

No.: 2749/BC-PPC

Hai Duong, June 3, 2025

REPORT OF THE BOARD OF DIRECTORS
Operational results in 2024; Operational plan in 2025
and following years

Dear Esteemed Shareholders!

The Board of Directors of Pha Lai Thermal Power Joint Stock Company would like to report to all esteemed shareholders on the results of task execution in 2024; the missions, target programs for 2025, and the following years as follows:

PART 1
OPERATING RESULTS OF THE BOARD OF DIRECTORS IN 2024
I. Assessment of the Company's Operations in 2024.

Based on the audited financial statements for 2024;

Based on the business performance report for 2024 from the Company's General Director,

1. Key production and busniess perfomance indicators for 2024:

NO.	Indicator	Unit	2024 Plan	2024 Actual	Comparision with plan (%)★
1	Electricity Output		5.262,00	4.580,75	87,05
	Line 1	Million kWh	1.476,00	836,6	56,68
	Line 2	Million kWh	3.786,00	3.744,15	98,89
2	Electricity Sold (EVN)	Million kWh	4.765,34	4.138,11	86,84
	Line 1	Million kWh	1.313,64	702,25	53,46
	Line 2	Million kWh	3.451,70	3.435,86	99,54
3	Total Revenue	Billion VND	8.755,60	8.035,70	91,78
	Revenue from Electricity Production	Billion VND	8.420,04	7.659,06	90,96
	Revenue from Financial Activities	Billion VND	314,42	325,53	103,53
	Revenue from Other Activities	Billion VND	21,14	51,11	241,77
4	Total Expenses	Billion VND	8.328,35	7.597,56	91,23
	Expenses for Electricity Production	Billion VND	8.322,33	7.593,76	91,25
	Expenses for Financial Activities	Billion VND	-	2,64	
	Other Expenses	Billion VND	6,02	1,16	19,27
5	Total Profit before Tax	Billion VND	427,25	438,14	102,55
	Profit from Electricity Production	Billion VND	97,71	65,30	66,83
	Profit from Finanical Activities	Billion VND	314,42	322,89	102,69
	Other Profit	Billion VND	15,12	49,95	330,37



2. Operations and Production

In 2024, Unit S6 began operation at the start of the year after repairs, restoring its production capacity, increasing market participation opportunities, and boosting the Company's electricity generation revenue. PPC successfully signed Amendment No. 19 to the Power Purchase Agreement for Pha Lai 1 and Pha Lai 2 Thermal Power Plants, which serves as a crucial legal basis for operating PPC's Line 1 generating units. Additionally, PPC signed coal purchase contracts for 2024 with various suppliers, largely meeting the fuel demand for electricity production.

Despite these advantages, 2024 also presented challenges. Line 1 equipment, being over 40 years old (and subject to consideration for conversion to clean fuel under the National Power Development Plan VIII and Decision No. 500 dated May 15, 2023, by the Prime Minister), has severely deteriorated. It fails to meet economic and technical indicators, and a comprehensive investment would require substantial costs. Meanwhile, mechanisms for fuel conversion prices, generation prices, and conversion technologies are still under development. For Line 2, which has been in commercial operation for over 20 years, the equipment has degraded due to prolonged use in harsh environments. Improving economic and technical indicators is very difficult, and a comprehensive equipment repair investment would also be very costly.

The net heat rate remains high, increasing electricity production costs and reducing profits. This is due to domestic coal supply, while stable in volume, primarily consisting of blended coal with high volatile matter content and technical characteristics differing significantly from design coal. The payment of dividends from the 50% reversal of the Investment and Development Fund led to the Company losing revenue from deposits and reduced liquidity, sometimes resulting in overdue payments for coal. The flue gas treatment system does not yet meet current standard QCVN22:2009, while the new standard QCVN 19:2024, which replaces it, has higher and stricter emission requirements.

Line 1 Equipment: The generating units, having been in operation for over 40 years, are very old and outdated. Many systems and equipment show reduced efficiency and reliability, such as: superheater tubes frequently leaking or bursting; economizers often leaking or bursting; coal pulverizers having cracked bodies and grinding necks due to exceeding their design life, and metal fatigue; some feed pumps and condensate pumps have deteriorated, frequently break down, and exhibit high vibration. Notably, the air preheater system of Line 1 boilers experiences significant air leakage, which reduces cycle efficiency. In 2024, there were 13 instances of boiler/turbine shutdowns due to pressure pipeline damage and air preheater leaks. Line 1 equipment constantly poses a high risk of incidents and operational mode disruptions.

Line 2 Equipment: After over 20 years of operation, the equipment quality has deteriorated, with changes in technology and control software. Many pieces of equipment have not been timely invested in for repair or upgrade, and some key indicators have exceeded design specifications, leading to operation and exploitation that do not meet expectations. In 2024, Line 2 experienced 13 incidents, mainly due to pressure pipeline ruptures and electronic equipment failures.

3. Revenue, Expenses and Profit

Revenue: Total Revenue in 2024 increased compared to the same period in 2023 and reached 91.78% of the annual plan due to:

Electricity production revenue (excluding deposit interest) in 2024 was VND 7,657.92 billion, equivalent to 91.06% of the annual plan and 132.12% compared to 2023. Revenue was lower than the annual plan due to lower output (86.84%), but higher than in 2023 due to higher output (129.8%).

Revenue from financial activities (including deposit interest) in 2024 was VND 326.67 billion, equivalent to 100.54% of the annual plan and 70.34% compared to 2023. Revenue was lower than in 2023 because a decrease in idle funds led to a reduction in deposit interest income. Revenue from dividends of the entities in which the Company invested capital was also lower. The decrease in deposit interest revenue compared to the previous year was due to a reduction in the Company's idle funds, leading to a decrease in financial revenue.

Revenue from other production and other activities in 2024 was VND 51.11 billion, equivalent to 241.76% of the annual plan and 256.8% compared to the same period in 2023. The increase compared to the plan and 2023 was because in 2024, the Company received VND 25.82 billion in compensation from individuals, transferred by the Hai Duong Provincial Civil Judgment Enforcement Department, according to criminal judgment No. 66/2023 and appellate judgment No. 130/2024.

Expenses:

Total expenses in 2024 were VND 7,597.56 billion, equivalent to 91.23% of the annual plan and 128.82% compared to 2023. Specifically:

Electricity production costs in 2024 were VND 7,593.28 billion, equivalent to 91.28% of the annual plan and 128.83% compared to the same period last year. Costs decreased compared to the annual plan due to lower electricity output, resulting in lower fuel costs. Major fixed asset repair costs were low, reaching only 39.82% of the plan.

Financial activity costs in 2024 were VND 3.12 billion. This amount represents a provision for financial investment in Ba Ria Thermal Power Joint Stock Company. Additionally, during the period, the Company incurred loan interest expenses of VND 0.48 billion.

Other production costs did not fluctuate significantly. Other operating expenses in 2024 were VND 1.16 billion, significantly lower than the annual plan.

Profit:

Electricity production profit in 2024 was VND 64.63 billion (excluding deposit interest and loan interest expenses), equivalent to 71.06% of the annual plan, and an increase of VND 162.81 billion compared to 2023. The electricity production profit decreased compared to the annual plan because the net heat rate for both lines increased compared to the plan.

Financial activity profit (including deposit interest and loan interest expenses) in 2024 was VND 323.55 billion, equivalent to 100.74% of the annual plan and 69.55%

compared to 2023. The decrease compared to 2023 was due to a reduction in dividends received from the entities in which the Company invested capital. Deposit interest decreased due to a reduction in idle funds.

Other production and other activities profit: Other production profit in 2024 was VND 49.95 billion, equivalent to 330.37% of the annual plan and 325.88% compared to 2023. The increase in other production and other activities profit was due to the Company receiving VND 25.82 billion in compensation from individuals, transferred by the Hai Duong Provincial Civil Judgment Enforcement Department, according to criminal judgment No. 66/2023 and appellate judgment No. 130/2024.

Profit after tax in 2024 reached VND 427.06 billion, equivalent to 112.36% compared to the same period in 2023 and 103% compared to the 2024 annual plan.

4. Financial investment

Short-term financial investments consist of term deposits at credit institutions. As of December 31, 2024, held-to-maturity investments totaled VND 0 billion. During the year, PPC had short-term deposits and fully settled all related deposit contracts, with interest income from these contracts amounting to VND 1.14 billion.

For long-term investments, the total value of capital contributions to power projects as of December 31, 2024, was VND 2,535.9 billion. In 2024, PPC received dividends from these long-term investments totaling VND 326.67 billion.

On the other hand, 2024 was a very challenging year for PPC regarding cash flow, including dividend payments, fuel purchases, salaries, and payments to contractors for materials, equipment, and services. Vietnam Electricity (EVN) continued to face difficulties in 2024, leading to delayed electricity payments to PPC. Additionally, EPTC/EVN withheld funds from PPC, such as revenue from transmission charges, Qcon, and Qc, totaling approximately VND 323 billion. During the year, PPC had to take out short-term loans to pay for coal, incurring a borrowing cost of VND 0.48 billion.

5. Repair and maintenance works

For Line 1:

Major repair work focused on implementing maintenance and repair solutions to ensure reliability and continued efficient operation of the units. This specifically targeted critical systems and equipment that were degraded or damaged and did not meet operational technical requirements (e.g., boiler water wall tubes, coal pulverizers, electrostatic precipitators, air preheaters, superheater tubes, 220 kV substation equipment, 110 kV substation, etc.).

In 2024, the Company carried out major overhaul repairs, replacing the dust filter systems for boilers 1A/B, 2A/B, and 3B. PPC's plan to conduct a major overhaul of Unit S3 is ongoing, but due to objective factors, the bidding packages have not yet secured contractors, extending the timeline into 2025.

Given the current state of Line 1 equipment, to meet the future demands of the power system, it is crucial to urgently reinforce and replace the superheater tubes, air preheaters, economizers, and coal pulverizer mills.

For Line 2:

In 2024, Line 2 units did not undergo any major overhaul repairs, only minor maintenance and cleaning of the rotary air preheaters using high-pressure water.

6. Electricity market operations

Electricity market operations faced numerous challenges in the bidding strategy: Line 1's heat rate was 19.7% higher than PPC's, and the availability of units/boilers could not meet system requirements. The declared available capacity was below the contract's minimum capacity (available capacity of 25-60MW compared to a minimum capacity of 40MW/80MW). Line 2 operated stably, but the market experienced oversupply, leading to low mobilization.

Overcoming these difficulties, the Company demonstrated creativity in its work, ensuring that bidding adhered to market regulations. All direct electricity market activities were carried out strictly in accordance with legal documents, processes, and regulations.

The reasonable bidding strategy for the year resulted in:

- Average selling price for PL1 reaching VND 2.209,77/kWh, 8,5% higher than the average full Pc price ($P_c = \text{VND } 2.037,45 / \text{kWh}$).

- Average selling price for PL2 reaching VND 1.762,88/kWh, approximately equal to the average full Pc price ($P_{c2} = \text{VND } 1.787,60 / \text{kWh}$) and higher than the average variable cost ($V_c = \text{VND } 1.403,70 / \text{kWh}$).

- * The average selling price for both power plants was higher than the full market price ($\text{SMP} = \text{VND } 1,117.81 / \text{kWh}$; $\text{CAN} = \text{VND } 330.22 / \text{kWh}$).

- + PL1 had a higher selling price than Pc due to a bidding strategy that generated positive CfD revenue during periods of low market prices. PL1 units were exploited inefficiently, while PL2 units were utilized more intensively;

- + PL2 had an average selling price higher than its variable cost. The bidding strategy aimed to increase the output of PL2 units. Electricity sales for PL2 reached 3,435.86 million kWh, whereas the allocated Qc was 1,896.58 million kWh (allocated Qc was 55.2% of commercial output).

The Company negotiated electricity prices for Pha Lai 1 Power Plant for the 2025-2028 period. Amendment No. 20 to the Power Purchase Agreement for Pha Lai 1 Power Plant was signed with EPTC, effective from January 1, 2025, to December 31, 2028.

7. Administration and labor works

The total actual workforce at PPC as of December 31, 2024, was 715 employees (including project-based contract employees, excluding Supervisory Board members and full-time Party and union officials). The average number of electricity production employees in 2024 was 721.

Regarding salaries:

The Company developed a suitable and optimized salary plan, ensuring stable wages and income for employees despite the many difficulties in 2024 production and business. Based on the actual production and business situation, the Company distributed salaries and income to employees appropriately and made timely adjustments to ensure salary stability for employees. The average monthly salary for employees in

2024 was estimated at VND 19.9 million/person (excluding the 2023 source), an increase of 15.7% compared to 2023. The average monthly income was estimated at VND 24.8 million/person, an increase of 12.5% compared to 2023.

Regarding organizational restructuring:

A restructuring project was developed in line with EVNGENCO2's directive to separate operation, investment project management, and repair work. On November 4, 2024, the PPC Board of Directors issued Decision No. 6343/QĐ-PPC, approving the organizational model of Pha Lai Thermal Power Joint Stock Company. Accordingly, PPC comprises 06 departments/divisions, 04 workshops, and 01 Repair Service Center (TTDVSC), with the Project Management Board directly under the management of the Company's Board of Directors.

In 2024, the General Meeting of Shareholders approved increasing the number of BOD members from 05 to 07. Procedures were initiated to elect 01 additional full-time BOD member and 01 independent BOD member, as well as to dismiss and replace 01 Supervisor. Additionally, 05 new officials were appointed, 01 official was transferred and appointed from the parent company's personnel, the Head of the Fuel Workshop was reassigned to Head of the Auxiliary Production Workshop, and the Deputy Head of the Planning and Materials Department was reassigned to Deputy Head of the Fuel Workshop. Three officials were reappointed. Concurrently, meetings were held to gather feedback on the policy for personnel arrangement as requested by EVNGENCO2.

Regarding recruitment:

The Company successfully completed the recruitment tasks assigned by the General Corporation, meeting the full recruitment target (09/09 employees).

8. Construction investment works

a. Projects under consideration include: The project for renovating and upgrading Line 1 equipment, the project for investing in the construction of a flue gas desulfurization system for Line 1, the project for renovating and upgrading the SO_x and NO_x removal system for Line 2, and the project for converting auxiliary fuel from FO to DO for Line 1 and Line 2. These projects were initiated and approved for investment during the 2016-2020 period but were temporarily halted in 2019 under the directive of competent authorities, pending a legal framework and synchronized solutions.

b. For the Project for Renovating and Upgrading the SO_x and NO_x Removal System for Line 2, PPC is submitting a request to competent authorities to adjust the project's investment policy. This adjustment is necessary to meet the *new National Technical Regulation on Industrial Emissions*, QCVN 19:2024/BTNMT, issued by the Ministry of Natural Resources and Environment on December 30, 2024.

c. The Project for Fuel Conversion for Line 1 and Line 2, in line with the orientation of PDP8 (QHĐ8), has been completed by the consultant. PPC has submitted it to EVNGENCO2 and EVN for consideration and approval of Project for Fuel Conversion for Line 1 and Line 2.

d. The Project for Installing a New Short-Circuit Current Limiting Reactor at the 220kV Switchyard has received investment approval. The consultant is currently

finalizing the construction design and cost estimate documents. This involves updating and recalculating power flow and short-circuit current based on the draft revised PDP8, and obtaining quotes from equipment manufacturers to ensure alignment with current realities, following EVNGENCO2's guidance in official letter number ...

e. For the Project: Expansion of the 220kV Bay at the 220kV Switchyard of Pha Lai Thermal Power Plant, following EVNGENCO2's directive in official letter no..., PPC is currently submitting the project's investment policy for approval.

f. The "Line 2 Flue Gas Monitoring Station (Upgrade) - Pha Lai Thermal Power Joint Stock Company" project, initiated in early 2024, has seen the contractor complete installation, connection, testing, calibration, and the necessary procedures for connection and acceptance with the Department of Agriculture and Rural Development and Environment..

g. Upgrading the telecommunication transmission network infrastructure to support monitoring and production operations within PPC: PPC is currently submitting the project's investment policy for approval.

h. Proposal for supplementing the planning/plan for a 1,200 MW flexible power project: Following EVNGENCO2's guidance, PPC submitted a proposal to the Hai Duong Provincial Department of Industry and Trade. The Hai Duong Provincial Department of Industry and Trade then issued a written report recommending to the Ministry of Industry and Trade the addition of a 1,200 MW flexible power project to gradually replace the Line 1 units. On March 15, 2025, the Ministry of Industry and Trade submitted Proposal No. 1823/TTr-BCT to the Government for approval of the revised Power Development Plan VIII, which includes the 1,200 MW flexible project proposed by the Company.

II. The Board of Directors' operations assessment.

1. Overall assessment of the Board of Directors' operations

Based on the Enterprise Law, the Company's Charter, the Operating Regulations of the Board of Directors of Pha Lai Thermal Power Joint Stock Company, and the Resolution of the Annual General Meeting of Shareholders dated June 10, 2024: The Board of Directors has correctly performed its functions, duties, and powers concerning oversight, direction, and issuing Resolutions and Decisions.

Since the Annual General Meeting of Shareholders on June 10, 2024, based on the results of meetings and written requests for opinions from the Board of Directors, the Chairman of the Board of Directors, on behalf of the BOD, signed and issued 352 Resolutions. All BOD meetings were convened and organized in strict compliance with regulations, ensuring the required number of BOD members participated. All voting matters achieved high consensus, and written opinion-gathering processes were conducted according to proper procedures.

General Directors and the Supervisory Board were invited to all BOD meetings. For important matters, the BOD invited heads of relevant departments and divisions



within the Company to attend for consultation and additional information. The BOD's Resolutions and Decisions were timely, facilitating the Executive Board's improved operations and bringing efficiency to the Company's production and business.

Specifically, since the General Meeting of Shareholders on June 10, 2024, the Board of Directors has performed its duties and approved the following key contents:

- Approved the 2024 production, business, and investment plan.
- New appointments; reappointment of management personnel, and approval of the policy for personnel transfer and appointment.
- Established a Tender Appraisal Team for major repair packages,
- Approved voting contents within the BOD at companies where PPC has contributed capital, for the voting representatives.
- Approved the temporary application of regulations at Pha Lai Thermal Power Joint Stock Company.
- Approved the contractor selection plan for bidding packages.
- Approved the Estimates; Draft Tender Documents; Results of contractor selection for bidding packages within the Board of Directors' authority.
- Drafted Contracts; Contract Appendices for coal purchase contracts.
- Amended and supplemented Power Purchase Agreement with EPTC, Appendix No. 20 of the Pha Lai 1 Power Plant Power Purchase Agreement, effective from January 1, 2025, to December 31, 2028.
- Approved the policy for strengthening and completed official titles.
- Approved the 2024 work program with the BOD.
- Approved sending personnel on overseas business trips.
- Approved Quarterly Board Meeting Resolutions throughout the year.
- Approved strengthening the Steering Committee for building a Company safe in security and order.
- Approved authorizing the General Director to decide on handling situations in bidding for high-value investment packages and approving tender documents..
- Approved the implementation of items prior to the 2024 annual plan handover.
- Approved the plan for job rotation at PPC as per EVNGENCO2's document.
- Approved the policy to allow hiring consultants to develop a fuel conversion project for Line 1 and Line 2 units.
- Extended the period for job rotation at PPC.
- Permanently ceased the development of the Pha Lai 3 thermal power plant supplementary planning project.
- Approved the policy for personnel transfer and appointment.
- Established a team to appraise the liquidation of fixed assets and recovered materials.
- Approved the organizational model of Pha Lai Thermal Power Joint Stock Company.
- Advanced the first dividend payment for 2024 in cash.

- Liquidated fixed assets and recovered materials.
- Drafted, amended and supplemented 20 contracts for the Pha Lai 1 and 2 thermal power plant power purchase agreement.

In addition to the Resolutions/Decisions mentioned above, in 2024, the Board of Directors issued 272 Decisions approving draft tender documents; approving contractor selection results, approving contract appendices, and draft contracts related to the Company's production and business. All decisions were subject to written opinion-gathering and received high consensus for approval.

2. Activities of each Board of Directors member

- The Chairman of the Board of Directors worked on a full-time basis, fully complying with the Enterprise Law, the Company's Charter, and current regulations. They organized meetings appropriately and sufficiently in accordance with current regulations, and all matters requiring written opinions were handled correctly according to procedures.

- All members fully participated in meetings, either directly or online, and provided timely input to ensure the prompt issuance of Resolutions and Decisions for the Executive Board's implementation.

3. Supervisory Board's oversight activities on the Board of Directors:

The Supervisory Board exercised oversight over the Board of Directors and the Executive Board of Pha Lai Thermal Power Joint Stock Company in accordance with the Company's Charter, the Resolutions of the Annual General Meeting of Shareholders, and the resolutions and decisions of the Board of Directors.

- Attended Board of Directors meetings.
- Developed oversight plans based on their functions.
- Organized regular meetings of the Supervisory Board.
- Issued the operating regulations of the Company's Supervisory Board.

4. Coordination of activities between the Supervisory Board, the Board of Directors, Executive Board and other management personnels.

- Participated in developing internal management regulations to support the management and operation of the Company's production and business activities; participated in meetings with the Company.

*** Actual salary and remuneration payments to the Board of Directors (BOD), Supervisory Board (SB), and Management personnel in 2024 were as follows:**

The total actual salary and remuneration fund for Management, BOD, and SB in 2024 was VND 4,126.733 million, specifically:

Unit: Million VNĐ

No.	Position	No. of People	Average Remuneration and Salary	Salary	Remuneration	Total Remuneration & Salary	Note
1	Full-time Chairman of the Board of Directors	1	57,145	685,740	-	685,740	

No.	Position	No. of People	Average Remuneration and Salary	Salary	Remuneration	Total Remuneration & Salry	Note
2	Member of the Board of Directors	1	48,679	764,260		764,260	
3	Independent/Non-Executive Member of the Board of Directors	4	9,736		328,103	328,103	
4	Full-time Head of the Supervisory Board	1	50,796	609,552	-	609,552	
6	Fulltime member of the Supervisory Board	1	48,679	326,149	-	326,149	
6	Non-Executive Member of the Supervisory Board	1	9,736		168,433	168,433	
	Total Salary and Remuneration for Board of Directors Members, Supervisory Board, and Management in 2024		224,771	2.385,701	496,536	2.882,237	

III. Results of oversight of the general director and other mamangement personnel.

The Executive Board has been proactive in managing production, promptly proposing measures and solutions to enhance the efficiency of production and business. The Board of Directors has issued resolutions, decisions, and directives to guide the General Director and other management personnel in operating the Company's production and business, in accordance with the charter and current regulations. The General Director and the Executive Board have made significant efforts in management and operations in 2024, consistently adhering to the resolutions of the General Meeting of Shareholders and the Board of Directors to achieve the highest possible results for the targets approved by the Board of Directors and the 2024 General Meeting of Shareholders.

Procurement of materials in 2024 saw many positive improvements; however, it faced numerous difficulties due to changes in procurement legal policies. It is necessary to accelerate procurement activities in 2025 and subsequent years to meet the Company's stable needs for purchasing and repairs serving production.

With a spirit of responsibility towards shareholders, employees, and the Company's development, it can be assessed that the Company's Board of Directors has fulfilled its duties and responsibilities as stipulated by law in overseeing the Executive Board and the supporting apparatus during the implementation of the General Meeting of Shareholders' resolutions, as well as the Board of Directors' own resolutions and decisions. 2024 continued to be a challenging year for the Company, with most technical and economic indicators not meeting the assigned plans. Nevertheless, the Company strived to execute the 2024 production and business plan as effectively as possible.

PART 2

TASKS, TARGET PROGRAMS FOR 2025 AND SBSEQUENT YEARS

1. Electricity Production and Business Plan

1.1. Electricity Production Plan

In 2025, Pha Lai Thermal Power Joint Stock Company plans:

- Electricity output : 4.963,00 Million kWh.
 - Including: + Line 1 : 1.222,32 Million kWh
 - + Line 2 : 3.740,68 Million kWh
- Electricity sold to EVN : 4.498,24 Million kWh.
 - Including: + Line 1 : 1.087,86 Million kWh
 - + Line 2 : 3.410,38 Million kWh
- Net heat rate
 - Including: + Line 1 : 16.078 kJ/kWh
 - + Line 2 : 11.019 kJ/kWh
- Self-consumption Rate (including losses): 9,36 %
 - Including: + Line 1 : 11,00 %
 - + Line 2 : 8,83 %
- Availability Factor: 83,40%
- Outage rate:
 - Including: + Line 1 : 1,33
 - + Line 2 : 1,00
- Responsiveness Factor:
 - Including: + Line 1 : 92,54 %
 - + Line 2 : 94,75 %

1.2. Major repair plan : 832,91 Billion VND

1.3. Fixed asset procurement and investment plan : 11,918 Billion VND

1.4. Labor and salary plan

* Average Actual Labor Used : 801 people

* Salaries and Social Insurance (Health Insurance, Union Dues, Unemployment Insurance, Social Security) : 280,69 tỷ VND

- Labor Productivity/Electricity Output: 6,70 million kWh/person

- Labor Productivity/Installed Capacity: 0,77 person/MW.

1.5. Total revenue and profit

- Revenue : 9.064,81 billion VND

- Expenses : 8.669,55 billion VND

- Profit before tax : 395,25 billion VND

1.6. Dividend: Projected 5% of charter capital

(Details as in the 2024 Production and Business Report and the 2025 Production and Business Plan)

2. Key Solutions and Tasks

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2.1. Operations and Equipment Management

Operational planning needs to be detailed according to A0's mobilization methods, with units meeting availability and being ready to start when the system demands.

Further enhance the quality of operational discipline and labor discipline awareness, providing timely motivation and rewards while strictly addressing violations of labor discipline.

Increase equipment inspections, promptly detecting damage that could cause incidents, and effectively carrying out equipment cleaning. Resolutely avoid operating equipment when technical parameters are violated, and proactively shut down equipment when there's a risk of an incident.

2.2. Repair work

For Line 1, major repairs will focus on implementing maintenance and repair solutions to ensure reliability and continue to effectively utilize the units. This includes concentrating on critical equipment systems that are degraded/damaged and do not meet technical operational requirements.

For Line 2, continue maintenance to enhance the reliability and availability of units S5 and S6, gradually improving economic and technical indicators, increasing production efficiency, and promptly replacing damaged/degraded equipment.

2.3. Electricity market

Ensure electricity generation is profitable or at least covers actual variable costs, avoiding excess generation that yields no revenue or incurs penalties for failing to meet bid volumes.

Closely monitor the electricity market, developing detailed plans for each day, week, and month to be implemented down to the operational shift and relevant units, ensuring unified execution according to market mechanisms.

2.4. Labor Organization work

Continue to complete the Company's organizational model in accordance with the approved resolution; review, adjust, and supplement personnel planning to align with the company's organizational structure and personnel regulations. Ensure appointments, reappointments, rotations, and job transfers follow proper procedures, regulations, and principles.

Prioritize input quality and training quality, enhancing human resource quality to meet the current and future production and business needs of the company. Develop recruitment plans; training plans and programs, and implement them effectively and with high quality. Continue to deploy and apply IT and specialized software in labor management and evaluation.

Continue to properly implement policies and regimes related to employees, ensuring full compliance with legal provisions.

2.5. Financial management work

Strengthen cost management to improve production and business efficiency.

Complete regulations, procedures, and rules in financial operations to synchronize with regulations from higher authorities.

Continue to focus on short, medium, and long-term investments to ensure safety and efficiency.

2.6. Construction investment work

Continue to work closely with relevant departments, the Department of Industry and Trade, the Ministry of Industry and Trade, and competent authorities to implement the supplementary PDP8 flexible power project (1,200 MW) for Pha Lai Thermal Power Joint Stock Company. Implement the project to expand the bay for the Bac Giang – Pha Lai power line, the project to install short-circuit current limiting reactors; projects/schemes to restore capacity, enhance operational efficiency, and bring the net heat rate closer to PPA for Line 2; and other projects as directed by competent authorities.

3. Business orientation, development strategy and long-term investment direction .

Based on the development strategy of Vietnam Electricity Group, Pha Lai Thermal Power Joint Stock Company has developed its long-term development strategy as stable development, gradually converting fuel to become greener and more environmentally friendly, becoming a socially responsible enterprise, and transforming into a digital enterprise following the orientation and roadmap of Vietnam Electricity Group and Power Generation Corporation 2. Some specific directions include:

3.1. Ensure effective and profitable annual production and business results; preserve and develop state-owned equity.

3.2. Ensure the debt-to-equity ratio is less than 3 times

3.3. Ensure short-term solvency is greater than or equal to 1 time.

3.4. Ensure safe, stable, and highly available operation of boilers and units to meet power supply demands when required by the system.

3.5. Strive to reduce power loss and optimize technical and economic indicators.

3.6. Participate in the electricity market safely, reliably, and reasonably, ensuring reasonable production costs and electricity purchase costs, thereby increasing the Company's revenue and profit.

3.7. Develop and enhance the quality of human resources, embrace technology; build a high-quality workforce suitable for each position; promote innovation and creativity in the workplace.

3.8. Enhance the Company's scientific and technological capabilities, continuously researching, receiving, and transferring advanced technologies in the power generation sector; researching and effectively applying the achievements of the 4th Industrial Revolution in production and business activities, focusing on improving efficiency and energy saving; ensuring information safety and security for Vietnam Electricity Group's information systems.

3.9. Environmental protection and proactive adaptation to climate change are top priorities to ensure the Company's stable development. Implement the project to renovate and upgrade the Line 2 flue gas treatment system to meet emission standard



QCVN 19:2024, ensuring the Company's production activities comply with environmental protection regulations.

3.10. Continue to work closely with competent State agencies, EVN, and EVNGENCO2 on implementing the supplementary Power Development Plan VIII for the 1,200 MW flexible power project of Pha Lai Thermal Power Joint Stock Company as a basis for replacing Line 1 in the coming period, transitioning towards a greener and more environmentally friendly approach.

The Board of Directors respectfully reports to the General Meeting of Shareholders.

Sincerely ./.

**ON BEHALF OF THE BOD
CHAIRMAN**

To:

- General Meeting of Shareholders
- Archive: Office, Supervisory Board.



Mai Quốc Long