

## REPORT

### On Operation results FY2024 and Operational plan for 2025 of the Board of Directors of EVNGENCO3

To: General Meeting of Shareholders

Pursuant to the applicable Charter of Power Generation Joint Stock Corporation 3;

Board of Directors (BOD) of Power Generation Joint Stock Corporation 3 (Corporation) respectfully submits to the General Meeting of Shareholders the report for operation results FY2024 and operation plan FY2025, as follows:

#### I. OPERATION RESULTS FY2024

##### 1. Structure of Board of Directors

The BOD is comprised of 5 Members:

- Mr. Dinh Quoc Lam Chairman BOD.
- Mr. Le Van Danh Member BOD, President & CEO.
- Ms. Nguyen Thi Hai Yen Member BOD.
- Mr. Nguyen Minh Khoa Member BOD.
- Mr. Do Mong Hung Independent Member BOD.

##### 2. Operations of Board of Directors in 2024

###### 2.1. The operations

BOD has actively directed and organized the implementation of Resolution No. 45/NQ-DHDCD dated 13 June 2024, of the General Meeting of Shareholders in accordance with the Charter, the Internal Regulations on Corporate Governance, the BOD's Working Regulations, and the Corporation's internal management regulations.

BOD promulgated the Work Program in 2024 comprising **63 items** to provide guidance for the Corporation's key activities throughout the year. BOD has directed the Board of Management to fully implement the tasks set out in the Work Program and to review, approve, and/or decide on matters under the authority of the BOD, particularly as follows:

- Organize **13 meetings** (including 12 regular meetings and 01 extra-meeting) to set orientations, approve major policies, provide guidance, and focus on resolving key issues of the Corporation.
- Organize sessions on collection of feedback and issue 72 Resolutions regarding the

Corporation's activities. Specifically, BOD issued **38** Resolutions to address key issues, establish major guidelines and orientations, oversee personnel matters, and set long-term plans for the Corporation. Additionally, 34 Resolutions, Decisions, and documents were issued to approve and direct periodic tasks and/or address recommendations from the Board of Management.

## **2.2. Implementation results in 2024**

In 2024, BOD concentrated on providing direction and approving the guidelines for the governance of the Corporation's operations:

### **a. Governance:**

- ***Organizational structure - Human resource:***
  - + Consolidate the key personnel at the Corporation and its member units.
  - + Direct the implementation of the EVNGENCO3 restructuring project through the end of 2025, including the reorganization of the Project Management Boards, the establishment of the EVNGENCO3 Project Management Board, the strategic orientation for the establishment of service units (operation and electricity market management), and the contribution of capital to the formation of project investment companies.
  - + Provide guidance and direction to streamline the organization and personnel, optimize resources (including the development of a concurrent management model for overseeing O&M PM3 and PM2.2), offer specialized training, and enhance the quality of human resources.
- ***Internal governance:***
  - + The Corporation's regulatory framework has been maintained, and its internal governance system has been continuously improved to align with the requirements of the Corporation's management and operational model.
  - + Strengthen inspection, supervision, risk management, and compliance control; improve the quality of governance at joint stock companies, including subsidiaries and associates;
  - + Direct the robust application of digital transformation, scientific and technological advancements in the management of the Corporation's activities, with a particular focus on solutions to enhance economic indicators, improve production and business efficiency, explore the management of intelligent digital power plants (IDPP), and invest in technological innovation;
- ***Conduct settlement of equitization matters and development cooperation:***
  - + Actively and resolutely direct and urge the competent authorities to approve the equitization settlement. As a result, on December 31, 2024, the Committee for Management of State Capital at Enterprises issued Decision No. 673/QD-UBQLV, approving the actual value of state capital at the time of the official conversion of the parent company — EVNGENCO3 — into a joint stock

company. Complete the equitization process, laying the foundation for the Corporation's restructuring.

- + Promote cooperation with organizations and partners in the fields of wind power, solar power, energy transition, and finance to mobilize resources for the Corporation's development and investment activities.
- ***Obligations to shareholders:***
  - + Ensure compliance with corporate governance regulations applicable to public companies listed on the Hochiminh Stock Exchange (HOSE).
  - + Endeavor to fulfill the targets set by the Annual General Meeting of Shareholders in 2024.

**b. Production and business activities**

- ***Activities to ensure electricity production:***
  - + Provide directions to ensure stable electricity generation, contributing to the supply of power for the national grid, particularly during the peak months of the dry season.
  - + Take decisive measures in directing and orienting efforts to secure fuel supply for electricity generation, as well as to enhance competitiveness in the power market.
  - + Provide strategic direction for the research and procurement of renewable LNG for the operation of Phu My Power Plants from 2025, to secure fuel supply, create competitive edge, and enhance production efficiency.
  - + Develop policies and orientation to implement solutions aimed at improving the stability, reliability, and efficiency of production and business for the power plants included: thoroughly processing the pipe leakage issue at Mong Duong 1 Thermal Power Plant; utilizing blended Sub-Bitung coal at Mong Duong 1 Thermal Power Plant; and reducing the fuel consumption rate at Vinh Tan 2 and Mong Duong 1 Thermal Power Plants in terms of PPA value.
  - + Ensure environmental compliance by taking decisive actions in the treatment and disposal of slag ash, while ensuring the stable operation of thermal power plants.
- ***Production management and Service:***
  - + Provide orientation on adjusting the methods and costs of major repairs based on the power generation output and operating hours of the engines.
  - + Implement solutions to enhance power generation output, optimize cost management, and increase dividend income from joint-stock companies to improve the Corporation's profitability.
  - + Direct and provide guidance for the provision of O&M services for the Phu My 3 BOT Power Plant, while preparing to take over and implement O&M services for the Phu My 2.2 BOT Power Plant - a key step in developing the O&M service sector in the future.

- + Optimize cash flow management and a solution to restructure KEXIM loans, totaling US \$122.26 million, to mitigate the impact of exchange rate fluctuations.
- + Investment in and application of technological innovations.

**c. Construction investment**

- Direct research and foster investment cooperation in new power projects of the Corporation:
  - + Promote investment in the development of a Flexible Internal Combustion Engine (I.C.E) Power Plant in Ninh Binh province to complement the implementation of Power Development Plan VIII (second phase) which serves as the foundation for investment to ensure the long-term operation of Ninh Binh Thermal Power Joint Stock Company.
  - + Include the floating hydropower project on Buon Kuop and Srepok 3 Hydropower Reservoirs, as well as the Buon Kuop Hydropower Expansion, Srepok 3 Hydropower Expansion, and Long Son LNG projects, in the adjusted Power Development Plan VIII.
  - + Coordinate with the Investors to submit a proposal to the Prime Minister and the Minister of MOIT on the 1GW Corio Offshore Wind Pilot Project in Binh Thuan Province.
  - + Perform investment cooperation with Vietnam Rubber Group.
- Invest in the construction of the Corporation's office in Ho Chi Minh City.
- Finalize the settlement of the Corporation's projects as the investor and project management consultant (PMC).

**d. Salary and remuneration for the Board of Directors, Board of Supervisors, Board of Management**

The salaries and remuneration for BOD, BOS, and BOM in 2024 shall comply with the provisions of the law, the Internal Regulations of EVNGENCO3, and be presented as a separate item in the financial statements FY2024 of EVNGENCO3.

**2.3. Comments - feedback**

In 2024, BOD directed the Corporation to achieve the main targets and tasks outlined in Resolution 45/NQ-DHDCD dated June 13, 2024, of the General Meeting of Shareholders, specifically:

- Electricity output: 23.358 billion kWh (achieving 92.1% of the plan).
- Total revenue: VND 39,678 billion (achieving 98.3% of the plan).
- Profit after tax (excluding FX differences): **VND 528 billion** (achieving 168.2% of the plan).
- Construction investment results: VND 5,313.232 billion (achieving 97.94% of the plan).

BOD has taken decisive action to solve key issues and urgent tasks, while also providing long-term orientation to ensure the Corporation's operations. Tasks were

carried out meticulously, with resolutions and decisions adopted and issued based on strong consensus among the BOD Members. Regular inspections, audits, and post-inspections of the Board of Management's activities were maintained, guaranteeing the successful completion of the targets and tasks assigned by the General Meeting of Shareholders.

The Board of Management has effectively organized and managed the implementation of the Corporation's production, business, financial, and construction investment activities in an efficient and timely manner, in accordance with the functions, tasks, and powers outlined in the Corporation's Charter and performed their tasks in alignment with the decentralization and guidance provided by the Board of Directors.

Due to changes in the operating method of the power output system (with monthly adjustments to the alpha and Qc ratios), unfavorable exchange rate fluctuations have impacted the Corporation's revenue, power production profit, and total profit (including exchange rate differences).

In 2024, the Corporation successfully completed the finalization of its equitization process, marking a crucial step in its restructuring (including an increase in charter capital) to generate resources for investment in the development of new power sources and the expansion of the Corporation's scale.

## **II. OPERATION PLAN FY2025**

In 2025, given that the electricity load in the first few months has increased by approximately 4.1% compared to the same period in 2024 - significantly lower than the planned 10.2% - along with a decrease in the average FMP price and a sharp rise in the exchange rate, these factors have impacted production and business operations. Additionally, the national program to streamline administrative procedures will affect the investment processes for new power projects. In response, the Corporation's BOD aims to develop a plan to achieve the following targets and tasks in 2025:

### **1. Primary plan indicators:**

- Total power output of the parent company: 25,374 billion kWh.
- Profit before tax (excluding revaluation of FX differences): VND 611.7 billion
- Profit after tax (excluding revaluation of FX differences): VND 511.5 billion
- Construction investment capital plan: VND 5,597 billion.

### **2. Plan implementation orientation and solutions**

To accomplish key tasks in 2025, the BOD has issued the Work Program FY2025, which includes 63 items, and has provided strong direction and implementation based on the following main orientations:

- **Ensure electricity production under the highest scenario, contributing to the reliable supply of electricity to the national grid.**
- **Achieve the targets and plans approved by the Annual General Meeting of Shareholders.**

+ *Production and business activities:*

- Provide decisive direction for solutions to ensure the stable operation of power plants, particularly during the peak dry season.
  - Proactively ensure the supply of fuel (coal, gas) to meet the highest mobilization scenarios of the Power system; implement the procurement of LNG fuel for re-operation to replace diesel oil, optimize production and reduce electricity purchase costs for EVN, while also securing gas fuel for medium and long-term power production.
  - Provide strong direction for the implementation of solutions to optimize costs, enhance efficiency, and reduce heat loss in power plants, with the goal of aligning the loss rate with the PPA value by the end of 2025; restore and improve the capacity and efficiency of power plants.
  - Optimize management, reduce inventory materials, and direct the development of solutions to decrease major repair costs by 20% during the 2024-2026 period.
  - Implement breakthrough solutions to address difficulties and challenges in 2025. **Ensure profitable production and business performance (including exchange rate differences).**
- + *Construction investment activities:*
- Direct decisively to accelerate the assignment of investors for the Ninh Binh Flexible Power Plant Project (300 MW) to perform construction investment procedures.
  - Develop a plan to implement investment and investment cooperation in new power projects under the revised Power Development Plan VIII (pursuant to Decision No. 768/QĐ-TTg dated April 15, 2025), with a focus on clean energy sources, including the floating hydropower reservoir project, expanded hydropower projects, Long Son LNG project, and solar and wind power projects in cooperation with Vietnam Rubber Group (VRG).
  - Invest in the construction of the Corporation's head office project in Ho Chi Minh City, ensuring both progress and quality.
  - Finalize the settlement of projects implemented by the Corporation as the Owner or Project Management Consultant (PMC).
- + *Corporate management activities*
- Develop a plan to restructure the Corporation (through the method of charter capital increase issuance) to mobilize the financial and human resources for investment and development, expand the Corporation's scale, and ensure compliance with the conditions applicable to public companies as stipulated in Item a, Clause 1, Article 32 of the Law on Securities No. 54/2019/QH14, as amended and supplemented by Clause 11, Article 1 of Law No. 56/2024/QH15.

- Promptly identify service providers (electricity market and operation management) to promote specialization and establish an ecosystem for electricity production and service provision.

This is the report on operation results FY2024 and operation plan FY2025 of EVNGENCO3's BOD.

Sincerely./.

***Recipients:***

- As stated above;
- BOD/EVNGENCO3;
- BOS/EVNGENCO3;
- BOM/EVNGENCO3;
- Office, Departs/EVNGENCO3;
- Archive: Archive, General Affairs  
Depart.

**ON BEHALF OF BOARD OF DIRECTORS  
CHAIRMAN**

**Dinh Quoc Lam**