

*Hai Phong, April 14, 2026*

No. 1533/TTr-PPC

## PROPOSAL

**Re: Submission for supplementation to the General Meeting of Shareholders on contents approving the adjustment of investment policy and adjustment of investment decision**

**Project: “Renovation and upgrading of the flue gas treatment system of Line 2 – Pha Lai Thermal Power Joint Stock Company”**

**(Supplementing the contents of Submission No. 1222/TTr-PPC dated March 29, 2026 of the Company’s Board of Directors)**

**To: Board of Directors of Pha Lai Thermal Power Joint Stock Company**

Pursuant to Construction Law No. 50/2014/QH13, as amended and supplemented by Law No. 03/2016/QH14, Law No. 35/2018/QH14, Law No. 40/2019/QH14 and Law No. 62/2020/QH14;

Pursuant to Law on Environmental Protection No. 72/2020/QH14 dated November 17, 2020 of the 14th National Assembly;

Pursuant to Circular No. 45/2024/TT-BTNMT dated December 30, 2024 of the Ministry of Natural Resources and Environment promulgating the national technical regulation on industrial emissions QCVN 19:2024/BTNMT;

Pursuant to Decree No. 08/2022/NĐ-CP dated January 10, 2022 of the Government detailing a number of articles of the Law on Environmental Protection;

Pursuant to Decree No. 10/2021/NĐ-CP dated February 9, 2021 of the Government on management of construction investment costs;

Pursuant to Decree No. 175/2024/NĐ-CP dated December 30, 2024 of the Government detailing a number of contents on management of construction investment projects;

Pursuant to the current Charter of Pha Lai Thermal Power Joint Stock Company;

Pursuant to the most recent audited financial statements of Pha Lai Thermal Power Joint Stock Company disclosed in accordance with regulations;

Pursuant to Decision No. 2322/QĐ-PPC dated May 10, 2016 of the Company’s Board of Directors on implementation of tasks to ensure new environmental requirements for Line 2 of Pha Lai Thermal Power Joint Stock Company;



Pursuant to Decision No. 6877/QĐ-PPC dated December 30, 2016 of the Company's Board of Directors on approval of the project "Renovation and upgrading of SOx and NOx removal system for Line 2";

Pursuant to Document No. 6223/PPC-HĐQT dated October 30, 2024 on implementation of procedures for adjusting the investment policy of the project: "Renovation and upgrading of SOx, NOx system of Line 2 – Pha Lai Thermal Power Joint Stock Company";

Pursuant to Decision No. 5241/QĐ-PPC dated September 27, 2025 of the Company's Board of Directors on approval of adjustment of the investment policy of the project: "Renovation and upgrading of SOx, NOx system of Line 2 – Pha Lai Thermal Power Joint Stock Company";

Pursuant to the adjusted Feasibility Study Report (adjusted FS) dossier of the project:

"Renovation and upgrading of the flue gas treatment system of Line 2 – Pha Lai Thermal Power Joint Stock Company" prepared by the Energy Institute in March 2026;

Pursuant to the appraisal report of the adjusted FS of the project:

"Renovation and upgrading of the flue gas treatment system of Line 2 – Pha Lai Thermal Power Joint Stock Company" prepared by Power Engineering Consulting Joint Stock Company 4 in March 2026;

Pursuant to Submission No. 1222/TTr-PPC dated March 29, 2026 of the Board of Directors submitted to the General Meeting of Shareholders regarding approval of adjustment of investment policy and adjustment of investment decision for the project "Renovation and upgrading of the flue gas treatment system of Line 2 – Pha Lai Thermal Power Joint Stock Company" (Submission No. 1222/TTr-PPC);

Pursuant to Document No. 1613/SCT-NL dated March 30, 2026 of the Hai Phong Department of Industry and Trade regarding notification of appraisal results of the adjusted FS of the Project: "Renovation and upgrading of the flue gas treatment system of Line 2 – Pha Lai Thermal Power Joint Stock Company";

Pursuant to the adjusted FS dossier of the project revised by the Energy Institute according to appraisal comments of the Department of Industry and Trade attached to Document No. 0654/VNL-TT3 dated April 3, 2026;

Pursuant to the appraisal report of the adjusted FS of the project prepared by Power Engineering Consulting Joint Stock Company 4 in April 2026 attached to Document No. 1254/TVĐ4-CNPB dated April 6, 2026;

Pursuant to Official Letter No. 800/ĐL-GĐ dated April 3, 2026 of the Electricity Authority regarding upgrading the flue gas treatment system in accordance with QCVN 19:2024/BTNMT at Pha Lai Power Plant;

Pursuant to Report No. 173/QLDA dated April 13, 2026 of the Project Management Board regarding submission for supplementation to the General Meeting of Shareholders on contents approving adjustment of investment policy and adjustment of investment decision of the Project "Renovation and upgrading of the flue gas treatment system of Line 2 – Pha Lai Thermal Power Joint Stock Company"

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(supplementing Submission No. 1222/TTr-PPC dated March 29, 2026 of the Board of Directors);

**In implementation of the project: “Renovation and upgrading of the flue gas treatment system of Line 2”, the General Director respectfully submits to the Board of Directors to supplement submission to the General Meeting of Shareholders with the following specific contents:**

### **1. Reason for issuance of the supplementary submission**

After issuing Submission No. 1222/TTr-PPC dated March 29, 2026 on submission to the General Meeting of Shareholders for approval of adjustment of investment policy and adjustment of investment decision of the project “Renovation and upgrading of the flue gas treatment system of Line 2 – Pha Lai Thermal Power Joint Stock Company”, the Company has received comments from the Hai Phong Department of Industry and Trade, the Electricity Authority – Ministry of Industry and Trade and relevant agencies during the appraisal process of the adjusted Feasibility Study Report of the project and the electricity price plan of the Project.

In order to further clarify the basis for submission to the General Meeting of Shareholders for consideration and approval of the project, and at the same time update and explain the comments of state management agencies and complete the mechanism for organizing project implementation after approval, the General Director submits to the Company’s Board of Directors for consideration this supplementary submission.

### **2. Opinions of competent state agencies and implementation results**

#### **2.1. Results of working on the electricity price plan of the Project**

PPC has actively worked with the Electricity Authority – Ministry of Industry and Trade to obtain guidance on methods for determining electricity prices and the generation price framework applicable when investing in renovation and upgrading of the flue gas treatment system to meet environmental standards.

On April 3, 2026, the Electricity Authority issued Document No. 800/ĐL-GĐ dated April 3, 2026 regarding upgrading the flue gas treatment system in accordance with QCVN 19:2024/BTNMT at Pha Lai Power Plant, which includes the content:

“Pha Lai TPC shall proactively work with Vietnam Electricity and the National Load Dispatch Centre and Electricity Market Operation Company Limited regarding planning and agreement on the adjustment plan of electricity generation service prices in the signed Power Purchase Agreement to recover investment costs for upgrading the flue gas treatment system, ensuring no impact on electricity supply for socio-economic development.”

#### **2.2. Appraisal results of the Department of Industry and Trade**

On March 30, 2026, the Department of Industry and Trade issued Notice No. 1613/SCT-NL regarding notification of appraisal results of the FS of the Project “Renovation and upgrading of the flue gas treatment system of Line 2 – Pha Lai Thermal Power Joint Stock Company”.

The appraisal results show that the project dossier basically meets the requirements on contents of preparation of construction investment project, is consistent with technology orientation and requirements for compliance with current environmental



standards, serving as a basis for continued review and completion in accordance with regulations;

The conclusion of the Department of Industry and Trade in Notice No. 1613/SCT-NL dated March 30, 2026 is specifically as follows:

“The Feasibility Study Report of the construction investment Project ‘Renovation and upgrading of the flue gas treatment system of Line 2 – Pha Lai Thermal Power Joint Stock Company’ is only eligible to be compiled, approved and implemented for the next steps after fully completing the contents in this Notice;

The appraisal consulting unit shall be fully responsible for the accuracy of the contents in the appraisal report. The investor and design consultant shall be responsible for the accuracy of the contents in the dossier submitted for appraisal of the feasibility study report of the project.”

“...eligible to be compiled, approved and implemented for the next steps only after fully completing all contents in this Notice;

- The appraisal consulting unit shall be fully responsible for the accuracy of the contents in the appraisal report results. The investor and the design consultant shall be responsible for the accuracy of the contents in the dossier submitted for appraisal of the feasibility study report of the project.”

Accordingly, the Department of Industry and Trade requires continuing supplementation and completion of a number of contents of the dossier before implementing the next steps in accordance with regulations. In particular:

- At Item 3, Section V of the Notice of the Department of Industry and Trade states:

“The Project is not yet consistent with Decision No. 5241/QĐ-PPC dated September 27, 2025 on approval of adjustment of the investment policy of the project ‘Renovation and upgrading of SO<sub>x</sub>, NO<sub>x</sub> removal system of Line 2 – Pha Lai Thermal Power Joint Stock Company’.”

The total investment (TMĐT) after updating the technological solution to meet QCVN 19:2024/BTNMT has increased to **2,499,431,087,896 VND**.

Thus, this total investment is equivalent to 45.5% of the total assets value of the Company, falling under the decision-making authority of the General Meeting of Shareholders in accordance with the Charter and the Law on Enterprises.

- At Item 7, Section V of the Notice of the Department of Industry and Trade states:

“The total investment has been reviewed and assessed by the appraisal unit as being consistent with the basic design and other contents of the feasibility study report of the project. However, to finalize the total investment of the project, it is recommended to review and update cost items according to current norms and unit prices, and at the same time consider factors of price escalation, additional volumes (if any) and relevant legal regulations....”

Implementing the appraisal opinions, the Company has organized working sessions with the consulting unit to receive, explain and adjust the FS dossier in accordance with regulations.

On April 3, 2026, the Energy Institute completed the adjusted FS dossier in accordance with the appraisal opinions of the Department of Industry and Trade (Document No. 0654/VNL-TT3 dated April 3, 2026).

The adjustment of the total investment mainly originates from re-accurating input parameters such as exchange rates, updating equipment quotations, adjusting methods of determining costs and reviewing the cost structure in accordance with current regulations, ensuring suitability with the scale and characteristics of the project.

After updating, the total investment is adjusted from **2,499,431,087,896 VND** (Two thousand four hundred ninety-nine billion, four hundred thirty-one million, eighty-seven thousand, eight hundred ninety-six dong) to **2,495,303,164,375 VND** (Two thousand four hundred ninety-five billion, three hundred zero three million, one hundred sixty-four million, three hundred seventy-five dong), decreasing by **4,127,923,521 VND** (Four billion one hundred twenty-seven million, nine hundred twenty-three thousand, five hundred twenty-one dong). With this adjustment of the total investment, it does not change the investment scale, technology orientation and nature of the project.

Table: Comparison of Total Investment in FS submitted to the Department of Industry and Trade and adjusted FS after incorporating comments of the Department of Industry and Trade

No.	Item	FS value submitted to DOIT (after VAT) (VND)	Adjusted FS value (after VAT) (VND)	Difference (After adjustment – Before adjustment) (VND)	Notes	Reason for increase/decrease
1	Construction cost	65,564,449,352	65,564,449,352	0		
2	Equipment cost	2,145,582,901,853	2,146,697,211,868	1,114,310,015		Due to re-accurating exchange rate and equipment prices according to quotations
3	Project management cost	22,156,152,050	17,731,843,417	-4,424,308,633		Due to addition of coefficient 0.8 (equipment cost > 50% (construction + equipment))
4	Consulting cost	18,251,764,054	18,254,166,615	2,402,562		Calculated by percentage and re-accurating exchange rate
5	Other costs	62,732,777,040	62,218,221,688	-514,555,352		
5.1	Loan interest during construction	43,899,330,564	43,818,426,112	-80,904,451		Calculated by percentage and re-accurating exchange rate
5.2	Others such as: Construction insurance; protection, security, ...	18,833,446,476	18,399,795,575	-433,650,901		Calculated by percentage and re-accurating exchange rate
6	Contingency cost	185,143,043,548	184,837,271,435	-305,772,113		
6.1	Contingency cost for additional	185,143,043,548	184,837,271,435	-305,772,113		Calculated by percentage and

No.	Item	FS value submitted to DOIT (after VAT) (VND)	Adjusted FS value (after VAT) (VND)	Difference (After adjustment – Before adjustment) (VND)	Notes	Reason for increase/decrease
	work volume factor					re-accurating exchange rate
6.2	Contingency cost for price escalation factor	-	-	0		
<b>TOTAL INVESTMENT</b>		<b>2,499,431,087,896</b>	<b>2,495,303,164,375</b>	<b>-4,127,923,521</b>		

Total investment

2,499,431,087,896 → 2,495,303,164,375

Difference: -4,127,923,521

• On April 6, 2026, Power Engineering Consulting Joint Stock Company 4 issued the appraisal report of the adjusted FS of the project: “Renovation and upgrading of the flue gas treatment system of Line 2 – Pha Lai Thermal Power Joint Stock Company” attached to Document No. 1254/TVĐ4-CNPB dated April 6, 2026, emphasizing:

“Investment in the Project Renovation and upgrading of the flue gas treatment system of Line 2 – Pha Lai Thermal Power Joint Stock Company is necessary and should be implemented soon.”

Thus, up to the present time, the adjusted feasibility study report dossier has been updated and incorporated at a level appropriate to the basic design stage; at the same time, the remaining contents will continue to be completed during the project implementation process in accordance with prescribed procedures. The continued completion of the dossier does not affect the urgency, feasibility and implementation orientation of the project.

On that basis, the submission to the General Meeting of Shareholders for consideration and approval of the contents of adjustment of investment policy and investment decision of the project, while continuing to complete the adjusted feasibility study report in accordance with opinions of competent authorities, is in compliance with legal regulations, ensuring continuity in investment preparation and meeting the requirements of project implementation schedule as planned.

#### 4. Supplementary proposal

From the contents that have been supplemented, explained and updated into the dossier, the completion of the adjusted feasibility study report, including the adjustment of total investment, is necessary to ensure conformity with opinions of state management agencies and current legal regulations. This adjustment mainly aims to re-accurate calculation bases and complete the project dossier; in essence, it does not change the investment orientation or core contents of the project.

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The updated contents do not change the investment objectives, capacity scale, main technology orientation and decision-making authority of the General Meeting of Shareholders as determined in Submission No. 1222/TTr-PPC, but only aim to ensure completeness, rigor and feasibility of the dossier before implementation.

In the context that requirements for compliance with environmental standards are increasingly stringent and the project implementation schedule needs to be ensured, delay in investment decision may directly affect the implementation plan and production and business activities of the Company. Therefore, organizing an extraordinary General Meeting of Shareholders to promptly consider and approve the adjustment contents is necessary and urgent.

On that basis, the General Director respectfully submits to the Board of Directors for consideration and submission to the General Meeting of Shareholders for approval of the following supplementary contents:

- The General Meeting of Shareholders assigns the Board of Directors to consider and decide on the adjustment and completion of the adjusted feasibility study report in accordance with legal regulations and the Company's Charter; such adjustment does not change the investment objectives, capacity scale and main technology orientation approved by the General Meeting of Shareholders.

- At the same time, the proposed contents in Submission No. 1222/TTr-PPC shall continue to be maintained and remain valid for submission to the General Meeting of Shareholders for consideration and approval; this submission does not replace but only supplements, clarifies and completes the contents already submitted.

Respectfully./.

**Recipients:**

As above;  
Board of Directors (for reporting);  
Board of Management (for reporting);  
Archive: Administration Office, PMB.

**GENERAL DIRECTOR**



**Nguyen Hoang Hai**

