into operation and 22% in the next years (2018 current CIT rate was 20%). Nhon Trach 1 Thermal power plant is exempted from 02-year CIT since taxable income is earned and reduced with 50% of payable taxes in 03 next years. Since 1 August 2008, Petrovietnam Power Nhon Trach Co., Ltd has been merged with Petrovietnam Power Company Limited and transformed into a dependent accounting entity. 2014 was the last year witnessed PV Power's

entitlement to 50% reduction of CIT payable for Nhon Trach 1 Thermal power plant Project; therefore, the Corporation did not take the preference CIT rate into account for this project.

For Ca Mau 1 and Ca Mau 2 Power Plant Projects, under the Investment Certificate No. 61101000098 issued on 31 March 2010 by Ca Mau Provincial People's Committee, its CIT was exempted within 04 years and reduced with 50% of payable taxes in next 07 years. 2019 was the last year recorded with 50% of CIT deduction applied for such projects by PV Power.

For Vung Ang 1 Thermal power plant Project, under the Investment Preference Certificate No. 01/KKT dated 12 February 2008 (issued with the Investment Certificate No. 28221000009 dated 12 February 2008) issued by Vung Ang Economic Zone Authority, Ha Tinh Province, its CIT was 10% applied within 15 years since its commercial operation. Its CIT was exempted within 04 years since taxable income was earned and reduced 50% in the next 09 years. When the project was officially put into operation, 10% CIT was offered by the Prime Minister during the project period. 2019 was the third CIT exemption year of the Vung Ang 1 Thermal power plant Project.

Nhon Trach 2 Thermal power plant, Petrovietnam Power Nhon Trach 2 Joint Stock Company (PVPower NT2 – a PVPower Subsidiary) was obligated to pay for 10% CIT against taxable income originated from power production and business activities in within 15 years since the first profitable year and current tax rate for the next years. PV Power NT2 was exempted from 04-year CIT since taxable income was earned for power production and business and reduced with 50% of payable CIT in the next 09 years. 2019 was the 5th year that 50% of CIT reduction was applied to Nhon Trach 2 Thermal power plant Project.

Hua Na Hydropower Plant Investment Project was a new player in Que Phong District, Nghe An Province where was characterized by especially difficult socio-economic conditions under Decree No. 124/2008/ND-CP dated 11 December 2008 and the Decree No. 218/2013/ND-CP of the Government dated 26 December 2013. The Law on Corporate Income Tax No.14/2008/QH12 of the National Assembly dated 3 June 2008, amended and supplemented by the Law on amending and supplementing several articles of the Law on Corporate Income Tax No. 32/2013/QH13 dated 19 June 2013 specifies that, Hua Na Hydropower Joint Stock Company (HHC - a PVPower Subsidiary) was preferentially treated with 10% tax rate in the first 15 years of operation, exempted in 04 years, reduced with 50% of tax payables in next 09 years. Tax exemption and reduction time were continuously estimated since the first year HHC earned taxable income from the preferential tax project.

DakDrinh Hydropower Plant, under the Investment Certificate No. 34121000029 dated 25 June 2008, Dakdrinh Hydropower Joint Stock Company (a subsidiary of PVPower) was entitled to CIT preference as prescribed in the Decree No. 24/2007/NĐ-CP of the Government dated 14 February 2007 on detailing the implementation of the Law on Corporate Income Tax (now superseded by the Decree No. 218/2013/NĐ-CP dated 26 December 2013).

20% of CIT against taxable income was applied to other subsidiaries.

Deferred taxable income was assessed for the difference in book value and tax income assessment basis of asset items or liabilities in the Consolidated Financial Statements and recognized under the Balance Sheet method. The deferred tax must be recognized for other remaining future temporary differences while deferred tax assets are only recognized when future taxable profit is assured to deduct the temporary differences.

The deferred tax was determined by the expected tax rate applied for the recovered asset period or paid liabilities. Deferred tax was recognized into the Consolidated Income Statements and only included in owner's equity when such tax assessment was related to items straightly included in owner's equity.

Deferred tax assets and liabilities were offset when PVPower is legally entitled to offset the current tax assets against current CIT and when the same tax authority managed the deferred tax assets and liabilities, and PVPower may expect to make current tax payment on a net basis.

PV Power's income tax assessment was based on applicable tax regulations. However, such regulations were changed from time to time, and final CIT assessments relied on inspection of competent tax authorities.

Other taxes and duties comply with the applicable Tax Laws of Vietnam.

4. CASH AND CASH EQUIVALENTS

The following are the main accounting policies that the Corporation applies in preparing consolidated financial statements:

	31/12/2019	31/12/2018
	VND	VND
Cash	2.422.168.447	3.967.380.235
Demand deposits	167.955.162.447	169.841.748.083
Cash equivalent	4.912.900.000.000	3.011.520.803.583
	5.083.277.330.894	3.185.329.931.901

As of 31 December 2019, demand deposits of PVPower and its subsidiaries comprised of VND 30.813.862.901 (31 December 2018: VND 31.025.410.732) as the suspending deposit at Ocean Commercial One Member Limited Library Bank. The Executive Management Board judged that such amount should be re-transacted when specific regulations are released by the State Bank of Vietnam (SBV).

5. FINANCIAL INVESTMENTS

a. Investment held to maturity (HTM)

	Historical value VND	Book value VND	Historical value VND	Book value VND
Investments held to maturity (*)	657.920.790.416	657.920.790.416	176.038.035.938	176.038.035.938
	657.920.790.416	657.920.790.416	176.038.035.938	176.038.035.938

(*) Represents deposits at banks with period terms of more than 3 months and less than 12 months.

b. Long-term financial investment

b1. Investment into Affiliates

Details of PV Power affiliates as of 31 December 2019 are described as follows:

Company name	Incorporation and operation place	Ownership percent (%)	Voting percent %	Main business lines
Nam Chien Hydropower Joint Stock Company	Son La	30,72	30,72	Power generation
Song Hong Energy Joint Stock Company	Yen Bai	44,07	44,07	Power generation
PetroVietnam Machinery JSC - the North	Ha Noi	17,84	34,58	Commerce

Investment value into affiliates under the equity method is described as follows:

	31/12/2019	01/01/2019
	VND	VND
Nam Chien Hydropower Joint Stock Company	375.973.337.059	329.446.627.579
Song Hong Energy Joint Stock Company	40.669.784.684	38.011.459.896
PetroVietnam Machinery JSC - the North	-	445.511.219
	416.643.121.743	367.903.598.694

Details of amending investments into affiliates under equity method at 31 December 2019:

	Historical cost	Adjustment under equity method	Value under equity method
	VND	VND	VND
Nam Chien Hydropower Joint Stock Company	302.295.301.000	73.678.036.059	375.973.337.059
Song Hong Energy Joint Stock Company	32.887.500.000	7.782.284.684	40.669.784.684
PetroVietnam Machinery JSC - the North	574.532.035	(574.532.035)	-
	335.757.333.035	80.885.788.708	416.643.121.743

b2. Capital contribution to other entities

	31/12/2019		01/01/2019	
	Historical cost	VND Provision	Historical cost	VND Provision
Viet Lao Power Joint Stock Company	320.049.656.500	-	320.049.656.500	-
Investment into HH3 Nam An Khanh Project, Hoai Duc, Hanoi	81.741.478.800	-	81.741.478.800	-
FCC Vietnam Co., Ltd	49.495.000.000	-	49.495.000.000	-
Showa Auto-Parts Vietnam Company Limited	36.673.137.983	-	36.673.137.983	-
Song Tranh 3 Hydropower Joint Stock Company	29.341.800.000	-	29.341.800.000	144.719.609
EVN International Joint Stock Company	28.800.000.000	-	28.800.000.000	-
PetroVietnam Urban Development Joint Stock Company	18.202.000.000	18.202.000.000	18.202.000.000	18.202.000.000
Vietnam Nippon Seiki Co.,Ltd	11.781.000.000	-	11.781.000.000	-
High Tech Concrete Investment JSC (Sopewaco)	11.140.000.000	11.140.000.000	11.140.000.000	11.140.000.000
Petroleum Information Technology Telecom and Automation Joint Stock Company	5.040.000.000	-	5.040.000.000	-
Nhon Trach Shipyard Joint Stock Company	3.621.000.000	1.387.267.072	3.621.000.000	1.281.663.209
PetroVietnam Construction Joint Stock Corporation	3.000.000.000	3.000.000.000	3.000.000.000	-
Nghe An Food Products Join Stock Company	2.016.000.000	2.016.000.000	2.016.000.000	2.016.000.000
Son Tra Hydropower Joint Stock Company - Song Da	1.228.800.000	1.228.800.000	1.228.800.000	1.228.800.000
PetroVietnam Machine and Electricity JSC	1.000.000.000	260.237.063	1.000.000.000	263.770.062
PetroVietnam Machinery JSC- the South	841.102.790	841.102.790	841.102.790	680.584.599
Asia - Pacific Energy Development Investment Joint Stock Company	550.000.000	550.000.000	550.000.000	550.000.000
	604.520.976.073	38.625.406.925	604.520.976.073	35.507.537.479

PV Power did not adequately evaluate the financial investments due to the date of finishing the operating term because the applicable regulations did not cover any specific instructions on determining the appropriate value of financial investments.

6. TRADE ACCOUNTS RECEIVABLE

	31/12/2019	01/01/2019
	VND	VND
a. Trade accounts receivable	8.856.454.362.065	7.277.119.504.327
Electricity trading company	8.537.478.805.717	6.911.361.745.537
- Electric Power Trading Company (*)		
Others	318.975.556.348	365.757.758.790
b. Trade accounts receivable from stakeholders	81.664.975.496	42.935.794.584
(See Note No. 38 for more details)	81.664.975.496	42.935.794.584
	8.938.119.337.561	7.320.055.298.911

(*) As at 31 December 2019, the outstanding receivables from the Electric Power Trading Company - ("EPTC") include the unpaid EPTC electricity amounts for the Corporation mainly as follows:

- For Ca Mau 1 Power Plant and Ca Mau 2 Power Plant: The balance of EPTC electricity is retained due to inconsistency in the price rate applied to the electricity sale price in the Power Purchase Agreement from February 2018 of Ca Mau 1 Power Plant and Ca Mau 2 Power Plant are about VND 1.354 billion.
- For Vung Ang 1 Power Plant: Due to the absence of a final settlement document for Vung Ang 1 Power

Plant to adjust electricity price, EPTC has retained 20% of the fixed price since March 2019, equivalent to around VND 414 billion.

As of 31 December 2019, the Corporation evaluated and decided to make a provision for bad debts to EPTC liabilities with the amount of VND 403 billion. The Corporation collaborated with EPTC, Vietnam Electricity, and has been waiting for the final decision of the competent authorities on the forementioned electricity charges.

7. SHORT-TERM ADVANCES TO SUPPLIERS

	31/12/2019	01/01/2019
	VND	VND
a. Short-term advances to suppliers	112.352.740.696	111.018.809.230
Construction and Infrastructure Development Corporation	9.825.643.169	9.546.256.592
Mekong Development JSC	7.082.694.099	-
Mien Trung Petroleum Construction Co., Ltd	7.045.317.471	7.045.317.471
Quang Ngai Licogi JSC.	6.570.785.550	6.570.785.550
45 Co., Ltd	4.593.493.781	6.076.283.396
Dai Hiep Co., Ltd	3.419.663.484	5.068.743.968
Others	73.815.143.142	76.711.422.253
b. Advance payment to stakeholders	8.118.349.214	4.338.748.235
(See Note No. 38 for more details)		
	120.471.089.910	115.357.557.465

8. OTHER RECEIVABLES

	31/12/2019	01/01/2019
	VND	VND
a. Current		
Receivables from Vietnam Oil and Gas Group (i)	218.489.976.676	218.489.976.676
Receivables from PetroVietnam Vung Ang-Quang Trach Power Project Management Board (ii)	20.217.829.253	44.717.292.306
Deposit interest	15.831.338.020	11.880.626.311
Other receivables	58.376.297.490	67.987.385.821
	312.915.441.439	343.075.281.114
In which:		
Other short-term receivables as stakeholder	241.404.961.831	264.052.370.087
(See Note No. 38 for more details)		
b. Non-current		
Compensation for site clearance	-	38.569.044.582
Long-term collateral & deposit	1.753.853.825	1.753.853.825
	1.753.853.825	40.322.898.407

(i) As of 31 December 2019, Vietnam Oil and Gas Group's receivable balance which is VND 218.489.976.676 reflected receivables for 500 kV distribution switchgear to Vung Ang 1 Thermal power plant and property premium of 500 kV distribution switchgear has been handed over to PV Power under the Resolution No. 8642/NQ-DKVN dated 31 December 2016 of Vietnam Oil and Gas Group. The Resolution declared the approval of retaking the value of the asset of 500 kV distribution switchgear of Vung Ang Power Center, which has been delivered to PV Power under the Resolution No. 753/NQ-DKVN of PVN's Member Council.

(ii) Receivables from PetroVietnam Vung Ang-Quang Trach Power Project Management Board with balance as of 31 December 2019 is VND 20.217.829.253 represented the operating costs receivable of Vung Ang 1 Preparation Board and the training costs of Vung Ang Thermal power plant employees.

9. BAD DEBTS

	31/12/2019			01/01/2019		
	Historical cost	Provision	VND Recoverable value	Historical cost	Provision	VND Recoverable value
Value of accounts receivable, overdue loans or doubtful debt						
Electric Power Trading Company (EPTC) - EVN	1.778.564.346.353	403.358.636.269	1.375.205.710.084	10.615.012.421	5.307.506.211	5.307.506.210
Tan Hong Import Export JSC	96.856.865.496	96.856.865.496	-	96.856.865.496	96.856.865.496	-
Vina Megastar Corporation	33.627.654.160	33.627.654.160	-	33.627.654.160	33.627.654.160	-
Thanh Duc Co., Ltd	20.094.119.114	20.094.119.114	-	20.394.119.114	20.394.119.114	-
Petroleum Construction JSC	15.381.516.087	15.381.516.087	-	15.381.516.087	15.381.516.087	-
PV Power Project Consultant JSC	8.179.082.781	8.179.082.781	-	8.179.082.781	7.866.427.035	312.655.746
D&T Import Export - Trading JSC	7.185.149.669	7.185.149.669	-	15.485.149.669	13.285.149.669	2.200.000.000
Mien Trung Petroleum Construction Joint Stock Company	7.045.317.471	7.045.317.471	-	7.045.317.471	6.646.026.471	399.291.000
Others	66.867.484.975	65.756.149.890	1.111.335.085	48.178.581.261	48.160.081.261	18.500.000
	2.033.801.536.106	657.484.490.937	1.376.317.045.169	255.763.298.460	247.525.345.504	8.237.952.956

Vietnam Accounting Standards and prevailing relevant regulations do not cover specific instructions on determining the recoverable value of receivables. As a result, as of 31 December 2019, the Executive Management Board conducted the conservative estimate and determined the recoverable value of receivables by book value deducting the made provision for doubtful long-term debts.

10. INVENTORIES

	31/12/2019		01/01/2019	
	Cost	VND Provision	Cost	VND Provision
Raw materials	1.322.933.331.123	(1.483.969.378)	2.072.523.380.756	-
Tools, instruments	2.121.689.818	-	5.958.008.929	-
Working costs in progress	43.863.104.496	-	2.049.453.132.965	-
Goods	65.405.430.492	(5.248.266.115)	58.861.242.259	(182.400.000)
	1.434.323.555.929	(6.732.235.493)	4.186.795.764.909	(182.400.000)

As at 31 December 2019, PetroVietnam Power Services Joint Stock Company (PVPS – A Subsidiary of the Corporation) have made adjustments to reduce inventories corresponding to liabilities of Siemens Aktiengesellschaft (see Note No. 17).

11. PREPAID EXPENSES

	31/12/2019	01/01/2019
	VND	VND
a. Current		
Operation insurance for Ca Mau 1 & 2 Thermal power plants	9.452.020.932	1.836.722.986
Operation insurance for Nhon Trach 1 & 2 Thermal power plants	9.038.057.187	1.281.480.001
Property insurance and operation of Vung Ang 1 Power Plant	7.825.428.041	32.059.011.649
Other short-term prepayments	2.958.115.596	4.032.419.013
	29.273.621.756	39.209.633.649
b. Non-current		
Deposit fee, variation fee and fixed fee of equipment maintenance service contract (i)	114.477.558.023	144.651.073.201
Credit insurance premium (ii)	91.200.943.015	155.588.455.977
Land rental fee	65.212.773.116	49.538.176.473
Unallocated major inspection expense of Nhon Trach 2 Power Plant	36.738.443.719	87.396.512.987
Goodwill	28.542.933.921	28.542.933.921
Office rental	27.479.101.674	30.731.117.208
Repair and maintenance expenses of O&M contract (iii)	13.173.284.964	65.866.424.988
Other long-term prepayments	90.123.693.309	109.402.458.472
	466.948.731.741	671.717.153.227

(i) Deposit fee, variation fee, and a fixed fee of equipment maintenance service contract: under the long-term equipment maintenance contract made and entered by and between Nhon Trach 2 Joint Stock Company and concerned Contractors for major plants and equipment maintenance of Nhon Trach 2 Combined Cycles Power Plant (CCPP) with a term of 11,7 years or 200.000 EOH. Deposit fee, variation fee, and the fixed fee were settled before Nhon Trach 2 CCPP was commercially operated and allocated into consolidated income Statements in the period by actual EOH.

(ii) Credit insurance premium: under the export credit contract made and entered by and between Nhon Trach 2 Joint Stock Company and financing banks that Citibank was the agent. Credit facility premium issued by HERMES and NEXI covered the lenders in contractual loan tenor, i.e., 2,5 and 9,5 years of grace and loan repayment, respectively. Such loan premium was allocated under the straight-line method, corresponding to the long-term loan tenor.

(iii) As of 31 December 2019, O&M Contract's repair and maintenance expenses represented the deposit fee payment to the foreign contractor, and the remaining value of the "2008 minor inspection" Service Contract was not allocated into O&M Contract's repair and maintenance expenses of Ca Mau 1 & 2 Power Plants, worth VND 11.882.168.411 and VND 1.291.116.553 respectively. Deposit fee and this "2008 minor inspection" Service Contract was included in contract value-based costs, corresponding to conversion time of 100.000 EOH.

13. INCREASE/DECREASE IN INTANGIBLE FIXED ASSET

	Land use rights	Computer software	Total
	VND	VND	VND
COST			
As of 1 January 2019	54.263.349.359	44.479.162.685	98.742.512.044
Increase in the period	1.829.963.798	6.976.030.842	8.805.994.640
Construction in progress	-	5.575.087.920	5.575.087.920
As of 31 December 2019	56.093.313.157	57.030.281.447	113.123.594.604
ACCUMULATED DEPRECIATION			
As of 1 January 2019	870.657.764	33.909.986.861	34.780.644.625
Depreciation during the year	590.097.898	7.258.202.743	7.848.300.641
As of 31 December 2019	1.460.755.662	41.168.189.604	42.628.945.266
REMAINING VALUE			
As of 1 January 2019	53.392.691.595	10.569.175.824	63.961.867.419
As of 31 December 2019	54.632.557.495	15.862.091.843	70.494.649.338

As of 31 December 2019, the cost of fully depreciated intangible fixed assets which are still in use was VND 20.294.946.167 (as of 31 December 2018: VND 13.862.654.587).

14. INCREASE/DECREASE IN INVESTMENT PROPERTIES

	Land use rights	Workshop and architectural structures	Total
	VND	VND	VND
COST			
As of 1 January 2019	7.779.542.940	9.766.080.000	17.545.622.940
As of 31 December 2019	7.779.542.940	9.766.080.000	17.545.622.940
ACCUMULATED DEPRECIATION			
As of 1 January 2019	7.779.542.940	9.732.551.487	17.512.094.427
Deduction for depreciation during the year	-	33.528.513	33.528.513
As of 31 December 2019	7.779.542.940	9.766.080.000	17.545.622.940
REMAINING VALUE			
As of 1 January 2018	-	33.528.513	33.528.513
As of 31 December 2019	-	-	-

15. CONSTRUCTION IN PROGRESS

	01/01/2019 - 31/12/2019	01/07/2018 - 31/12/2018
	VND	VND
Opening balance	377.538.888.628	373.391.066.778
Changes in the period	335.839.014.515	299.635.481.103
Carry forward to tangible fixed assets	(283.973.174.578)	(105.113.411.391)
Recorded into costs	(203.132.369.530)	(190.374.247.862)
Other reduction	(9.106.030.839)	-
Closing balance	217.166.328.196	377.538.888.628

12. INCREASE/DECREASE IN TANGIBLE FIXED ASSETS

	Buildings and architectural structures	Plants and equipment	Motor vehicles	Office equipment	Others	Total
	VND	VND	VND	VND	VND	VND
COST						
As of 1 January 2019	17.993.918.181.199	48.710.360.123.696	322.308.071.656	142.038.525.823	2.125.174.725.439	69.293.799.627.813
Increase in the period	1.870.519.271	9.108.949.089	22.575.448.727	26.430.303.964	251.576.534	60.236.797.585
Construction in progress	258.019.591.281	14.591.050.476	-	5.787.444.901	-	278.398.086.658
Liquidation, disposal	(93.456.255)	(1.802.917.371)	(9.514.593.508)	(2.360.402.167)	-	(13.771.369.301)
Decrease due to disposal of subsidiaries	(74.388.661.997)	(17.286.569.429)	(19.498.694.403)	-	-	(111.173.925.829)
Reclassification	-	-	-	(91.630.000)	91.630.000	-
Other (decrease)	(4.595.838.387)	-	-	(52.476.029)	-	(4.648.314.416)
As of 31 December 2019	18.174.730.335.112	48.714.970.636.461	315.870.232.472	171.751.766.492	2.125.517.931.973	69.502.840.902.510
ACCUMULATED DEPRECIATION						
As of 1 January 2019	4.628.769.412.091	23.929.945.032.417	252.001.501.554	103.982.970.431	265.823.002.257	29.180.521.918.750
Depreciation during the year	788.203.764.654	2.215.530.181.014	15.441.603.340	16.113.228.022	88.685.253.411	3.123.974.030.441
Decrease due to disposal of subsidiaries	(18.143.176.316)	(9.574.514.561)	(10.064.175.055)	-	-	(37.781.865.932)
Liquidation, disposal	(93.456.255)	(1.746.380.072)	(9.514.593.508)	(2.360.402.167)	-	(13.714.832.002)
Reclassification	-	-	-	(91.630.000)	91.630.000	-
Other decrease	271.056.960	448.341.000	-	47.465.763	-	766.863.723
As of 31 December 2019	5.399.007.601.134	26.134.602.659.798	247.864.336.331	117.691.632.049	354.599.885.668	32.253.766.114.980
REMAINING VALUE						
As of 31 December 2018	13.365.148.769.108	24.780.415.091.279	70.306.570.102	38.055.555.392	1.859.351.723.182	40.113.277.709.063
As of 31 December 2019	12.775.722.733.978	22.580.367.976.663	68.005.896.141	54.060.134.443	1.770.918.046.305	37.249.074.787.530

As of 31 December 2019, the cost of fully depreciated intangible fixed assets which are still in use was VND 10.628.391.547.460 (as of 31 December 2018: VND 10.598.650.237.064).

All values of assets formed from construction projects of Hua Na Hydropower Plant, and some tangible fixed assets at PetroVietnam Machinery JSC(a PV Power subsidiary) were used to secure bank loans.

Details of Construction in progress as of 31 December 2019 are described as follows:

	31/12/2019	01/01/2019
	VND	VND
Luang Prabang Hydropower Project (*)		
Subzone 2 Project	131.564.171.361	131.564.171.361
Hua Na Hydropower Plant	25.703.457.197	25.609.491.717
Others	15.623.650.289	188.986.007.554
	44.275.049.349	31.379.217.996
	217.166.328.196	377.538.888.628

(*) As of 22 October 2018, Lao Ministry of Planning and Investment issued Business License No. 047-18, establishing Luang Prabang Power Company Limited with an initial charter capital of USD 1.000.000, of which PetroVietnam Power Corporation - Joint Stock Company holds 38%. Luang Prabang Hydro Power Plant Project is being accompanied by the Corporation and its Lao partner to carry out the necessary procedures to transfer expenses investment fees into capital contribution and continued work in the stage of project investment preparation.

16. LONG-TERM EQUIPMENT AND SPARE PARTS

As of 31 December 2019, the balance of long-term equipment and spare parts for replacement reflected the value of standby repair materials as technically required in Nhon Trach 1 CCPP, Ca Mau 1 & 2 Power Plants, Vung Ang 1 Thermal power plant and Hua Na Hydropower Plant.

17. SHORT-TERM TRADE PAYABLES

	31/12/2019		01/01/2019	
	Value	Repayable amount	Value	Repayable amount
	VND	VND	VND	VND
a. Short-term trade account payables	1.039.460.744.118	1.039.460.744.118	3.894.482.328.747	3.894.482.328.747
Vietnam National Coal - Mineral Industries Holding Corporation Limite	190.954.869.801	190.954.869.801	322.515.111.660	322.515.111.660
Construction and Infrastructure Development Corporation	98.070.776.390	98.070.776.390	105.028.573.670	105.028.573.670
Song Da Corporation	46.480.885.494	46.480.885.494	46.480.885.494	46.480.885.494
Lilama Corporation	20.026.382.739	20.026.382.739	20.226.382.739	20.226.382.739
Siemens Aktiengesellschaft (i)	4.965.879.145	4.965.879.145	2.483.148.580.687	2.483.148.580.687
Other suppliers	678.961.950.549	678.961.950.549	917.082.794.497	917.082.794.497
b. Trade payables to stakeholders (See Note No. 38 for more details)	3.162.300.726.715	3.162.300.726.715	2.005.985.347.262	2.005.985.347.262
	4.201.761.470.833	4.201.761.470.833	5.900.467.676.009	5.900.467.676.009

(i) PetroVietnam Power Services Joint Stock Company (PVPS – A subsidiary of the Corporation) collated with Siemens contractor Aktiengesellschaft ("Siemens"), and Siemens confirmed the completion of the transfer of the contract owner and no longer has the rights and obligations as well as the debt balance related to PVPS as of 31 December 2019. Siemens also confirmed all supplies and equipment imported by PVPS. The contract is continued to be used by Siemens to perform repair obligations under the long-term maintenance contract. Accordingly, PVPS made adjustments to reduce the payables to Siemens Aktiengesellschaft and corresponding inventory as of 31 December 2019 with the balance of VND 2.481 billion.

18. TAXES AND AMOUNTS RECEIVABLE/PAYABLE TO STATE BUDGET

	01/01/2019	Payable/offset in the period	Payment in the period	Decrease due to disposal of subsidiaries	31/12/2019
	VND	VND	VND	VND	VND
a. Accounts receivable					
Value Added Tax	-	-	1.305.353.684	-	1.305.353.684
Corporate revenue tax	290.872.501	-	-	147.025.010	143.847.491
Personal revenue tax	424.216	-	3.511.156	-	3.935.372
Others	136.000.000	4.842.179.673	5.308.101.142	-	601.921.469
	427.296.717	4.842.179.673	6.616.965.982	147.025.010	2.055.058.016
b. Accounts payable					
Payable VAT	159.686.311.661	894.678.295.857	867.771.697.419	409.274.085	186.183.636.014
Corporate revenue tax (CIT)	87.091.976.866	314.086.018.090	325.563.541.380	-	75.614.453.576
Resources tax	6.319.926.121	186.117.383.081	184.251.736.523	189.317.377	7.996.255.302
Personal revenue tax	9.765.423.722	41.563.292.109	44.033.380.567	9.811.998	7.285.523.266
Import, export taxes	-	2.625.593.348	2.625.593.348	-	-
Others	35.677.465.017	86.348.396.661	101.995.212.150	-	20.030.649.528
	298.541.103.387	1.525.418.979.146	1.526.241.161.387	608.403.460	297.110.517.686

19. SHORT-TERM PAYMENTS

	31/12/2019	01/01/2019
	VND	VND
Gas costs (i)	1.271.905.524.357	1.625.768.336.249
Interest expenses (ii)	180.622.674.559	229.489.453.552
Maintenance and repair costs (iii)	101.132.817.561	98.206.209.042
Taxes and duties for loans	14.173.914.211	14.084.234.622
Plant's operating electricity and water bill	5.670.873.967	18.758.882.173
Others	35.486.585.749	31.765.816.653
	1.608.992.390.404	2.018.072.932.291

(i) Gas bill costs were accrued and non-invoiced under the gas purchase agreements for Nhon Trach 1&2 CCPPs.

(ii) Interest expenses payable as of 31 December 2019 reflected the interest of financing credit agreements for PV Power plant projects.

(iii) Maintenance and repair maintenance costs were accrued by PV Power under maintenance and repair service contracts for Nhon Trach 2 Power Plant, Hua Na Hydropower Plant and Dackdrinh Hydropower Plant.

20. OTHER PAYABLES

	31/12/2019	01/01/2019
	VND	VND
a. Current		
Vietnam Oil and Gas Group (i)	1.214.416.466.738	2.130.275.290.623
Dividend payable to shareholders	20.179.398.740	123.131.263.143
Resources tax, value added tax, forest environmental protection taxes and duties	15.341.783.194	12.014.567.300
Equitization payable	7.354.964.525	17.001.027.885
Vung Ang-Quang Trach Power Project Management Board	-	22.798.636.733
Others	70.575.264.097	98.073.005.021
	1.327.867.877.294	2.403.293.790.705
In which: Others is trade accounts payable to stakeholders (Described in Note No. 38)	1.215.094.466.834	2.153.073.927.356
b. Non-current		
Long-term collateral & deposit	971.515.195	759.840.195
	971.515.195	759.840.195

(i) As of 31 December 2019, the outstanding balance of the Vietnam Oil and Gas Group represents the profit of the first 6 months of 2018 payable to Vietnam Oil and Gas Group.

PV Power's long-term loans disbursed in USD and VND were mainly served for investment of projects on construction and improvement of PV Power plants.

Loans were classified by disbursement currency as follows:

	31/12/2019	01/01/2019
	VND	VND
USD loans	8.537.310.180.393	13.153.605.544.516
EUR loans	4.291.700.564.722	4.674.916.186.180
VND loans	768.957.756.195	1.323.741.346.009
	13.597.968.501.310	19.152.263.076.705

Long-term loans were classified by guarantee forms as follows:

	31/12/2019	01/01/2019
	VND	VND
Third party guarantees	9.306.267.936.588	14.477.346.890.525
Fidelity guarantees	2.077.809.512.605	2.589.252.998.778
Asset-Backed Security	2.213.891.052.117	2.085.663.187.402
	13.597.968.501.310	19.152.263.076.705

PV Power loans were contracted with floating and fixed interest. Loans classified by lending rate as follows:

	31/12/2019	01/01/2019
	VND	VND
Floating-rate loans	12.222.130.213.322	16.013.912.915.284
Fixed-rate loans	1.375.838.287.988	3.138.350.161.421
	13.597.968.501.310	19.152.263.076.705

Long-term loan repayment was made in accordance with following schedule:

	31/12/2019	01/01/2019
	VND	VND
Within 01 year	5.203.884.042.387	5.848.416.989.135
Within 2nd year	3.364.915.349.397	5.328.055.720.904
From 3rd year to 5th year	3.756.323.516.405	6.098.021.300.554
After 5th year	1.272.845.593.121	1.877.769.066.111
	13.597.968.501.310	19.152.263.076.705
Less: payable within 12 months (presented in short-term borrowings and loans from finance lease)	5.203.884.042.387	5.848.416.989.135
Payable after 12 months	8.394.084.458.923	13.303.846.087.570

22. PROVISIONS

	31/12/2019 - 31/12/2019	01/07/2018 - 31/12/2018
	VND	VND
Opening balance	394.775.305.915	687.508.734.536
Additional provision in the period (Reversed) provision	1.107.956.002.596	440.537.753.260
Used provisions	-	(25.953.157.856)
	(758.336.777.640)	(707.318.024.025)
Closing balance	744.394.530.871	394.775.305.915

Details:

	31/12/2019	01/01/2019
	VND	VND
Provisions for short-term payables	148.406.550.954	143.181.837.310
Provisions for long-term payables	595.987.979.917	251.593.468.605
	744.394.530.871	394.775.305.915

As of 31 December 2019, payable provisions reflected the repair and maintenance expenses prepaid to Ca Mau 1 & 2, Nhon Trach 1 Thermal power plant and Vung Ang 1 Thermal power plant:

- Repair and maintenance expenses of Ca Mau 1 & 2 thermal power plants were determined under the contract of "Maintenance and Repair of Ca Mau 1 & 2 thermal power plants in the first 100.000 EOH phase" made and entered between PetroVietnam Power Corporation and PetroVietnam Power Services Joint Stock Company.
- Repair and maintenance costs accrued by Nhon Trach 1 Power Plant were identified as inspection period C expenses under the Contract No. 38/PVP-PVPS/2010/LTMA-NT1 made and entered on August 2010 on repair and maintenance of Nhon Trach 1 Power Plant in the first 108.000 EOH phase between PetroVietnam Power Corporation and PetroVietnam Power Services Joint Stock Company.
- Repair and maintenance expenses of Vung Ang 1 Thermal power plants were determined under the Decision No. 1329/QD-DLKD as of 31 December 2019 made of the Board of Directors regarding the approval of the scope of work and total cost estimates of the repair and maintenance of Vung Ang 1 Power Plant in 2020 and 2021.

23. SCIENCE AND TECHNOLOGY DEVELOPMENT FUND

As of 31 December 2019, the balance of Science and Technology Development Fund of PV Power companies is specified as follows:

	31/12/2019	01/01/2019
	VND	VND
Holding Company - PetroVietnam Power Corporation	128.733.156.808	128.733.156.808
PetroVietnam Power Services Joint Stock Company	1.922.822.159	1.992.669.655
Petrovietnam Nhon Trach 2 Joint Stock Company	992.424.896	38.440.765.897
	131.648.403.863	169.166.592.360

Charter Capital

According to the 14th amended Enterprise Registration Certificate issued on 6 December 2018 by Hanoi Department of Planning and Investment, PV Power's charter capital was VND 23.418.716.000.000. As of 31 December 2019, the charter capital was contributed by shareholders as follows:

Shareholders	Under Enterprise Registration		Contributed capital as of 31 December 2019		Contributed capital as of 1 January 2019	
	VND	%	VND	%	VND	%
Vietnam Oil and Gas Group	18.721.414.770.000	79,94%	18.721.414.770.000	79,94%	18.721.414.770.000	79,94%
Other shareholders	4.697.301.230.000	20,06%	4.697.301.230.000	20,06%	4.697.301.230.000	20,06%
	23.418.716.000.000	100%	23.418.716.000.000	100%	23.418.716.000.000	100%

Shares

	31/12/2019	01/01/2019
Number of publicly offered shares + Ordinary shares	2.341.871.600	2.341.871.600
Number of outstanding shares + Ordinary shares	2.341.871.600	2.341.871.600

Ordinary shares with the face value of VND 10.000/share.

25. OFF-BALANCE SHEET ITEMS

	31/12/2019	01/01/2019
Foreign currencies		
US dollar (USD)	9.541,76	9.942,80
Euro (EUR)	1.816,43	1.886,15

26. BUSINESS SEGMENT REPORT

By business lines

PV Power's principal activities are power generation and trading and construction of independent hydropower projects. The financial information presented in the Consolidated Balance Sheet as of 31 December 2019 and all related revenues, costs described in the Consolidated income Statements for the financial year ended on 31 December 2019 are related to the aforesaid production and business activities. Accordingly, no business segment report is prepared by PV Power. Revenue and costs by each business line are detailed at Notes No. 27 and No. 28.

By geographic area

PV Power's plants and purchasers operate within the territory of Vietnam. As a result, the Business Segment Report by Geographic Area is not prepared.

24. OWNER'S EQUITY

Changes in Owner's Equity

	Contributed charter capital	Share premium	Exchange rate difference	Other equities	Asset revaluation reserve	Investment and development fund	Undistributed Earnings	Uncontrolled Shareholder benefit	Total
	VND	VND	VND	VND	VND	VND	VND	VND	VND
As of 1 July 2018	23.418.716.000.000	(311.254.328)	(85.859.153.505)	227.887.397.807	(191.305.728.000)	100.859.785.533	542.515.585.296	2.270.246.683.341	26.282.749.316.144
Profit during the period	-	-	-	-	-	-	431.441.727.122	143.752.525.337	575.194.252.459
Profit distribution	-	-	-	-	-	91.353.654.181	(105.195.662.665)	-	(13.842.008.484)
Dividend distribution	-	-	-	-	-	-	-	(105.254.954.100)	(105.254.954.100)
Carried forward exchange rate difference to financial settlements (i)	-	-	85.859.153.505	-	-	-	-	-	85.859.153.505
Other increase/(decrease)	-	-	-	-	-	1.668.139	(9.487.453.624)	164.981.726	(9.320.803.759)
As of 31 December 2018	23.418.716.000.000	(311.254.328)	-	227.887.397.807	(191.305.728.000)	192.215.107.853	859.274.196.129	2.308.909.236.304	26.815.384.955.765
Profit during the period	-	-	-	-	-	-	2.509.695.587.374	345.193.216.349	2.854.888.803.723
Finalising the bonus and welfare fund in 2018	-	-	-	-	-	-	(23.438.512.023)	(13.008.563.265)	(36.447.075.288)
Temporary appropriation from bonus and welfare fund 2019	-	-	-	-	-	-	(103.368.337.102)	-	(103.368.337.102)
Appropriation from investment and development fund	-	-	-	-	-	588.792.553.702	(588.792.553.702)	-	-
Dividend distribution	-	-	-	-	-	(49.852.251)	13.404.773	(13.557.633.542)	(4.492.303.005)
Changes from divestment in subsidiaries	-	36.447.479	-	-	-	-	1.136.102.021	(1.136.102.021)	-
Increase due to additional investment in subsidiaries	-	-	-	-	-	443.176	(3.825.333.892)	730.791.546	(3.094.099.346)
Other increase/(decrease)	-	(176)	-	-	-	-	-	-	-
As of 31 December 2019	23.418.716.000.000	(274.807.025)	-	227.887.397.807	(191.305.728.000)	780.958.252.480	2.650.694.553.578	2.622.638.642.365	29.509.314.311.205

27. INCOME FROM SALES AND SERVICES

	01/01/2019 - 31/12/2019	01/07/2018 - 31/12/2018
	VND	VND
Energy sales income	33.702.774.866.897	14.224.788.659.732
Goods sales income	1.590.204.952.264	586.839.527.118
Income from services	65.630.220.299	22.697.635.866
Income from construction contract	15.658.051.069	873.505.145
	35.374.268.090.529	14.835.199.327.861
Income with related party (Described in Note No. 38)	231.715.297.107	107.977.891.469

28. COSTS OF GOODS SOLD

	01/01/2019 - 31/12/2019	01/07/2018 - 31/12/2018
	VND	VND
Energy sales cost	28.586.608.252.133	12.472.746.055.465
Cost of goods sold	1.596.360.423.859	581.632.267.666
Cost of services	38.295.914.425	19.808.885.872
Cost of construction contracts	15.369.613.079	937.588.357
	30.236.634.203.496	13.075.124.797.360

29. OPERATING COST BY ELEMENTS

	01/01/2019 - 31/12/2019	01/07/2018 - 31/12/2018
	VND	VND
Raw materials and consumables	22.888.263.440.557	9.353.786.552.172
Labor costs	781.389.245.649	320.417.378.795
Depreciation expenses of fixed assets	3.131.855.859.595	1.906.127.430.872
Outsourcing service charge	1.549.101.927.895	1.051.392.818.696
Other costs in cash	1.379.143.155.784	197.678.240.270
	29.729.753.629.480	12.829.402.420.805

30. FINANCIAL Income

	01/01/2019 - 31/12/2019	01/07/2018 - 31/12/2018
	VND	VND
Deposit interest	222.506.141.729	126.057.575.498
Gains on exchange rate differences in payment	92.948.106.335	93.825.118.244
Dividends and profits received	80.930.213.732	6.990.000.000
Gains on exchange rate differences from revaluation of accounts denominated in foreign currencies	39.133.552.835	16.538.117.513
Others financial income	17.929.158.452	-
	453.447.173.083	243.410.811.255

31. FINANCIAL EXPENSE

	01/01/2019 - 31/12/2019	01/07/2018 - 31/12/2018
	VND	VND
Interest expense	1.154.051.870.401	661.190.866.665
Loan insurance premium	110.840.319.998	44.143.260.446
Loss on exchange rate differences in payment	21.972.195.425	46.990.293.706
Loan guarantee fee	13.025.915.265	26.902.292.501
Losses on exchange rate difference from revaluation of accounts denominated in foreign currencies	8.771.718.266	139.235.745.484
Provision for devaluation of long-term financial investment	3.117.869.446	21.024.399.291
Exchange rate difference carried forward to Joint Stock Company	-	85.859.153.505
Other financial expense	11.826.355.834	6.476.765.870
	1.323.606.244.635	1.031.822.777.468

32. SELLING EXPENSE AND ADMINISTRATIVE EXPENSE

	01/01/2019 - 31/12/2019	01/07/2018 - 31/12/2018
	VND	VND
General and administrative expenses accrued during the period		
Labor cost	352.185.827.389	134.996.138.191
Depreciation expense	38.272.453.984	17.113.279.829
Office supply expense	28.380.242.831	14.190.068.603
Outsourcing service charges	106.020.832.710	87.291.948.453
Contingencies	409.559.854.433	13.120.400.110
Others	242.011.542.157	91.810.758.210
	1.176.430.753.504	358.522.593.396
Selling expense accrued during the period		
Labor	13.020.322.722	3.736.967.927
Depreciation expense	631.004.031	132.938.274
Materials selling expenses	160.839.396	24.214.702
Outsourcing service charge	13.206.459.384	6.945.446.094
	27.018.625.533	10.839.566.997

33. OTHER INCOMES

	01/01/2019 - 31/12/2019	01/07/2018 - 31/12/2018
	VND	VND
Reverse of Science and Technology Development Fund	37.000.000.000	-
Assisting vehicle turnover income	17.196.055.954	-
Assets disposal income	2.536.986.542	-
Fines for Contract Breach	1.490.227.673	1.718.068.517
Other incomes	10.032.414.395	16.020.970.005
	68.255.684.564	17.739.038.522

34. OTHER EXPENSE

	01/01/2019 - 31/12/2019	01/07/2018 - 31/12/2018
	VND	VND
Site clearance compensation	7.196.763.000	-
Fine and compensation	1.588.170.234	1.265.041.067
Approval of discontinuing project fee	1.406.363.636	-
Disposal of fixed assets	166.074.751	18.488.000
Other expenses	8.921.986.281	4.254.355.595
	19.279.357.902	5.537.884.662

35. CURRENT CORPORATE INCOME TAX EXPENSES

	01/01/2019 - 31/12/2019	01/07/2018 - 31/12/2018
	VND	VND
Corporate income tax (CIT) from power trading	309.073.243.541	75.127.780.886
CIT from other activities	5.012.774.549	4.533.204.164
	314.086.018.090	79.660.985.050

36. BASIC EARNINGS PER SHARE

Basic earnings per share in the financial year ended on 31 December 2019 is calculated as follows:

	01/01/2019 - 31/12/2019	01/07/2018 - 31/12/2018
Profit in the period distributed to ordinary shareholders (VND)	2.509.695.587.374	431.441.727.122
Less: Appropriation from Bonus and Welfare Fund (*)	(103.368.337.102)	(23.438.512.023)
Profit for basic earnings per share (VND)	2.406.327.250.272	408.003.215.099
Weighted average number of ordinary shares for basic earnings per share (share)	2.341.871.600	2.341.871.600
Basic earnings per share (VND/share)	1.028	174

(*) The figure of appropriation from the bonus and welfare fund was based on the Resolutions and Decisions of the Corporation and its subsidiaries regarding the 2019 temporary profit-distributing plan.

(*) The figure of appropriation from bonus and welfare fund for the period from 1 July 2018 to 31 December 2018 was adjusted based on the Resolutions and Decisions of the Corporation and its subsidiaries regarding this period profit-distributing plan. Accordingly, the basic earnings per share for the period from 1 July 2018 to 31 December 2018 were presented as VND 174 per share (the figure presented in the previous annual report was VND 184 per share).

37. GUARANTEES

In Decision No. 234/QĐ-TTg dated 27 February 2019, the Prime Minister approved the investment policy of Nhon Trach 3 & 4 thermal power plant by the Corporation. The estimated capacity of each plant is between 650 MW and 880 MW with combined cycle gas turbine technology, multi-axis, or single-axis configuration. The total preliminary investment value of the Nhon Trach 3 & 4 thermal power plant project is VND 16.228 billion and VND 16.266 billion, respectively. The expected capital structures are 30% owner's equity and 70% debts. The estimated commencing time of Nhon Trach 3 thermal power plant is 2022, and Nhon Trach 4 thermal power plant is 2023. The electricity selling price is built on the principle of transferring the cost of gas from the Gas purchase agreement to Power purchase agreement in Document No. 03 / TB-VPCP dated 4 January 2019, of the Government Office.

On 24 June 2019, the Corporation and PetroVietnam Gas signed "the framework of LNG supply and consumption for Nhon Trach 3 and 4 thermal power plant projects contract". Accordingly, the expected gas supply for each power plant is 850 million m³ / year, equivalent to 0,58 million tons LNG. The actual volume of gas would be accurately determined in the next period and specified in the Gas Purchase Agreement.

38. TRANSACTIONS AND BALANCE WITH RELATED PARTIES

List of related parties with key transactions and balances in the period:

Related Parties	Relationship
Vietnam Oil and Gas Group	Holding Company
Entities of Vietnam Oil and Gas Group	Co-ownership

In the period, PV Power mainly transacted with related parties as follows:

	01/01/2019 - 31/12/2019	01/07/2018 - 31/12/2018
	VND	VND
Turnover	231.715.297.107	107.977.891.469
PetroVietnam Ca Mau Fertilizer Joint Stock Company (PVCFC)	231.715.297.107	107.580.232.718
PetroVietnam Gas Joint Stock Corporation (PV GAS)	-	328.522.389
PetroVietnam Security Service Corporation	-	69.136.362
Purchase of goods and services	12.535.099.616.124	8.223.368.196.607
Vietnam Oil and Gas Corporation	6.800.085.720.621	3.487.510.646.634
PetroVietnam Gas Joint Stock Corporation	5.537.729.629.023	4.690.411.088.690
Vung Ang Petroleum Joint Stock Company	127.174.474.466	23.349.417.626
Maintenance - Repair Oil and Gas Projects Corporation	23.795.113.835	964.183.900
Vietnam Petroleum Institute	17.367.165.883	10.481.560.451
Drilling Mud Corporation	15.106.268.079	4.181.541.350
PetroVietnam Security Service Corporation	13.841.244.217	4.923.552.211
Vung Ang-Quang Trach Power Project Management Board	-	1.546.205.745
Interest expenses	154.881.090.420	83.021.642.146
Vietnam Public Joint Stock Commercial Bank	154.881.090.420	83.021.642.146
Deposit interest	26.795.974.785	2.008.428.771
Vietnam Public Joint Stock Commercial Bank	26.795.974.785	2.008.428.771
Executive Management Board Salary	19.200.065.882	8.029.704.037

Key balances with related parties as of ending date of accounting period::

	31/12/2019	01/01/2019		31/12/2019	01/01/2019
	VND	VND		VND	VND
Cash and cash equivalents	1.091.845.659.716	9.962.167.458	Advance from customers	1.962.903.000	1.709.635.299
Vietnam Public Joint Stock Commercial Bank	1.091.845.659.716	9.962.167.458	PetroVietnam Manpower Training College	1.962.903.000	1.709.635.299
Short-term trade accounts receivable	81.664.975.496	42.935.794.584	Accrued expenses	1.271.905.524.357	1.625.768.336.249
PetroVietnam Camau Fertilizer Joint Stock Company	80.176.252.657	41.414.975.677	PetroVietnam Gas Joint Stock Corporation	1.271.905.524.357	1.625.768.336.249
Vietnam Oil and Gas Group	1.111.335.085	1.111.335.085	Other payables	1.215.094.466.834	2.153.073.927.356
PetroVietnam Construction Joint Stock Corporation	332.592.435	332.592.435	Vietnam Oil and Gas Group	1.214.416.466.738	2.130.275.290.623
PetroVietnam Gas Joint Stock Corporation	32.120.319	64.216.387	PV Oil Lube Joint Stock Company	678.000.096	-
PetroVietnam Security Service Corporation	12.675.000	12.675.000	Vung Ang-Quang Trach Power Project Management Board	-	22.798.636.733
Short-term advances to suppliers	8.118.349.214	4.338.748.235	Loans	1.615.597.777.691	1.792.457.886.425
Vietnam Petroleum Institute	5.885.000.000	-	Vietnam Public Joint Stock Commercial Bank	1.615.597.777.691	1.792.457.886.425
Drilling Mud Joint Stock Corporation	2.233.349.214	1.621.810.598			
PetroVietnam Maintenance and Repair Corporation	-	2.686.937.637			
PetroVietnam Oil Corporation (PVOIL)	-	30.000.000			
Others	241.404.961.831	264.052.370.087			
Vietnam Oil and Gas Group	218.489.976.676	218.489.976.676			
Vung Ang-Quang Trach Power Project Management Board	20.217.829.253	44.717.292.306			
Vietnam Public Joint Stock Commercial Bank	1.852.054.797	-			
Petroleum Industrial and Civil Construction Joint Stock Company	845.101.105	845.101.105			
Short-term trade payables	3.162.300.726.715	2.005.985.347.262			
Vietnam Oil and Gas Group	2.745.152.899.973	1.356.822.881.228			
PetroVietnam Gas Joint Stock Corporation (PV GAS)	370.302.127.151	639.274.563.146			
Vung Ang Petroleum Joint Stock Company	39.167.619.412	1.957.515.750			
Drilling Mud Joint Stock Corporation	4.562.003.160	1.074.684.798			
PetroVietnam Security Service Corporation	1.712.229.647	2.055.281.134			
PetroVietnam Construction Joint Stock Corporation	454.403.426	454.403.426			
Vietnam Petroleum Institute	460.091.826	391.789.938			
PetroVietnam Maintenance and Repair Corporation	298.545.060	1.225.253.165			
PV Oil Lube Joint Stock Company	150.367.060	-			
PV EIC – PV Technical Safety Registration Company Limited)	15.840.000	922.628.757			
Thai Binh Petro Services Joint Stock Company	13.100.000	105.519.600			
PetroVietnam Manpower Training College (PVMTC)	11.500.000	-			
Vung Ang-Quang Trach Power Project Management Board	-	1.700.826.320			

Quach Thi Hong Lien
Prepared by

Chu Quang Toan
Chief Accountant



Le Nhu Linh
President & CEO
17 March 2020