

REPORT
Appraisal of the 2024 Business Situation Report of
PetroVietnam Power Corporation - JSC

1. Legal basis:

- The Law on Civil Servants No. 59/2020/QH14 dated June 17, 2020.
- The Articles of Association of PetroVietnam Power Corporation - JSC;
- The organizational and operational regulations of the Board of Supervisory of PetroVietnam Power Corporation - JSC;
- PV Power Board of Supervisory Operation Plan for 2024 approved by The General Meeting of Shareholders at Resolution No 36/NQ-DHĐCĐ dated May 23, 2024
- PV Power Production and Business operation plan for 2024 approved by The General Meeting of Shareholders at Resolution No 36/NQ-DHĐCĐ dated May 23, 2024
- PV Power's 2024 Income Statement

The Board of Supervisory conducted an appraisal of PV Power's "2024 Business Situation Report", with the specific appraisal results as follows:

2. Purpose, scope.

Based on the Report on the 2024 Income Statement of the entire Corporation and the Parent Company prepared by the PetroVietnam Power Corporation - JSC, based on the production and Business operation plan approved by the General Meeting of Shareholders/Board of Directors, based on the audited 2024 Financial statements, the Board of Supervisory conducted an appraisal to compare and assess the implementation of tasks and performance targets that PV Power had achieved in 2024.

3. Appraisal content.

Report on 2024 Income Statement of the entire Corporation and the parent company - PV Power was submitted by the Board of Directors to the General Meeting of Shareholders as prescribed in Article 175 of Enterprise Law No. 59/2020/QH14.

The Report on 2024 Income Statement assessed the implementation of the 2024 business production plan targets approved by PV Power's 2024 Annual General Meeting of Shareholders in Resolution No. 36/NQ-DHĐCĐ dated May 23, 2024. The General Meeting of Shareholders approved the "2024 Business Production Plan" and authorized the Board of Directors to make decisions on

adjustment of the 2024 business production plan in accordance with the specific situation in 2024, and report to the General Meeting of Shareholders on the implementation results according to regulations. The figures in the 2024 Business Performance Report of the Corporation are consistent with the audited 2024 Financial Statement.

Appraisal content details:

- In 2024, the Corporation faced many difficulties and challenges affecting the production and business activities:

+ Domestic gas sources for electricity production are increasingly declining: The supply in 2024 (3 billion Sm³/year) was lower than the total gas consumption demand of Southeast power plants (5 billion Sm³/year). The increase in gas prices and the fact that Nhon Trach 1 & 2 Power Plants are at the end of the gas supply chain, bearing the Phu My - Nhon Trach distribution tariff (5.39 USD/million BTU), led to a high average gas price for the plants and increased variable costs (frequently higher than the average Full Market Price - FMP), affecting their competitiveness in the electricity market and the plants' mobilization capacity.

+ Ca Mau 1&2 and NT2 gas power plants generated prepaid gas, leading to pressure on cash flow, operations to recover prepaid gas and increased capital costs due to the minimum gas set for the years 2024 - 2026. Gas allocation and gas price differences at Ca Mau 1&2 Power Plants have not been resolved yet.

+ Due to the reduction of domestic coal supply in the recent past and at present, Vung Ang 1 Thermal Power Plant has had to use 5b10 grade coal (imported) and 5a14 grade coal (blended) at high prices. Simultaneously, the Specific Heat Rate (SHT) has increased higher than the norm paid under the Power Purchase Agreement (PPA), reducing competitiveness when participating in the electricity market and impacting the power production and business efficiency of Vung Ang 1 Thermal Power Plant.

+ Although the Qc for the whole year of 2024 was very low, the monthly Qc for delivery was continuously cut compared to the announced Qc for the whole year (especially in the first 3 months of the year, Nhon Trach 1,2 Power Plants were allocated a very low Qc, causing a serious decrease in output and revenue of the Factories). Specifically, the Qc reductions for the Corporation's thermal power plants in 2024 were: Nhon Trach 1 Power Plant reduced by 451 million kWh; Vung Ang 1 Power Plant reduced by 449 million kWh; Hua Na Power Plant reduced by 26.3 million kWh.

+ The market ceiling price in 2024 was 1,510 VND/kWh, much lower than previous years (It was 1,778.6 VND/kWh in 2023; and 1,602.3 VND/kWh in 2022), which affected the operational capacity of the plants.

In the early months of the year, the Southern region experienced a surplus of power, while North-South transmission was limited, leading to reduced generation for power plants in this area, including Ca Mau 1&2 and Nhon Trach 1&2 power plants. The generators of gas power plants always had to operate under conditions of frequent shutdowns/startups, which pose a high risk of incidents, affecting the readiness and reliability of the plant, and causing a risk of insecurity in the power system.

The high proportion of renewable energy power plants in the Southern region forced Nhon Trach 1&2 and Ca Mau 1&2 power plants to reduce power generation, causing a decrease in output and revenue of the plants.

EVN's current difficulties (suffering huge losses due to increased costs) will greatly affect policies on delivering Qc contract output and paying electricity bills to power plants. will greatly affect the policy of delivering Qc contract output and paying electricity bills to power plants, affecting the operation and efficiency of power plants. The delay in paying electricity bills will greatly affect PV Power's production and business cash flow.

- Based on the production and business plan approved by the Corporation and the Annual General Meeting of Shareholders, PV Power focused on implementing well and basically completed the tasks and targets of the 2024 plan assigned by the Corporation. The electricity output target did not meet the plan assigned by the General Meeting of Shareholders.

+ The total commercial electricity output of the Corporation in 2024 was estimated to reach 16,075 billion kWh, equal to 96% of the annual plan.

+ The total revenue of the Corporation in 2024 was estimated at 32,112.3 billion VND, equal to 101% of the annual plan. Parent Company's revenue in 2024 reached 24,769.3 billion VND, equal to 103% of the annual plan.

+ The Corporation's pre-tax profit in 2024 was estimated at 1,383.2 billion VND, equal to 139% of the 2024 plan. Parent company's pre-tax profit in 2024 reached 1,329.9 billion VND, equal to 123% of the 2024 plan.

+ The Corporation post-tax profit in 2024 was estimated at 1,211.3 billion VND, equal to 147% of the annual plan. Parent company's pre-tax profit in 2024 reached 1,207.2 billion VND, equal to 130% of the 2024 plan.

The Corporation completed the main assigned tasks:

+ The Corporation applied many technical solutions and flexible and effective market pricing to ensure safe, stable and continuous operation of power plants according to A0's regulation. The profit and revenue results of the Parent Company and the entire Corporation exceeded the plan assigned by the shareholders' meeting.

+ Organized and carried out periodic maintenance and repair of power plants to ensure quality, progress and safety, specifically: Minor repair of Ca Mau 2 Power Plant; minor repair of Hua Na Power Plant; Major repair of generator units H1 and H2 of Dakdrinh Hydropower Plant; Major repair of Generator unit 2 of Vung Ang 1 Power Plant. The factories operated stably after periodic maintenance and repair.

+ Provided stable coal supply, ensure safe inventory, avoid coal shortage, and control coal quality well. Proactively sought additional coal sources, opening a new direction of burning Lao coal, which is suitable for the design of Vung Ang 1 thermal power plant.

+ Actively implemented Nhon Trach 3 and Nhon Trach 4 Power Plant projects: PV Power devoted most of human and financial resources to the national key project and completed the following procedures: (1) Completed project loan arrangement (4,000 billion VND from VBC, 200 million USD of unbound ECA, 521.5 million USD of bound ECA and 300 million USD of current loan); (2) Signed land lease contract with Tin Nghia Corporation; (3) Signed PPA Power Purchase Agreement with EPTC; (4) Signed Gas Purchase Agreement for trial operation phase, and completed main contents of GSA Contract; (4) Completed procedures and refunded more than 1,444 billion VND of project VAT; (5) Project EPC Contract progress reached more than 95% (in which completed the installation and commissioning work, achieved important milestones such as first gas firing on January 11, 2025, connecting to the national grid on February 5, 2025 at Nhon Trach 3 Power Plant project).

Some Tasks to be continued in 2025:

+ Complete documents and report to competent authorities for approval of PV Power's charter capital increase plan.

+ Final settlement of investment capital for the completed project at Đakđrinh Hydropower Joint Stock Company.

+ Develop and finalize the periodic and regular periodic maintenance and repair norms for power plants, and develop inventory norms and coal loss norms for Vung Ang 1 Power Plant.

+ Board of Directors, General Director of the Corporation continue to direct (1) working with EVN on the gas allocation rate for consumers in Ca Mau to recover the gas price difference that has not been approved for payment by EVN/EPTC; (2) working with PV GAS/EVN on a specific plan to supply additional LNG to Nhon Trach 1 Power Plant; (3) submitting to competent authorities for approval to promptly sign the Gas Purchase and Sale Contract for Nhon Trach 3 and Nhon Trach 4 Power Plants in the commercial operation phase.

+ Collection work return EVN's debt, recovering compensation for the remaining loss of generator unit 01 of Vung Ang 1 Power Plant.

+ Complete PV Power equitization settlement.

+ The implementation of the investment project for the Corporation's office headquarters to move the Corporation to the new office.