

For the sake of the investors, the Steering Committee of Vinacomin Power's IPO auction recommend that potential investors refer to this document prior to making any decision of auction participation

## INFORMATION DISCLOSURE FOR THE FIRST PUBLIC SHARE AUCTION

VINACOMIN POWER HOLDING CORPORATION LIMITED  
VIETNAM NATIONAL COAL-MINERAL INDUSTRIES HOLDING

### AUCTION ORGANIZATION



#### HANOI STOCK EXCHANGE

Address: No 2 Phan Chu Trinh, Hoan Kiem, Hanoi

Telephone: 04. 3936 0750

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### ISSUING PARTY



#### VINACOMIN POWER HOLDING CORPORATION LIMITED

Address: 2<sup>nd</sup> floor, San Nam Building, Dich Vong Hau, Cau  
Giay, Hanoi

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### ADVISORY PARTY



#### PETROVIETNAM SECURITIES INCORPORATED

Address: 18 Ly Thuong Kiet, Hoan Kiem, Hanoi

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*Hanoi, March 2015*

*Counseling organization: Petro Vietnam Securities Incorporated*

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## I. AUCTION INFORMATION

### 1. Corporate Information

Corporate name: **TỔNG CÔNG TY ĐIỆN LỰC - VINACOMIN**  
In English: Vinacomin - Power Holding Corporation Limited.  
Abbreviation: Vinacomin - Power (VP).  
Address: 226 Le Duan Street, Trung Phung Ward, Dong Da District, Hanoi, Vietnam  
Telephone: (84) - 4 - 35161605  
Fax: (84) - 4 - 35161610  
Email: vp@vinacominpower.vn  
Tax code: 0104297034  
Charter capital: 6,800,000,000,000 VND (In word: six thousand eight hundred billion dong)

### 2. Business activities

According to the certificate of business registration No. 0104297034 issued by the Department of Planning and Investment of Hanoi as of 07/12/2009 with the third amendment as of 28/09/2012, the business scope of the Company is as following

- Exploiting stone, sand, gravel, clay;
- Investing, constructing, operating thermal power plants, hydroelectric plants, power plants using renewable energy, renewable energy and grid power supply system;
- Generating electricity;
- Transmissing and distributing electricity;
- Purchasing and selling electricity;
- Managing power investment and construction projects (Only practice this scope of work when meeting eligible project management capabilities and conditions in accordance with the law);
- Engaging in road transportation, railway, waterway;
- Design, fabricate, assembly and repair mechanical products, equipment and power plants, electrical equipments, pressure equipments, structural steel and other industrial equipments (Only practice this scope of work when meeting eligible project management capabilities and conditions in accordance with the laws);
- Constructing power plants, transmissing electricity lines and power stations, industrial, residential, transportation, irrigation, ports, infrastructure (Only practice

this scope of work when meeting eligibility project management capabilities and conditions project in accordance with the law);

- Conducting investment advisory activities: investment Advisory for plant construction, electrical work (Only practice this scope of work when meeting eligibility project management capabilities and conditions project in accordance with the law);
- Manufacturing building materials (refractory products, building materials from clay adobe construction materials; cement, lime and plaster;
- Exporting and importing goods within the Company's business;
- Exploitation and collecting coal;
- Exploitation and collecting lignite;
- Only conducting construction activities, business activities when meeting eligibility construction capabilities and conditions in accordance with the laws.

### 3. Main products and services:

The Company's main product and service: Power

### 4. Expected charter capital after the auction

- > Charter capital : VND6,800,000,000,000
- > The number of share : 680,000,000 share
- > Par value of share : VND10,000 /share
- > Expected ownership of the Company after the equitization process:

No	Shareholder	Charter capital: VND6,800,000,000,000			
		Quantity (share)	Value (VND)	Ownership (%)	Ownership form
1	State ownership	442,000,000	4,420,000,000,000	65%	The State's capital remained at the Company after equitization
2	Shares sold to the Company's employees				Shares sold to the employees under favorable terms

2.1	Favorable share selling to employees with long working period at the Company	930,900	9,309,000,000	0.14%	Equivalent to 60% of the lowest successful auction price
2.2	Favorable share selling to employees in accordance with commitments and high expertise	677,140	6,771,400,000	0.10%	Equivalent to the lowest successful auction price
3	Favorable share selling to the Trade Union				
4	Share selling to public auction	236,391,960	2,363,919,600,000	34.76%	Public auction
	<b>Total</b>	<b>680,000,000</b>	<b>6,800,000,000,000</b>	<b>100</b>	

Source: Equitization plan approved at Decision No 85/QĐ-TTg dated 19 Jan 2015

#### 5. Publicly offered shares and starting price

- > Number of share offering : 236,391,960
- > Type of share : common share.
- > Par value of share : VND10,000 /share.
- > Starting price : VND10,000 /share..
- > Price leap : VND100.
- > Number of price leap : 1 price leap.
- > Number of share per price leap : 100 share.

#### 6. Minimum quantity of share acquiring registration for individual and institutional investors

- > The minimum quantity for share acquiring registration: 100 shares.
- > The maximum quantity for share acquiring registration for local individual and institutional investors: 236,391,960 shares.
- > The maximum quantity for share acquiring registration for foreign individual and institutional investors: 236,391,960 shares.
- > The registered buying amount must be equal or less than the amount of total registered shares.

**7. Auction advisory organization****PETROVIETNAM SECURITIES INCORPORATED**

Number 18, Ly Thuong Kiet Street, Hoan Kiem District, Hanoi

Telephone: (84-8) 3934 3888 Fax: (84-8) 3934 3888

**8. Auction Organization**

Hanoi Stock Exchange

Address: No 02, Phan Chu Trinh, Hoan Kiem District, Hanoi

Telephone, Fax: (84-4) 39412626 or (84-4) 39360750

**II. AUCTION LEGAL FRAMEWORK**

- Enterprise Law No. 60/2005 /QH11 of the National Assembly of the Socialist Republic of Vietnam, XI period on November 29, 2005;
- Securities Law No. 70/2006 /QH11 of the National Assembly of the Socialist Republic of Vietnam, XI period 06 on May 29, 2006;
- Amendment and supplementation of the Securities Law No. 62/2010 / QH12 of the National Assembly of the Socialist Republic of Vietnam, XII period on November 24, 2010;
- Decree No. 59/2011/ND-CP dated 18/7/2011 of the Government on the equitization of 100% state-owned enterprises;
- Decree No. 189/2013 / ND-CP of the Government dated 20.11.2013 amending Decree 59/2011 / ND-CP on the equitization of 100% state-owned enterprises;
- Decree No. 91/2010 / ND-CP of the Government dated 08.20.2010 stating the regulations on redundant employees in the case of restructuring of state-owned one member limited companies;
- Circular No. 196/2011 / TT-BTC dated 26/12/2011 of the Ministry of Finance guiding the initial share selling and management, usage of proceeds from the equitization of 100% state-owned enterprises share under the provisions of Decree No. 59/2011 / ND-CP dated 18/7/2011 of the Government
- Circular No. 127/2014 / TT-BTC dated 05/09/2014 of the Ministry of Finance guiding the financial settlement and enterprise valuation in the case equitization of 100% state-owned enterprises share under the provisions of Decree No. 59/2011 / ND-CP dated 18/7/2011 of the Government
- Circular No. 33/2012 / TT- BLĐTBXH dated 12.20.2012 of the Ministry of Labor - Invalids and Social Affairs guiding the implementation of policies for employees under Decree No. 59/2011 / ND-CP dated 18/7/2011 of the Government

in the case equitization of 100% state-owned enterprises;

- Decision No. 314 / QD-TTg dated 02/07/2013 of the Prime Minister approving the proposal to restructure Vietnam National Coal-Mineral Industries Holding Corporation Limited (Vinacomin) 2012-2015 period;

- Decision 314 / QD-VINACOMIN dated 12.03.2013 of Vinacomin on the establishment of the Steering Committee of the equitization of companies under Vinacomin;

- Decision No. 169/QD-TKV date of 02/08/2014 of Vinacomin approving the restructuring scheme for Vinacomin Power to 2015;

- Decision No. 399/QD-dated 06/03/2014 of Vinacomin on the equitization of of the parent company Vinacomin Power ;

- Decision No. 200 / QD-DLTKV dated 02.26.2014 of Vinacomin Power on the establishment of Working Group for the equitization of the parent company of Vinacomin;

- Decision No. 1930 / QD-TKV dated 08.29.2014 of Vinacomin approving enterprise valuation of the parent of Vinacomin Power as of 01/4 / 2014); Decision No. 1945 / QD-HDTV dated 04.09.2014 on supplementing the g Decision 1930 / QD- HDTV dated 29.08.2014).;

Decision No. 2730 / QD-TKV dated 24.12.2014 Vinacomin on equitization of the Corporation following Decision No. 314 / QD-TTg;

Decision No. 2732 / QD-TKV dated 24.12.2014 of Vinacomin founding the group directing equitization process;

Decision No. 85 / TTCP dated 01/19/2015 of the Prime Minister; approve the equitization plan of Vinacomin Power;

Document No. 2011 / BCT-TCCB dated 02/3/2015 of the Ministry of Industry and Trade on the implementation of the Decision of the Decision No. 85 / PM dated 19/01/2015 of the Prime Minister;

Decision No. 311 / QD-TKV dated 03/3/2015 Vinacomin approving the first offering price of Vinacomin Power .

### III. DEFINITION AND ABBREVIATION

Abbreviation	Definition
MOIT	Ministry of Industry and Trade
The Company	Vinacomin - Power Holding Corporation Limited

The equitizing company	Vinacomin - Power Holding Corporation Limited
Vinacomin	Vietnam National Coal-Mineral Industries Holding Corporation Limited
Consultant - PSI	Petrovietnam Securities Incorporated
Vinacomin Power	Vinacomin - Power Holding Corporation Limited

#### IV. EQUITIZING COMPANY INFORMATION

##### 1. Name, address of the equitizing company

- Name: Vinacomin - Power Holding Corporation Limited.
- Abbreviation: Vinacomin - Power (VP).
- English trading name: Vinacomin - Power Holding Corporation Limited.
- Address: 226 Le Duan Street, Trung Phung Ward, Dong Da District, Hanoi, Vietnam

- Telephone: (84) - 4 - 35161605

- Fax: (84) - 4 - 35161610

- Email: vp@vinacominpower.vn

- Certificate of business registration No. 0104297034 issued by the Department of Planning and Investment of Hanoi as of 07/12/2009 with the third amendment as of 28/09/2012.

- Bank Account: 102010001009361 at Vietinbank – Southern Thang Long branch.

- Tax code: 0104297034

##### 2. Establishment and development history

Vinacomin Power was established under Decision 5211 / QĐ-BCT dated 21/10/2009 of the Ministry of Industry and Trade. Accordingly, Vinacomin - Power is a subsidiary under Vinacomin operating in the parent company - a subsidiary structure, with a VND6,800 billion charter capital. The Company's function is implementing of business such as investment, construction and operation of thermal power plants, hydroelectric plants, power plants using renewable energy, renewable energy and grid (power supply system).

At the same time, Vinacomin - Power is also active in the field of s purchase

and sale of electricity; transmission and distribution of electricity; management of investment and construction of power projects ; trucking, rail, waterways; design, fabrication, assembly and repair of mechanical products, equipments for power plants, electrical equipments, pressure equipments, structural steel and other industrial equipments; construction of power plants, transmission lines and power stations, industrial, residential, transportation, irrigation, ports, infrastructure; plant construction investment advisory, electrical work

The establishment of the Vinacomin Power has many meanings: stating their intention of Vinacomin to develop multidisciplinary business based on coal production. Through investment in power plants, Vinacomin will raise the value of coal, in order to implement the strategy of sustainable development of Vinacomin, also contributing to the development of the electric power industry of the country, a worthy contribution to ensure the national energy security. Since its inception, Vinacomin Power has been implementing and will be in implementing 14 power projects with a total capacity of 5880 MW, becoming a major power producers to participate in competitive electricity market and contribute to ensure the national energy security.

At the time of establishment, the Company has 2 operating factories: Na Duong (110MW), Cao Ngan (110MW) and 5 projects under construction: Cam Pha 1 & 2 (670MW), Son Dong (220MW), Dong Trieu (440MW), Nong Son (30MW), Dong Nai 5 (150 MW). So far, Vinacomin Power currently has more than 2,600 people, managing and operating five power plants with a total capacity of 1,550MW. Those are: Na Yang, Cao Ngan Son Dong, Cam Pha 1 & 2 and the Dong Trieu, which are using circulating fluidized bed boiler technology, using bad coal supply. Since going its operation, the power plants of the Company has stable performance with safety and efficiency. Along with that, Vinacomin Power has gathered professionals and technicians, operators are trained which are trained locally and abroad.

From 2009 to now, Vinacomin power has changed significantly, the infrastructure investment has improved gradually to meet task of investing, exploiting, constructing, and operating of thermal power plants, hydroelectric plants. The labor force is strengthened; the production capacity of the company is confirmed. The Company's staff is qualified with dynamic skills and regular training.

In recent years, with the attention close guidance of the Party and the government and Vinacomin Coal, the Company has always fulfilled the tasks of production and business plans, ensuring stable income and livelihood of the employees.

In addition, the power plants of Vinacomin - Power also contribute to job creation, development of local industries, especially in poor villages in mountainous, remote areas. When Son Dong thermal power commences operation, in addition to the task of coal consumption for the region of Dong Ri, it also creates jobs for local people contributing to the economic development mountainous area.

5 years, with the collective leadership and staff of Vinacomin Power by youth and dynamism, creativity, the spirit of discipline, the Company has overcome many difficulties and challenges in the operation and has earned positive results. The Company has been honored by the President the 3<sup>rd</sup> level Labor Medal and many award from the Prime Minister, Ministry of Industry and Trade, Vietnam General Confederation of Labor, Vinacomin.

These remarkable results are not only a testament to the outstanding efforts of Vinacomin Power in the process of approaching and application of modern equipment and technology but also are motivation for the development of the electricity industry Vinacomin in particular and Vietnam in general; standing in the top 3 of pillars to ensure the national energy security.

### **3. Main products and services**

Main products and services: Electricity

### **4. Management structure and Operation model**

#### **4.1. Management structure**

Management structure of the Corporation at the time of the valuation (01/4/2014) is organized and operated as the parent company - Subsidiary, as follows:

The executive management include:

- + Board members: Including 3 members (the General Director is a member of Management Board).
- + Board of Directors composed of the general director, four deputy general managers and chief accountant.
- + The number of professional divisions: 10
- b) The company under the parent company - Corporation:
  - + Na Duong Thermal Power Company - Vinacomin;
  - + Cao Ngan Thermal Power Company - Vinacomin;
  - + Son Dong Thermal Power Company - Vinacomin;
  - + Thermal Power Company North East - Vinacomin;
  - + Project Management hydropower plant in Dong Nai 5 - Vinacomin.

Notes: According to Decision No. 5211 / QĐ-BCT dated 21/10/2009 of the Ministry of Industry and Trade on the establishment of the parent company - Vinacomin Power, under which Dong Trieu Thermal Power Company was organized under JSC model. However, at the present time, Dong Trieu to a joint stock company but implements equitization process along with the Corporation.

The subsidiary by the parent company - Corporation holds more than 50% of the charter capital:

+ Cam Pha Thermal Power JSC - Vinacomin: 85.75%

+ Nong Son Thermal and Coal Power JSC - Vinacomin : 88.77%

d) Associate company in which the Corporation owns less than 50% of the charter capital:

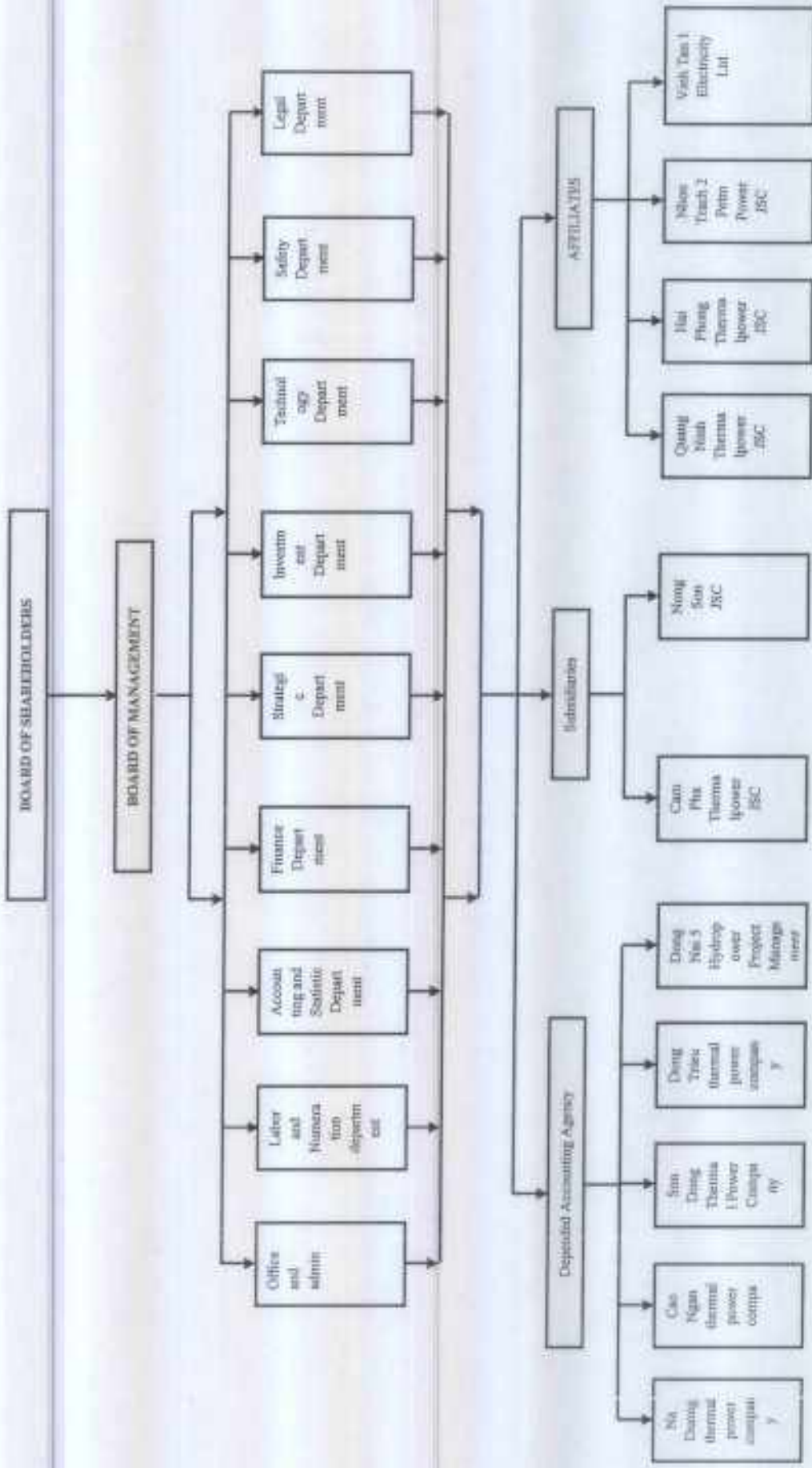
+ Quang Ninh Thermal Power Joint Stock Company: 10.62%

+ Hai Phong Thermal Power Joint Stock: 7.21%

+ Nhon Trach 2 Thermal Power Joint Stock Company: 5%

+ Vinh Tan 1 Power One member liability limited company: 5%

#### **4.2 Operation Model**



### 5. Number of employees

As at 01 April 2014, the number of regular employee is 1,522 people with structure as following

Criteria	Number of people	Weight (%)
<b>According to literacy</b>	<b>1,522</b>	<b>100%</b>
- Postgraduate	17	1%
- Bachelor	569	37%
- College	546	36%
- Other		
- Technical workers	390	26%
<b>According to labor contracts</b>	<b>1,522</b>	<b>100%</b>
-No labor contracts	27	2%
- Infinite labor contracts	1,376	90 %
- One to three year labor contracts	119	8 %
- Contemporary labor contracts		
<b>According to gender</b>	<b>1,522</b>	<b>100%</b>
- Male	1,153	76%
- Female	369	24%

### 6. Company's valuation

- Company's valuation as at 01 Apr 2014

#### - Company's value

○ Book value	25,667,792,098,694	dong
○ Re-valuation	26,186,009,287.166	dong
○ Difference	518,217,188,472	dong

#### - Value of state capital at the company

○ Book value	5,036,187,838,625	dong
○ Re-valuation	5,606,785,747,150	dong
○ Difference	570,597,908,525	dong
- Value of redundant asset, removed from company valuation	0	dong
- Value of asset formed by business cooperation contracts which are not re-valued	0	dong
○ Book value	0	dong
○ Accumulated depreciation	0	dong
○ Net book value	0	dong

▪ Summary of company's valuation at 01 April 2014:

Unit: VND

Criteria	Accounting/Book value	Revaluation	Difference
1	2	3	4
<b>A. Currently in use assets (I+II+III+IV)</b>	25,667,792,098,694	26,186,009,287,166	518,217,188,472
<b>I. Fixed assets and long term investment</b>	23,295,801,680,620	23,850,975,336,919	555,173,656,299
1. Fix assets	13,313,620,105,438	13,487,203,138,008	173,583,032,570
a. Tangible fixed assets	13,313,318,886,311	13,486,901,918,881	173,583,032,570
b. Intangible fixed assets	301,219,127	301,219,127	-
2. Long term financial investments	7,153,518,408,760	7,534,679,740,115	381,161,331,355
3. Construction in progress	2,609,641,262,997	2,609,641,262,997	-
5. Long term prepayments	219,021,903,425	219,451,195,799	429,292,374
<b>II. Current assets and short term investment</b>	2,371,990,418,074	2,335,033,950,247	(36,956,467,827)
1. Cash and cash equivalents	94,422,706,111	94,422,706,111	-
+ Cash on hand	646,693,903	646,693,903	-
+ Cash at bank	93,776,012,208	93,776,012,208	-
2. Short term investments	91,154,325,680	91,154,325,680	-
3. Account receivables	1,781,684,464,138	1,740,529,309,735	(41,155,154,403)

4. Inventory	342,820,605,919	342,820,605,919	-
5. Other current assets	61,908,316,226	66,107,002,802	4,198,686,576
III. Goodwill	-	-	-
IV. Land use rights	-	-	-
B. Not in use asset	-	-	-
I. Fixed assets and long term investments	-	-	-
II. Current assets and short term investments	-	-	-
C. Awaiting for disposal assets	-	-	-
I. Fixed assets and long term investments	-	-	-
I. Fixed assets	-	-	-
II. Current assets and short term investments	-	-	-
D. Assets formed from the welfare fund and reward	-	-	-
<b>TOTAL COMPANY VALUATION (A + B + C + D)</b>	<b>25,667,792,098,694</b>	<b>26,186,009,287,166</b>	<b>518,217,188,472</b>
In which:			
<b>TOTAL REAL/NET VALUE OF THE COMPANY (Part A)</b>	<b>25,667,792,098,694</b>	<b>26,186,009,287,166</b>	<b>518,217,188,472</b>
E1. Real payable and liabilities	20,631,604,260,069	20,579,223,540,016	(52,380,720,053)
E2. Career funding	-	-	-
<b>TOTAL REAL VALUE OF STATE CAPITAL AT THE COMPANY [A-(E1+E2)]</b>	<b>5,036,187,838,625</b>	<b>5,606,785,747,150</b>	<b>570,597,908,525</b>

## 7. The Company's main assets

Summary of the Company's assets as of 01 April 2014:

Unit: VND million

No	Criteria	Value
A	Assets	26,186,009
I	Current assets	2,335,034

No	Criteria	Value
1	Cash and cash equivalent	94,423
2	Short term investments	91,154
3	Short term receivables	1,740,529
4	Inventories	342,821
5	Other current assets	66,107
<b>II</b>	<b>Non- current assets</b>	<b>23,850,975</b>
1	Tangible fixed assets	13,486,902
1.1	Cost	17,204,090
	- Building	3,333,029
	- Equipments	13,778,325
	- Transportation	73,369
	- Others	19,367
1.2	Net book value	13,486,902
	- Building	2,855,204
	- Equipments	10,577,634
	- Transportation	45,530
	- Others	8,534
2	Financial leased assets	-
3	Intangible fixed assets	301
3.1	Costs	854
3.2	Net book value	301
4	Construction in progress	2,609,641
5	Long term investments	7,534,680
6	Others	219,451

#### 7.1. Land usage status

- Currently, Vinacomin power is managing, using and applying new ground in some provinces: Lang Son, Bac Giang, Thai Nguyen, Quang Ninh, Lam Dong and Dak Nong with total area of 7,500,121.4 m<sup>2</sup>. In which: 6,854,410.4 m<sup>2</sup> lease was assigned for management and usage for business and other purposes; 645,711 m<sup>2</sup> is under procedure completion for land lease. Details are as following:

- \* Assigned area: Free of charge: 3,964,647,1m<sup>2</sup>
- \* Leased area: Area with annual fees: 2,158,820,3 m<sup>2</sup>  
Short term lease with onetime payment: 730,943 m<sup>2</sup>
- \* Lease under leasing procedures: 645,711 m<sup>2</sup>
  - Land transferred to the joint stock company: 7,491,426,4 m<sup>2</sup>
  - No usage land: 8,695 m<sup>2</sup>

#### 7.1.1. Assigned land for usage and management

##### a. Na Duong Thermal Power Company - Vinacomin

- Address: Na Duong town, Loc Binh district, Lang Son province
- Land area in usage and management : 211,723.7m<sup>2</sup>.
- + 06 land lots used for business operations with area of 201,407.6m<sup>2</sup>, the land use right certificated was granted to Na Duong Company
- + 01 land lot for machine and gun construction (land for defense and security purpose) with area of 1,621.1m<sup>2</sup>, land assignment Decision No. 1112 / QD-UBND 15/07/2011 of Lang Son province).
- + 01 area for worker house construction with area of: 8695 m<sup>2</sup>, land lease contract number 34 /HDTD of Lang Son province dated 23 June 2011, land lease term is 30 years from the date 9/9/2002 to 09/9/2032, no usage demand for this.

##### b. Cao Ngan Thermal Power Company - Vinacomin

- Address: Quan Trieu Ward, Thai Nguyen City, Thai Nguyen Province
- Land area in management and use: 209,405.1 m<sup>2</sup>.
- + Plant area at Quan Trieu Ward, Thai Nguyen City with area of 7,192.9m<sup>2</sup> had, the land use right certificate was granted to Cao Ngan Company.
- + Land for construction of the plant and supplementing items at Quan Trieu Ward, Thai Nguyen City is of 133,232 m<sup>2</sup>, and lease contract was signed.
- + Land for construction of guest houses, resting houses and sports complex in Quang Vinh ward, Thai Nguyen city covers an area of 9532.5 m<sup>2</sup> and lease contract was signed
- + Land for unburned materials factory construction and ash land at Cao Ngan, Thai Nguyen City, with land area of 59,447.7m<sup>2</sup> and the land lease decision has been granted

##### c. Son Dong Thermal Power Company

- Address: Thanh Son Town, Son Dong District, Bac Giang Province.
- Land area in use and management: 543,394.6 m<sup>2</sup>.

- + Land area for plant constructing, granted land use right of 200,720 m<sup>2</sup>
- + Land area for reservoirs system and dams for the plant, granted land use right and lease contract of 342,674.6m<sup>2</sup>.

**d. Dong Trieu Thermal Power Company**

- Address: Binh Khe, Xuan Son, Trang An, Kim Son Town, Dong Trieu Ward, Quang Ninh Province.
- Land area in use and management: 642,432 m<sup>2</sup> for plant construction and supplementing items, lease contract was signed..

**e. Dong Nai 5 Hyrdo Power Plant Vinacomin Management Board**

- Address: Bao Lam District, Lam Dong and Dak Lap district, Dak Nong province
- Total area: 5,247,455 m<sup>2</sup>, in which:
  - Land with annual payment: 553,486 m<sup>2</sup>.
  - Short term leased land with one time payment: 730,943 m<sup>2</sup>.
  - Assigned land free of charge (reservoir): 3,963,026 m<sup>2</sup>.

Currently, Dong Nai 5 hydropower plant is in the process of construction. Because the hydropower plant project is located on two provinces: Lam Dong and Dak Nong, the project manager submitted the land usage proposal after the Plant's equitization. The project management board has received written document No 2422 from Lam Dong Province people's Committee dated 20 May 2014 document No. 3524 from Dak Nong Province people's Committee dated 21 August 2014 answering the land usage plan of Dong Nai 5 Plant as following

- Lam Dong Province people's Committee:

+ Agree with the land usage plan of Dong Nai 5 Plant Management Board + For the land area of 19.5, it has been leased by the People's Committee of Lam Dong Province under Decision No. 1006 / QD-UBND dated 10/5/2010 to function as warehouse for mine and obsolete material but expired in 2013. Under the guidance of the Province, in cases there is need to use, the Plant can apply for extension, the project management board is finalizing procedures to send to Lam Dong Province environment and natural resource department.

- People's Committee of Dak Nong Province: Confirm the land usage proposal as the Plant requested as following

- + Land area with no charge: 2,089,255 m<sup>2</sup>
- + Land area with annual payment: 553,486 m<sup>2</sup>

*(Details of the leased and assigned land of Dong Nai 5 Plant is in the appendix).*

### 7.1.2. Land being proposed for leasing

- Land for construction for ash and waste are of Na Duong Plant is at Na Duong Town, Loc Binh District, and Lang Son province with area of 579,300m<sup>2</sup>. The request for being assigned and being able to lease the land was submitted to Lang Son Province

- Land for construction of resettlement houses for employees of Dong Trieu Plant is at Xuan Son Ward, Dong Trieu District, Quang Ninh province has a total area of 66,411m<sup>2</sup> and 1/500 rate detail construction plans approved from Quang Ninh Province. However, the Company is finalizing the procedures for purposes adjustment of 40 resettlement lots (lots with garden) with an area of 13,585m<sup>2</sup> into houses for employees so the assignment and leasing procedures are still on-going

At the time of the valuation, all land that Company and its members are being assigned to lease, use are long term with annual payment or short term with onetime payment, so this does not account in the Company's valuation

### 7.2. Tools and equipment (greater than VND50bn)

No	Assets	Year of usage	Quantity	As of 31/3/2014		
				Cost (VND)	Remaining (%)	Net book value (VND)
<b>Na Duong Thermal Power Plant</b>						
1	Generator turbine	2005	1	469,202,901,437	59%	276.829.711.848
2	Boilers	2005	1	695,791,326,066	59%	410.516.882.379
3	Electric equipments	2005	1	202,711,468,388	20%	40.542.293.678
4	Coal supply system	2005	1	95,347,650,604	20%	19.069.530.121
5	Water and waste water treatment system	2005	1	75,744,939,747	40%	30.297.975.899
6	Measurement and control system	2005	1	57,639,647,906	20%	11.527.929.581
<b>Son Dong Thermal Power Plant</b>						
1	Turbine and supporting equipments	2011	1	580,191,697,487	80%	464.153.357.990
2	Boilers and supporting equipments	2011	1	835,143,148,946	78%	651.411.656.178
3	Water circulating system	2011	1	118,452,349,009	71%	84.101.167.796

4	Generator and supporting equipments	2011	1	166,676,677,461	81%	135.008.108.743
5	Fan system	2011	1	79,485,059,556	71%	56.434.392.285
6	Removal and electricity stabilizing system	2011	1	90,831,536,454	72%	65.398.706.247
7	Waste flowing system	2011	1	62,729,121,829	71%	44.537.676.499
8	Others(boiler stairs, nitrogen supply system)	2011	1	73,323,721,576	71%	52.059.842.319
9	Other equipments	2011	1	144,342,937,611	70%	101.040.056.328
10	Cable system for the plant	2011	1	61,136,898,345	70%	42.795.828.842
<b>Dong Trieu Thermal Power Plant</b>						
1	Boilers and supporting equipments	2012	1	4,050,720,816,783	92%	3.707.907.583.854
2	Ash flowing system	2012	1	73,255,012,207	83%	60.857.284.150
3	Ash filtering equipment	2012	1	153,074,387,357	81%	124.658.457.466
4	Main stream system, re-heating...	2012	1	155,447,377,557	89%	137.901.613.833
5	Smoke wind system	2012	1	153,320,504,927	84%	129.072.659.314
6	Turbine and supporting equipments	2012	1	796,863,919,157	90%	718.617.698.088
7	Water circulating system	2012	1	91,887,116,073	82%	75.071.343.700
8	Water treatment system	2012	1	55,706,178,352	83%	46.480.132.718
9	Circulating water cooling system and supplementing equipments	2012	1	106,493,783,809	83%	88.227.664.727
10	Supplementing equipment and turbine synchronous	2012	1	96,817,945,846	81%	78.845.167.978
11	Condensation system	2012	1	137,183,361,038	82%	111.997.944.141
12	Water heating system	2012	1	58,470,440,591	82%	48.006.971.454
13	Boiler feed pumps and supplementing equipment	2012	1	201,013,692,508	83%	166.735.109.575
14	Generator and supplementing equipment	2012	1	465,209,657,061	90%	418.313.036.693

15	Cable system	2012	1	101,232,524,779	83%	84.491.125.358
16	Generator transformer	2012	1	120,961,461,098	87%	104.813.878.501
17	6.6KV cabinets, electrical connections (inside the main control room)	2012	1	99,877,698,599	87%	86.570.106.341
18	Controlling and supervising system	2012	1	129,362,726,051	80%	103.975.001.297
19	SCMS controlling equipment	2012	1	68,597,421,843	81%	55.863.354.678
20	General controlling and supervising system	2012	1	65,787,987,070	82%	53.713.976.611
<b>Cao Ngan Thermal Power Plant</b>						
1	Turbine and supporting equipments	2007	1	53,336,950,273	66%	35.202.387.180
2	Turbine and supporting equipments	2007	1	53,336,950,273	67%	35.735.756.683
3	Boiler and supporting equipments	2007	1	132,384,492,157	66%	87.373.764.824
4	Boiler and supporting equipments	2007	1	132,384,492,157	67%	88.697.609.745
5	Hardware and software and measurement equipment	2007	1	134,092,760,541	25%	33.523.190.135
<b>Total</b>				<b>11.495.570.740.529</b>		<b>9,168,377,935,774</b>

### 7.3. Means of transportation

No	Asset	No	Valuation at 31 Dec 2012		
			Cost (VND)	Remaining (%)	Net book value (VND)
1	Transportation for office and the Company	3	3,497,886,614	68%	2,237,342,350
2	Transportation for member companies and contractors	84	69,870,651,720	52%	43,292,588,376
<b>Total</b>			<b>73,368,538,334</b>		<b>45,529,930,725</b>

8. List of subordinates, subsidiaries, associate and long term investment  
**Parent Company: Vietnam National Coal-Mineral Industries Holding Corporation Limited**

Business certificate with 2<sup>nd</sup> amendment No 5700100256 issued by Hanoi Planning and Investment Department dated 21 October 2014

Address: 226 Le Duan, Dong Da District, Hanoi

Telephone: 04.35180400

Charter capital: 35,000,000,000,000 đồng

Main business activities: Manufacturing, mining, processing and trading of coal, minerals, electrical, mechanical ...;

Parent company's ownership at the Company: 100% of charter capital

Subordinate: 05 companies

**- Na Duong Thermal Power Company - Vinacomin**

Business Certificate with 2<sup>nd</sup> amendment No 0104297034-001 issued by Lang Son Province's Planning and Investment Department dated 06 May 2011

Address: San Vien Ward, Loc Binh District, Lang Son Province

Telephone: 025 3844263

Main business activities: production, transmission and distribution of electricity;

**- Cao Ngan Thermal Power Company - Vinacomin**

Business Certificate with 2<sup>nd</sup> amendment No 0104297034-002 issued by Thai Nguyen Province Investment and Planning Department dated 22 May 2014;

Address: Quan Trieu Ward, Thai Nguyen City, Thai Nguyen Province

Telephone: 0280 3844177

Main business activities: production, transmission and distribution of electricity;

**- Son Dong Thermal Power Company - Vinacomin**

Business Certificate with 4<sup>th</sup> time amendment No 0104297034-00 issued by Bac Giang Province Investment and Planning dated 29 November 2011

Address: Thanh Son Town, Son Dong Ward, Bac Giang Province

Telephone: 0240 3588026

Main business activities: production, transmission and distribution of electricity;

**Dong Trieu Thermal Power Company**

Business Certificate 1<sup>st</sup> time registration No 0104297034-006 issued by the Planning and Investment Department of Quang Ninh Province dated 7 August 2012;

Address : Binh Khe Ward, Dong Trieu District, Quang Ninh Province

Telephone: 033. 358 4645

Main business activities: production, transmission and distribution of electricity;

**Dong Nai 5 Hydro Power Plant Management Board**

**Ban**

Business Certificate 3<sup>rd</sup> time amendment No 0104297034-005 issued by Planning and Investment Department of Lam Dong Province dated 28 Oct 2010

Address : Loc Thang Town, Bao Lam District, Lam Dong Province

Telephone: 063 3929068

Main business activities: Managing Dong Nai 5 Hydro Power Plant construction and investment

❖ **Subsidiaries: 02 companies**

- **Cam Pha Thermal Power JSC**

Business Certificate with 4<sup>th</sup> time amendment No: 5700428470 issued by Planning and Investment Department of Quang Ninh Province dated 27 July 012

Address: Cam Thinh Ward, Cam Pha City, Quang Ninh Province

Telephone: 033 3731030

Charter Capital: 2,080,000,000,000 đồng

Main business activities: production, transmission and distribution of electricity;

Ownership of Vinacomin Power as at 31 Dec 2014 is 89,78%

## Business results from 2012 to 2014

Unit: VND million

Criteria	2012	2013	2014
Designed capacity (MW)	670	670	670
Revenue	2,655,455	3,571,996	4,336,652
Expenses	2,655,035	3,417,725	4,293,398
Profit	420	154,271	43,253

## - Nong Son Coal Power JSC

Business Certificate with 5<sup>th</sup> time amendment No 4000463735 issued by Planning and Investment Department of Quang Nam Province dated 28 April 2011;

Address: Nong Son Town, Que Trung Ward, Nong Son District, Quang Nam Province

Charter capital: 140,000,000,000 VND;

Main business activities: manufacturing and trading coal, electricity

Ownership of Vinacomin Power as at 31 Dec 2014: 88,77%

Business result from 2012 to 2014

Unit: VND million

Criteria	2012	2013	2014
Revenue	92,958	96,251	106,190
Expenses	90,139	94,314	102,548
Profit	2,819	1,937	3,642

❖ Associates companies where the Parent Company holds less than 50% of charter capital:

## - PetroVietnam Power NhonTrach 2 Joint Stock Company

Business Certificate No 3600897316 issued by the Planning and Investment Department of Dong Nai Province dated 20 June 2007, with the former Business Certificate No 47030003965 with 5th time amendment dated 18 May 2011;

Address: 3 Town, Phuoc Khanh Ward, Nhon Trach District, Dong Nai Province

Telephone: (061) 2225 899/893

Charter capital: 2,560,000,000,000 VND

Main business activities: production, transmission and distribution of electricity;

Ownership of Vinacomin Power as at 31 Dec 2014: 5%

Business result from 2012 to 2014

*Unit: VND million*

Criteria	2012	2013	2014
Designed capacity(MW)	750	750	750
Revenue	5,574,480	5,935,303	6,859,870
Expenses	5,566,798	5,927,084	5,926,853
Profit	7,682	8,219	933,017

- **Quang Ninh Thermal Power JSC**

Business Certificate with 7<sup>th</sup> time amendment No 2203000081 issued by the Planning and Investment Department dated 10 June 2014

Address: Ha Khanh Ward, Ha Long City, Quang Ninh

Telephone: (033) 3657539

Charter capital: 4,500,000,000,000 VND

Main business activities: production, transmission and distribution of electricity;

Ownership of Vinacomin Power as at 31 Dec 2014: 10,62%

Business results from 2012 to 2014

*Unit: VND million*

Criteria	2012	2013	2014
Designed capacity (MW)	1200	1200	1200
Revenue	3,444,063	2,872,478	7,704,348

Expenses	3,163,077	3,408,342	7,697,789
Profit	280,986	-535,864	6,559

- **Hai Phong Thermal Power JSC**

Business Certificate 1<sup>st</sup> time registration No 0203000279 issued by the Planning and Investment Department of Hai Phong Province dated 19 September 2002

Address : Tam Hung Ward, Thuy Nguyen District, Hai Phong Province

Telephone: 0313775161

Charter capital: 5,000,000,000,000 VND

Main business activities: production, transmission and distribution of electricity;

Ownership of Vinacomin Power as at 31 Dec 2014: 7,21%

Business results from 2012 to 2014

*Unit: VND million*

Criteria	2012	2013	2014
Designed capacity (MW)	1200	1200	1200
Revenue	4,035,147	4,261,861	8,578,474
Expenses	3,992,456	3,982,411	8,297,874
Profit	42,691	279,450	280,600

- **Vinh Tan 1 Power LLC**

Business Certificate 1<sup>st</sup> time registration No 480022000050 issued by the Ministry of Planning and Investment dated 10 October 2013

Address: Vinh Tan Ward, Tuy Phong District, Bin Thuan Province

Charter cap: 351,014,400 USD

Business Target: Implement Vinh Tan 1 BOT Thermal Power Plant

Ownership of Vinacomin Power as at 31 Dec 2014: 5%

**9. Business activities and business results in 3 years before equitization:****9.1 Business activities**

Products and services:

No	Items	Unit	2011	2012	2013	2014
1	Electricity generated	Million Kwh	2.914	3.289	5.083	5.178
2	Electricity for sell	Million Kwh	2.601	2.914	4.484	4.579
3	Coal exploited	ton		126.647	95.362	127.458
4	Coal for sell	ton		125.567	96.895	127.458
II	Revenue	Million VND	2.189.210	2.818.750	5.386.352	6.758.105.
III	Expense	Million VND	3.106.127	2.754.723	5.169.071	6.480.638.
IV	Profit	Million VND	-916.917	64.027	217.280	277.466.
1	Electricity generated	Million Kwh	2.914	3.289	5.083	5.178

Source: Audited financial statements of 2011, 2012, 2013  
Financial statements of 2014

**9.2. Situation of production****9.2.1. Production of electricity**

- in 2011, with effort and experience in operating thermal powers, even Son Dong Thermal Powers and Cam Pha 2 Thermal Power just began commercial operation in 2011, The Corporation has gradually overcame difficulties and put the two plants into stable and effective production. Even annual output and revenue met the plan, however due to the fluctuation of forex and forex difference was not included in the price of electricity, the revaluation of exchange rate difference at the

end of 2011 brought loss for the corporation in 2011

- In 2012, EVN mobilized electricity generated by the corporation at low level as electricity generated by hydro powers was high due to high level of water in reservoirs and more hydropower units came into operation. Otherwise, in July of 2012, the competitive electricity market had been put into operation, so in the pilot phase, with new operational mechanism and payment, the Corporation also met difficulties. However, the Corporation has timely captured and adapted the mechanism, early detection of gaps and problems, promptly reported them to minimize the disadvantages and risks for the power plants. The Corporation has taken reasonable methods to manage and use appropriate strategies to deploy to each unit with the goal of maximizing profits and ensure continuous stable operation of power units. Another advantage for the Corporation is joining in the competitive electricity market, electricity price is adjusted according to Circular No. 41/2010 / TT-BCT dated December 14, 2010 of the Ministry of Industry and Trade, so the electricity price of Na Duong, Cao Ngan Thermal Power was adjusted upwards with the official PPA for Son Dong, Cam Pha Thermal Power Company, as such reasons, revenue from selling electricity met the assigned plan.

- In 2013, from the second quarter to the fourth quarter, due to the high level water of reservoirs, mobilizing electricity from thermal power plants was very low. Moreover, electricity from hydropower plants is generated with high volume and sell at a lower price that push electricity price on the market fall to very low level, at just about 0 to 1 VND/kwh in several times. So maintaining operation of power units was ineffective in terms of economic aspect. According to the difficult conditions stated above, the Corporation must stop some power units to carry out maintenance and repair work. However, with the stable operation of power plants together with plus Dong Trieu power plant went into commercial operation early 3.5 months, total output exceeded the assigned plant and had profit.

- In 2014, both mobilization and average price of electricity from power plants were stood at high level so the Corporation's power plants operated stably at high volume. However after July, climate changed unexpectedly, more water run to reservoirs, electricity generated by hydro powers increase, that lead to the down trend of electricity price, thus, thermal power plants operated ineffectively. As the above reason, the Corporation required thermal power plants to conduct maintenance and repair work.

Joining in the competitive electricity market, with stable operation of the plants and flexibility in managing of the Corporation both output, revenue and profit exceeded

the assigned plan.

- From 2013 to now, the Corporation's power plants operate flexibly with changes in the electricity market. Time for production and maintenance is decided in accordance with the law of supply and demand as well as market price of electricity. From that, the Corporation can ensure high output of power units while still operate those effectively under fluctuations of the electricity market.

#### **9.2.2. Production of coals**

Nong Son Coal Mine is a small and surface mining, annual capacity of extraction is 120,000 tones / year.

In recent years, the Corporation maintains and improves capacity of machines and labor, manages strictly of product quality, ensures the timely delivery in terms of both quantity and quality of products according to signed collaborated agreements, ensure the recovery rate of clean coal and soil removal.

Production of coal achieved good result, total output of coal mining and clean coal allocated to the Group achieved or exceeded by the annual plan, generation of soil removal was by 100% of the target, the rate of loss and recovery achieve assigned targets.

The Corporation attempts to maintain consumption of about 110,000 tons / year to maintain stability of production and income for staffs. The Corporation identifies the main objective of mine is to produce enough coal for Nong Son thermal power plant (commercial operation in Q1 of 2015).

#### **9.2.3. Technology level**

Facing the development trend of the world, to take advantage of nature resources, solve output of types of poor quality coal and develop sustainably, Vinacomin Power selected to invest in thermal power plants using circulating fluidized bed (CFB) technology. This is the first time the technology applied in Vietnam in accordance with the raw material of poor quality coal such as coal 6B, 7B which have lower calorific value and high ash.

For coal production, currently the Corporation apply opencast mining with different level of mine bottom, bring actively exploitation according to seasons, ban the shortage of coal for consumption.

#### **9.2.4. Materials**

The main fuel used in thermal power generation is coal and fuel oil, some plants using coal with high sulfur content using more filler material which is limestone to ensure the certain level of emissions into the environment.

The most notable advantage of the Corporation is sources of coal for production exploited by the members under the same group and those sources are close to the plants, thus the Corporation's power plants are provided enough coal to produce and reduce shipping costs.

For example: Na Duong Thermal Power is next to Na Duong mine; Cao Ngan Thermal Power consumpt coal from Nui Hong mine and Khanh Hoa Mine which is located in the same province; Son Dong Thermal Power purchases coal from Dong Ri mine, Dong Trieu Thermal Power use coal from Mao Khe Coal Company and Uong Bi Coal Company; Cam Pha Thermal Power use coal from Cam Pha Logistics and Port Company.

#### 9.2.5. Investment in construction

Currently, the Corporation is investing in Dong Nai 5 Thermal Power Plant (capacity 2x75MW) with total investment of 6,111 billion VND.

Conducting preparation for projects: Na Duong II (110 MW), Cam Pha 3 (440 MW), Quynh Lap 1 (1200 MW), Hai Phong 3 (2400 MW).

9.2.6. Major agreements/contracts is being implemented or have been signed:

No	Name of contract	Value	Implementa tion time	Product	Partners
<b>I. AGREEMENTS FOR GENERATING ELECTRICITY</b>					
1	Power Purchase Agreements (PPA) of Na Duong, Cao ngan, Son Dong, Cam Pha, Mao Khe		Na Duong, Cao Ngan, Son Dong, Cam Pha (21/6/2012) Mao Khe (12/12/2012)		EVN
2	Coal Purchase Agreements of Na Duong, Cao ngan, Son Dong, Cam Pha, Mao Khe		29/12/2014	Purchase coal for power plants under Vinacomin	Vinacomin

				Power	
<b>II. COLLABORATED AGREEMENTS FOR COAL BUSINESS</b>					
1	Collaborated agreement No: 02/2014/ĐLTKV-NSCP			19/03/2014	Nong Son – Vinacomin Coal Electricity JSC
2	Agreement for purchase coal in 2014 between Cam Pha Logistics and Port Company and Vinacomin Power No 12/HĐ/KVCP-ĐLTKV			31/12/2013	Cam Pha Logistics and Port Company
<b>III. CONTRACTS IN CONTRUCTION</b>					
1	Contract for preparing consoles and paying for the location of Vinh Tan Thermal Power Center	1.865.719		14/2/2014	the ground leveling work at the site of the Vinh Tan Central Electricity, Binh Thuan Province, Vietnam Vinh Tan 1 Electricity Ltd.,
2	Contract for providing hydro-mechanical equipment	186.392		From 20/5/2011 to now	Package 8 (TB-02): supplied hydro-mechanical equipment for Dong Nai 5 hydropower project NARIME & VIANINCON

3	Construction Contract Package No. 5 (XL-01): construction of Dong Nai 5 hydropower project	2.715.592	From 29/12/2010 to now	Detailed design, construction and installation of laboratory equipment, testing equipment of 5 (XL-01) package of construction works - Dong Nai 5	Song Da Corporation
4	Contract Package 7 (TB-01): provide mechanical and electrical equipment	23.995.868 USD & 7.095.867.102 VND	From 21/1/2013 to now	provide mechanical and electrical equipment	Huadong-Alstom

(Source: Vinacomin Power.)

### 9.3. Financial situation and business results in 3 years before equitization:

No	Items	Unit	2011	2012	2013	2014
1	Total assets		23,737,125,183,904	25,810,628,616,161	25,687,145,583,587	24,962,796,725,989
2	State capital-book value		4,309,336,472,555	4,440,982,948,646	4,631,128,001,749	4,976,672,288,384
3	Short-term liabilities		1,589,625,137,693	843,188,727,268	1,105,087,057,853	306,374,968,317
	<i>Overdue debt</i>	VND				
4	Long-term liabilities		14,564,041,570,383	16,455,207,764,262	16,554,117,463,900	16,698,574,424,375
	<i>Overdue debt</i>					
5	Doubtful receivables		55,731,000	55,731,000	5,061,330,000	5,061,330,000

6	Total labours	ppf	1,219	1,386	1,529	1,593
7	Pensions	VND	103,214,000,000	114,925,000,000	133,934,000,000	159,764,000,000
8	Average salary/month		7,055,920	6,909,842	7,299,651	8,357,065
9	Main products					
9.1	Electricity generated	wh	2,913,918,000	3,289,183,886	5,083,127,000	5,178,000,000
	Electricity for sell	wh	2,600,929,000	2,914,204,819	4,483,755,497	4,579,000,000
9.2	Exploit and sell coal	ton		125,567	96,895	127,458
	Raw coal	ton				
10	Total revenue	VND	2,189,209,848,334	2,818,749,655,259	5,386,351,626,997	6,758,105,233,576
11	Total expenses		3,106,126,620,567	2,754,722,949,289	5,169,071,358,945	6,480,638,349,941
12	Profit before tax		- 916,916,772,233	64,026,705,970	217,280,268,052	277,466,883,635
13	Profit after tax		- 916,916,772,233	64,026,705,970	217,280,268,052	277,466,883,635
14	Profit after tax/State capital			1,44	4,69	5,58
15	Current liquidity		0,36	0,35	0,47	0,86
16	Liabilities/ Owner's capital		4,51	4,81	4,55	4,02
17	Contribution to State Budget	545,280,401,558	328,181,244,692	279,009,315,707	301,589,648,476	

Source: Audited financial statements of 2011, 2012, 2013

Financial statements of 2014

- Business results: In 2011, Vinacomin- Power operated with loss of 916.916 billion VND as the main reason of revaluation of forex difference of liabilities denominated in foreign currencies was 1,037,372 million VND (of which from Cam

Pha Thermal Power Company was 576,485 million VND; provision for long-term investment was 489,786 million VND). This was the objective reason as in 2011, forex fluctuated dramatically from 18,932 VND/USD on 01/01/2011 to 20.828 VND/USD on 31/12/2011).

Most loans for investment of power plants were denominated in foreign currencies, while power plants just put into commercial operation (Son Dong Thermal Power Plant handover for commercial operation dated of 07/01/2011; Cam Pha Thermal Power Plant 1 handover for commercial operation dated of 08/10/2010 and Cam Pha 2 on 05/15/2011), so balance of principle of loans were still at large; On the other hand, electricity price paid by EVN had not increased in accordance with reasonable expenses and forex difference was not include in this price (including forex difference arising when revaluation of liabilities in foreign currencies dated 31/12/2011). This price has not followed Circular 41/2010 / TT-BCT dated 14/12/2010 of the Ministry of Industry and Trade, "The method of determining the price of electricity; order and procedures for formulating and issuing price range and approved power purchase agreement. " In 2012, 2013 and 2014, the forex fluctuated not to much, together with the significant increase of revenue in 3 years, revenue of 2014 increase 308% compared to 2011, production of power plants has gradually stabilized, thus, the Corporation operated with profit in all 3 years.

- About charter capital: In Decision No 5211/QĐ-BCT dated 21/10/2009 of the Ministry of Industry and Trade about establishment of Parent Company-Vinacomin Corporation, from 01/11/2009, the prescribed charter capital of the Corporation is 6,800,000 million VND; according to the financial statement of 2013 (Parent company) State capital in the Corporation at 31/12/2013 was 5,266,737 million VND, so compared to Decision No 5211/QĐ-BCT dated 21/10/2009, the current charter capital is below the prescribed charter capital of 1,533,263 million VND. Therefore, the Corporation is still in debt of interest for investment from the Group which is equivalent to the shortage of prescribed charter capital.

#### **9.4. Factors affecting the business and operation of the Company in the reporting year**

##### **9.4.1. With electricity production**

- Since the beginning of the construction, the Company has determined to divide the business operation into 2 seasonal division: the rainy season and the dry season (rainy season starts from July to mid-October) to have a reasonable

operation so that the Company will not be affected, which make the following years' profit equivalent for higher than the previous years

- Currently, a number of power plant of other companies are preparing to commence operation, which raises the demand for highly qualified human resources. This causes a risk of human resource loss for the Company. Facing this situation, the Company has developed a plan to retain qualified employees by remuneration, promotion opportunities

- The biggest problem for the efficient production of the Company at this stage is the issue of exchange rate differences (not included in the price of electricity), this issue is still being considered by the Ministry of Industry and Trade. If this issue is resolved, profit of the Company will increase significantly. If exchange rate is adjusted upward by 1%, the Company's profit would reduce by 140 VNDbn

- After the first year of operation with little of experience, current officers and employees of the Company has accumulated more experiences in production, operation therefore contribute to improving the production efficiency and actively support for new projects of the Company and Vinacomin

#### **9.4.2. With coal production**

Nong Son Coal Mine is a small mine, located in a mountainous area, with average resource quality, having more toxic factors affecting the environment and health of the workers (radiation, sulfur). The coal of Nong Son is highly flammable, so it can sometime create unexpected events beyond the control of the company especially accompanied with the unfavorable weather conditions, there is usually one quarter with significant rain, causing floods and affect to business production and unexpected costs. Because of isolated location, it is difficult to supply sufficient material and equipments for the mine

### **10. Company position compared to other in the same industry**

#### **10.1. Company position in the industry**

The company is a 100% state owned organization in the field of investment, construction and operation of thermal power plants, hydroelectric plants, power plants using renewable energy, renewable energy and grid (power supply system) ... and this is the core activity of production-oriented business strategy and perform the tasks of political, socio-economic group, the Party and Government Affairs is one of the three main pillars of energy contribution ensure national energy security should Corporation scale large business category.

#### **10.2. Industry Prospect**

Vietnamese Electricity Industry has a positive outlook with the raise in demand and consumption expectations continue to grow. Demand for electricity in Vietnam has increased rapidly with the annual compound growth rate CAGR of 13% per year even though the supply source faced many difficulties to meet up the raise of demand. The installed capacity only increased 6,450 MW in 2000 to 26.475 MW in 2012 (CARG 11.5% per year), while the output increase from massively from 26.5 billion kWh to 117.8 billion kWh in the same period.

The Electricity Industry is currently in construction state, phasing the monopoly of EVN in electric generator process and encourages private investors to participate in order to create a real competitive electricity market. Hence the Industry will be more attractive to foreign investors. According to the Electricity planning VII, Vietnam will have 9 BOT/IPP projects coming to operate in 2015. The investors mainly come from China, USA, Korea, Hong Kong, Thailand and Malaysia. Other countries as Japan, Singapore, India and UK also showed interested in Vietnamese Electricity Industry. The electric sale price can increase from 10 to 15% per year, reach 9 cents/kWh in 2020 and the legal framework is also updated regularly.

### **10.3. Evaluation of the Company oriented development concordance to the Industry orientation, State policies and Global trend.**

South East Asia has high urbanization and industrialization speed; henceforth the power demand has great potential. The demand for primary power has increased 2.5 times from 223 million ton oil (Mtoe) in 1990 to 549 Mtoe in 2011, 4% global consumption.

Indonesia, Thailand and Malaysia are the 3 biggest power consumers in South East Asia. According to Asia Development Bank (ADB), the power demand in South East Asia is forecasted to raise 2.8% per year in 2035, faster than the global average growth rate of 1.5% per year and cover 10% the consumption of the world.

South East Asia power output included 44% natural gas, 31% coal, 10% hydroelectric, 10% petroleum, and other sources. Petroleum is still the main source to produce electricity in certain areas but the market share has reduced while the recycle energy is not popular in South East Asia. International Energy Agency (IEA) forecasted that the generating capacity will increase to 460 GW in 2035. The electricity output will greatly rise to 1,900 TWH in 2035 (4.2% per year). The noticeable point is that the coal power plants contribute 40% the increase electricity. Coal power is favorable in the area because of the low cost, so the market share will rise from 1/3 in 2011 to more than half in 2035. Electrification and Hydropower

will be respectively accounted for 26% and 15% of the increase electricity. In summary, the electricity field is the foundation for the area potential power industry and coal is the main source of electricity production. Vietnam will also plan to develop the industry suitable with the power production structure of the area, with coal-fired power generators to become the main source.

As a core parts of the production oriented business strategy, electricity industry is always receive the attention of the Party, Government, Ministries and generation of The Vietnam National Coal - Mineral Industries Group leaders. In the annual summation conference, the Deputy Prime Minister Hoang Trung Hai complimented KTV several times for being "efficient" and "regular" in the power plants investment and development aspect. In particular, the most recent example is the Dong Trieu Power Plant.

Vinacomin Power was and is and will be carrying out 14 electricity projects, with the total capacity of 558MW, became a major electricity producer in the competitive market and contributes in the national energy security.

## **11. Investments scheme and development strategy of the enterprise after equitization**

### **11.1. Equitization objectives**

- Carrying out the Decree number 59/2011/ND-CP issued on 18/07/2011 about equitization 100% state-owned enterprises, the objectives of Vinacomin's equitization included:

- Converting from 100% state-owned enterprise into multi-owned enterprise. Creating a radical change in management practices, step by step changing the technologies, developing size and financial ability, capacity in order to improve current and future operation performance.

- Mobilizing idle capital of Vinacomin's officers and employees as well as individuals and domestic and foreign economic organizations.

- Ensures harmony between the interests of the State, businesses, investors and workers in the enterprise.

- Implementation of transparency according to market principles; overcome equitization closeness within enterprises; associated with the development of the capital market and the stock market.

#### **\* Favorable conditions for equitization**

- Corporations always get the support, direction from the Vinacomin Equitization Directing Committee during the equitization process of Vinacomin.

- The Corporation has prepared a positive ideological for the organizations so that the equitization process takes place smoothly and successfully, at the same time the propagation and dissemination of guidelines and policies of the State for equitization has been carried out.

- All officers and employees of the Corporation from leadership to staff express the consensus of the Corporation equitization, are willing to contribute equity.

### **11.2. Methods and procedures for equitization**

According to the Vinacomin decision 169/QĐ-TKV issued on 08/02/2014 about the reconstruction of Vinacomin to 2015 and the characteristics of the parental company situation, the corporation chose the equitization method in paragraph 2 of Article 4 of Decree 59/2011 / ND-CP: "Combine the sale of part of the state capital with issuing shares to increase its charter capital."

### **11.3. Information about the investment and development strategy after the equitization**

#### **a) The direction and development objectives**

##### **General direction**

Equitization, innovate Corporation growth model, business structure, organizational structure and management mechanism, ensure the stability on the basis of innovation together with the legacy of achievements and increase the production capacity of all available within the Corporation, exploiting the potential and strength in the area, promoting the advantages the internal market of the Group, targeted growth, sustainable development, successfully completed the task assigned political, meet the needs of the energy security of the country.

##### **Objectives**

Striving to become one of the leading companies in the field of electricity production. As a strong organization in the operation of power plants and produce products of high quality services in the field of electricity. The Corporation strives to become highly respected brand in the field of electricity.

Developing stable, sustainable, highly competitive, acting for the purpose of contributing to ensuring national energy security, simultaneously operating for profit, preservation and development of equity investment in the Corporation, contribute more to the state budget, create jobs for workers and cumulative investment for sustainable development.

The general objective is:

*"Construct and develop Vinacomin Power JSC Safety - Efficiency - Innovation – Developing stability"*

Development orientation period 2015-2017

As the above points, the Corporation's development orientation period 2015-2017:

- Operating effectively the existing thermal power plants.
- Complete the power plant projects in the investment phase.
- Focusing resources, intellectual products to finalize plans for production, scientific research, and technological innovation to improve of practical value.
- Establishment of professionals specializing in a number of areas of actual production as: Experts on C&I, turbines, boilers ... to coordinate and support the member of the Corporation.

b) Company information after equitization

Company name: Vinacomin Power Corporation JSC  
 In short: Vinacomin Power  
 International name: Vinacomin - Power Holding Corporation  
 Address: Sannam building, Duy Tan, Dich Vong, Cau Giay district, Hanoi  
 Tel: 04.35161605  
 Fax: 04.35161610  
 Email: [vp@vinacominpower.vn](mailto:vp@vinacominpower.vn)

c) Scope of business after equitization

The JSC inherited the business from Electricity Coporation -Vinacomin included:

No	Industry	Industry code
1	Electricity generation, transmission and distribution of electricity (including Investment, construction and operation of thermal power plants, hydroelectric power using renewable energy, renewable energy and grid supply system power supply, buy, sell electricity).	3510

No	Industry	Industry code
2	Other manufacturing nec not (production of building materials unbaked).	3290
3	Construction of civil engineering works (construction of power plants, transmission lines and power stations, industrial, irrigation, ports, infrastructure);	4290
4	Management consultancy activities (management of investment projects in construction electricity).	7020
5	Architectural and engineering activities and technical advice related (design of mechanical products, power plant equipment, electrical equipment, pressure equipment, steel structures and other equipment).	7110
6	Transporting goods by rail.	4912
7	Road passenger transport in urban, suburban (excluding transport by bus).	4931
8	Transport of goods by road.	4933
9	Quarrying of stone, sand, gravel and clay.	0810
10	Manufacture of refractory products.	2391
11	Production of building materials from clay.	2392
12	Manufacture of cement, lime and plaster.	2394
13	Manufacture of tanks, reservoirs and containers of metal.	2512
14	Manufacture of metal structures (Fabrication and assembly of mechanical products, structural steel and other industrial equipment).	2511
15	Manufacture of motors, generators, power transformers, power distribution equipment and power control (power plant equipment, electrical equipment, pressure equipment, industrial equipment).	2710

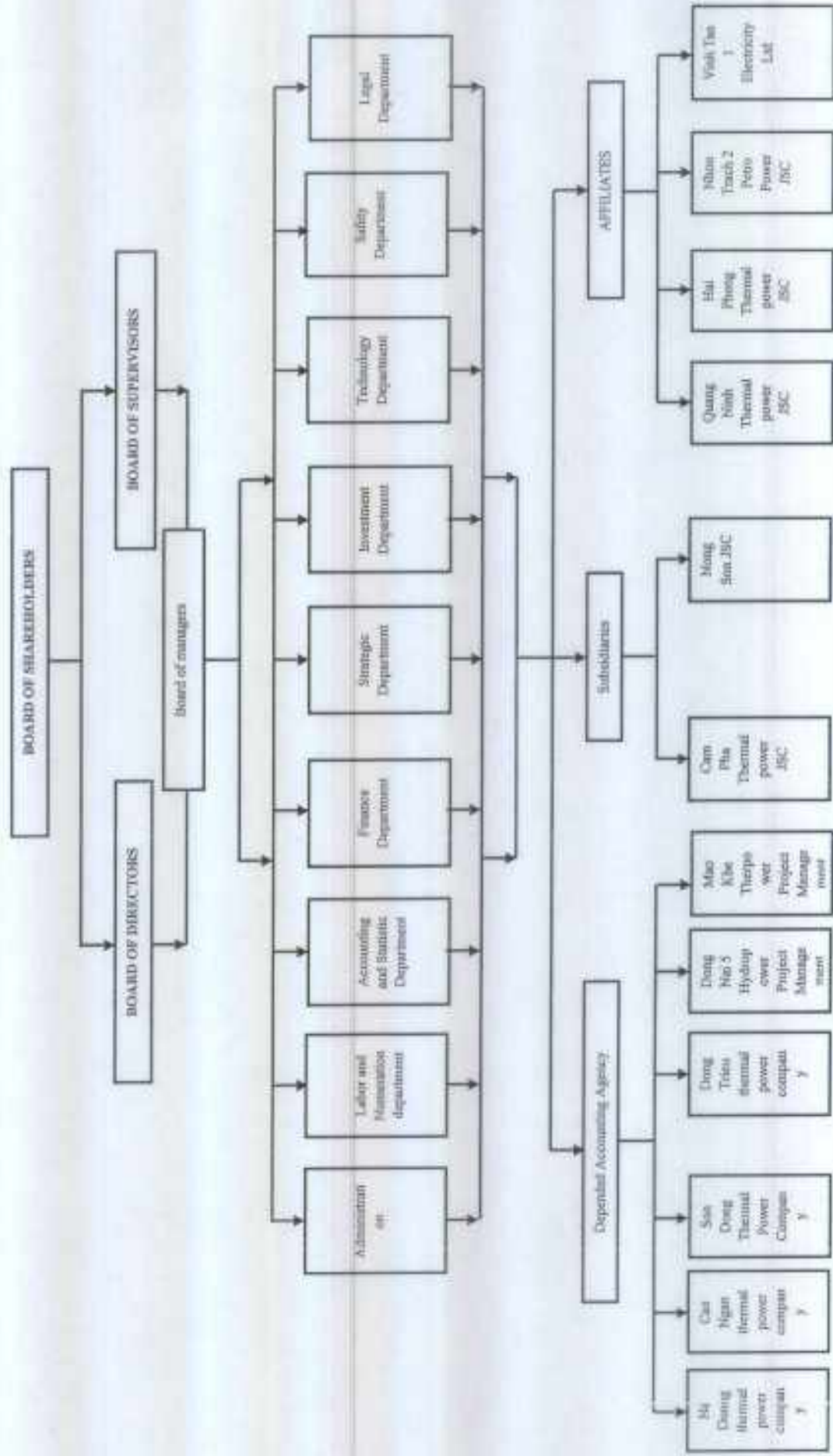
No	Industry	Industry code
16	Manufacture of other electrical equipment.	2790
17	Repair of machinery and equipment (equipment repair power plants, electrical equipment, pressure equipment and other industrial equipment).	3312
18	Repair of fabricated metal products (product engineering, structural steel).	3311
19	Building any kind.	4100
20	Construction of the railway and road.	4210
21	Mining and collecting coal.	0510
22	Mining and collecting lignite.	0520
23	Exports of goods by the trading company.	

d) Organization and governance method of the Corporation after equitization

Vinacomin Power JSC will operate as the Charter and the activities will be authorized by the General Meeting of Shareholders, according to the Business Regulation and Law of Vietnam, supervise and administrate by the Board of Directors, Supervisory Board and Board of Directors.

After the equitization, Vinacomin Power JSC will operate as the following model.

VINACOMIN POWER MANAGEMENT STRUCTURE



After equitization, the parent company - General Electric Company - Vinacomin switch to operate in Joint-stock venture model, includes:

- General Meeting of Shareholders: The shareholders;
- Board of Directors: Chairman and members;
- Supervisory Board;
- Board of Directors: CEO; Deputy Director CEO (05); Chief Accountant;
- The Board of Management.

• Corporation departments and direct accounting units

Corporation departments

- Merger, dissolution, establishment, additional mandates a function several departments of the Corporation as follows:
  - + Dissolution of International Relations and Information Technology (IR & IT), Transfer functions and duties to Administration office
  - + Rename the Internal Supervisor Committee to Legal Department - Inspector (PCTT).
    - o General Meeting of Shareholders;
    - o Board of Directors:
      - + Chairman of Board of Directors;
      - + The members of the Board of Directors;
      - + Secretary of the Board of Directors.
    - o Supervisory Board:
      - + Head of the Supervisory Board;
      - + The members of the Supervisory Board.
    - o Board of Directors:
      - + General Director;
      - + The Deputy Director;
      - + Chief Accountant.
    - o The departments of specialized functions: including 9 departments
      - + Office;
      - + Organizing Committee - Labor wages;
      - + Planning Department;
      - + Investment Department;
      - + Accounting - Statistics Department;
      - + Finance Department.

- + Technical Department;
  - + Safety Department;
  - + Legal Department.
- e) Investment and development

In order to meet up the expectation above, the Corporation will implement the following investment programs:

- Dong Nai 5 Hydropower Plant Project: Increase the cooperation, urging contractors to accelerate the construction project, complete the Hydropower and bring in operation in the 4<sup>th</sup> quarter 2015

- Na Duong II, Cam Pha 3, Quynh Lap 1 Thermal Power Plant

Project: speed up the investment preparation for the projects, estimated starting date in 2016. Na Duong Plant II will start operating in 2016, Cam Pha 3 in 2019, Quynh Lap in 2020.

- Hai Phong 3 Thermal Power Plant Project: continue investment preparation activities.

- Other projects:

In addition to focus on the management of the investment, giving the key projects to operation effectively. To meet production requirements, while improving the performance of the power plant equipment, addressing the needs accommodation, nutrition activities for staff and employees, ash disposal sites... contribute to the business annual plan of the Corporation and in the coming years to continue to invest in projects such as: buying executive cars, slag dumps; conveyor slag; to invest in expanding the capacity of the cooling tower for Na Duong thermal power plant; dormitories; guest houses; Improving efficiency boiler for Son Dong thermal power plant, Investment reconstruction of high performance devices Cam Pha thermal power plants, shopping facilities for the production of power plants, ...

#### 11.4. The main economic indicators system of the business plan in three consecutive years after equitization

Number	Indicator	Unit	2015	2016	2017
I	<b>Basic Construction Investment Plan</b>				
I.1	<b>Project Group A</b>	<b>VNDmn</b>			
1	Dong Nai 5 Hydropower Plant Project	<b>VNDmn</b>	1,624,659		
2	Cam Pha 3 Thermal Power Plant		30,000	1,867,449	3,662,412
3	Hai Phong 3 Thermal Power Plant (1 <sup>st</sup> stage)		17,000	18,000	20,000
4	Na Duong 2 Thermal Power Plant		30,000	1,081,409	1,740,000
5	Quynh Lap 1 Thermal Power Plant		50,000	1,000,000	7,888,467

Number	Indicator	Unit	2015	2016	2017
L2	<b>Project Group B</b>				
1	Cam Pha Thermal Power Plant slag landfill		150,000	120,000	
L3	<b>Project Group C</b>		<b>200,350</b>	<b>155,423</b>	<b>98,600</b>
II	<b>Capital, labor, revenue, cost and profit plan</b>				
1	Charter Capital	VNDmn	6,800,000	8,600,000	9,600,000
2	Total Labor	Employee	1,565	1,570	1,575
3	Total Numeration Fund	VNDmn	142,736	156,952	164,800
4	Average salary/employee/month	VNDmn	7,6	8,3	8,7
5	<b>Main Products</b>				
	Produced Electricity	Mil.kwh	5,420	5,870	5,870
	Commercial electricity	Mil.kwh	4,821	5,273	5,273
	Raw coal	Ton			
	Consumption coal	Ton			
6	<b>Income from main products</b>	VNDmn	<b>7,305,077</b>	<b>8,115,068</b>	<b>8,422,230</b>
	Electricity income	VNDmn	7,305,077	8,115,068	8,422,230
	Coal income	VNDmn			
7	<b>Total production expense</b>	VNDmn	<b>7,153,077</b>	<b>7,628,661</b>	<b>7,851,879</b>
8	<b>Profit before tax</b>	VNDmn	<b>152,000</b>	<b>486,407</b>	<b>570,351</b>
9	Income tax (10% profit)	VNDmn	15,200	48,641	51,035
10	<b>Profit after tax</b>	VNDmn	<b>136,800</b>	<b>437,766</b>	<b>519,316</b>
12	Profit after tax/ Capital ratio	%	2,01	6,43	7,63
13	<b>Appropriation of funds</b>	MILVnd	<b>7,600</b>	<b>12,766</b>	<b>9,316</b>
	- Investment development fund	VNDmn	2,790	3,830	2,795
	- Bonus welfare fund	VNDmn	4,410	8,536	6,121
	- Board of Management bonus fund	VNDmn	400	400	400
14	<b>Profit dividend</b>	VNDmn	<b>129,200</b>	<b>425,000</b>	<b>510,000</b>
15	Annual dividend	%	1,9	6,25	7,5
16	<b>State budget contribution</b>	VNDmn	<b>279,303</b>	<b>348,291</b>	<b>350,685</b>

Note:

- The Corporation's profit is affected by factors of exchange rate differences, the current corporation is calculated with inflation rate of 1% per year, if the government issues in the electricity price calculation, the profit annual increases respectively:

- + 2015: excluding exchange rate slide
- + 2016: 99.3 billion
- + 2017: 86.6 billion
- 2015 profits is lower because it was affected by factors such as the provision of long term investment subsidiaries and associated companies (due to accumulated losses were reversed at the time of valuation of the enterprise) with amount to 200 billion.
- Option dividend in 2016, excluding the above-mentioned 2017 to increase its charter capital by issuing additional shares for investment projects Dong Nai 5, BOT Vinh Tan 1, Na Duong II and Cam Pha 3.

## **11.5. Solutions**

### **11.5.1. Electricity production**

- Strengthen the training and retraining improves staff employees, maintenance and repair to improve the performance of the unit, inspection and strict management of the volume and quality of inputs, limited increase fuel consumption rate materials, motivation to reduce the costs incurred. Reviewing the management costs in each unit, practicing thrift, focusing resources to ensure maximum stability, increase production and improve business performance. Apply technical measures to reduce production costs. Safe operation of the plant to ensure production, sales and profits.
- Strengthen the technical management, complete technical and economic norms system in power plants.
- Implement rules and regulations in the repair of fixed assets and cost management.
- Improving the work-related to negotiation the power and electricity market prices, gradually build a bidding strategy consistent with economic characteristics - technical plants in corporation with the goal of maximizing profits.
- Active coordinates closely with the national system in the scheduling operation, repair to restrict the ability to offload the power plant capacity promotion.
- Strengthen monitoring the situation closely, including coal supply quantity and quality in order to avoid the occurrence of incidents relating to the supply of coal.

### **11.5.2 Coal Production**

Focusing to ensure production in accordance with the volume and quality of the operating plan, inspection, monitoring the consumption of coal, carry out

the process of labor safety regulations, as well typhoon prevention, protection of the environment. Besides the Corporation actively directly test the acceptance document, volume mines, the volume of soil removal, coal mining survive strict quality assurance coal quality is not degraded, promote consumption as planned.

#### **11.5.3. Investment in primary construction**

- Working capital construction investment projects rightfully Review by concentrating investment to boost capital investment projects capital investment is guaranteed and soon have the ability to bring economic efficiency.
- Completing the legal procedures related to the projects, focusing on solving problems in the investment procedures, building plans to arrange funds for project, accelerate the preparation of investment projects focus.
- Further strengthen the urging contractors to accelerate construction of key projects Dong Nai 5, Na Duong II and Cam Pha 3, and prepare the conditions to bring the plant into stable operation.
- Carry out the necessary steps for projects Quynh Lap 1, Hai Phong 3.
- Strengthening coordination in directing, operating between the professional board of the Corporation and the Board of project management, strict implementation of regulations on management of construction investment of the Group and the Corporation.

#### **11.5.4. Work Safety – Occupational**

- Not to occur fatal occupational accidents and serious occupational accidents.
- For the Project Management Unit, should allocate sufficient qualified staff work to fulfill the task of monitoring safety on construction sites, at the same time enhancing the direction of coordination with contractors, construction coordination processes closely monitoring the implementation of work safety - Environment in accordance with the law and regulations of the signed contract.
- Implement strictly routine environmental monitoring, thorough handling of environmental issues at the unit.
- Promote the dissemination of Engineering Safety-Sanitation workers.
- Improve the quality and efficiency in the management and use of the equipment Safety Techniques - Occupational health.
- Strengthening the health care workers.

### 11.5.5. Research innovation and improvement techniques

Promote research Science & Technology, technical innovation and improvement in the Corporation, serve practical and effective operations management, directing and executive producer of the agency Corporation to reduce costs to achieve high efficiency in production and business activities.

### 11.5.6. Human Resource Development

- Recruitment Policy: Officers and employees are recruited to meet the development requirements of the Corporation, ensure sufficient convergence requirements for qualification and working capabilities, ethics, work in workflows matching titles recruiting; priority recruitment of highly qualified professionals in the key stage of technical management.

- Training Policy: Organizing training programs and training of employees in accordance with targeted growth strategy in each period and long-term development strategy of the Corporation, giving priority to training and quickly improve the management and operation of equipment. The training content must be close to the actual operation and management of each unit and the Corporation. Along with sending out trained to do good training policies in place, the rotation of officials...

- The remuneration policy: Ensuring justice, public policy salaries, bonuses linked to performance and quality of work in order to motivate employees to staff in job creation, encourage members to work fine, high quality, improve accountability, create emulate the spirit of the people, not egalitarian; diversified forms of remuneration and incentive to expand the object to the object-related experts.

## 12. Charter Capital and capital structure

### 12.1. Charter Capital and capital structure

- Capital: 6,800,000,000,000 dong (in words: six thousand eight hundred billion).

- The structure of the charter capital of JSC scheduled as follows:

No	Share holders	Charter Capital 6.800.000.000.000 VND			
		Share owned	Value (VND)	Percentage	Forms of purchase shares
1	State share	442,000,000	4,420,000,000,000	65%	State capital left after equitization
2	Preference shares sold to employees				Incestive price

2.1	<i>Preference shares sold to long term employees</i>	930,900	9,309,000,000	0,14%	60% of the lowest auction price
2.2	<i>Preference shares sold to long term employees with high professional or/and with committed time to stay at the Company</i>	677,140	6,771,400,000	0,10%	Lowest auction price
3	<i>Preference shares sold to Union</i>				
4	Public auction share	236,391,960	2,363,919,600,000	34,76%	Public auction
	<b>Total</b>	<b>680,000,000</b>	<b>6,800,000,000,000</b>	<b>100</b>	

Pursuant to Decision 55/2009 / QĐ-TTg dated 15/04/2009 of the Prime Minister on the participation of foreign investors in Vietnam stock market, with effect from 01.06 / 2009, foreign investors may hold a maximum of 49% of the charter capital of JSC.

#### **12.2. The solution to increase or decrease the charter capital after conversion into a joint stock company**

In the first three years of shares of the Corporation plans to increase its charter capital as follows:

- Aim to increase charter capital: Additional equity investment for 04 projects under planning VII of government power.
  - + Hydroelectric plant in Dong Nai 5 project
  - + Thermal Power Project BOT Vinh Tan 1 project
  - + Na Duong Thermal Power Plant II project
  - + Cam Pha Thermal Power Plant 3 project
- Expected increase charter capital as follows:

No	Project	Capacity (MW)	TMDT (Bil Vnd)	Equity Ratio	Equitization Charter Capital (Bil Vnd)	Charter Capital plan ater 3 years	Surplus compared to equitization capital
A	B	1	2		3	5	6=5-3
1	Hydroelectric plant in Dong Nai 5 project	150	6111,4	32	650 000	1 950 000	1 300 000
2	Na Duong Thermal Power Plant II project	100	3800	15		570 000	570 000
3	Cam Pha Thermal Power Plant 3 project	440	10 400	15		1 560 000	1 560 000
4	Thermal Power Project BOT Vinh Tan 1 project	1200	42 385	20%*5%	40 000	370 000	330 000
	<b>Total</b>				<b>690 000</b>	<b>4 450 000</b>	<b>3 760 000</b>

- Estimated time to issue additional shares: According to the project schedule starting from the first quarter of 2016 to the end of 2018.

2016: 1.800 billion (Q1)

2017: 1.000 billion (Break out the quarterly project progress)

2018: 960 billion (Break out the quarterly project progress)

### 13. Risks

#### 13.1. Economic risks

The volatility of macroeconomic variables such as growth, inflation, interest rates, exchange rates and policies implemented by the government to adjust macroeconomic variables, as well as policy development will impact directly or indirectly to the activities and results of the corporate business in general and the Company in particular.

Handling of complete financial provision for investment losses in the Corporation at the time of the valuation of businesses:

Under the provisions of Decree No. 59/2011 / ND-CP of shares of the investments for the long-term loss provisioning with the valuation of businesses to get books at par value (reduced provision). Accordingly, at the time of valuation of the enterprise 1.4.2014, the Corporation has completed provision of long-term investments with a total amount of: 309.346 billion. The provision is essentially lost investments and capital reserve to handle criticism at the time of transfer into joint-

stock companies (JSC not suffer losses above). However, at the time determined by regulation must GTDN reversal of provision so the enterprise value has increased the value corresponding reversal of provision for long-term financial investments above.

### **13.2. Legal risks**

Vietnam has officially joined the WTO, the company in the country stood in front of an open legal opportunity, consistent with international standards and the region but also will be affected by the risks of fluctuations bring legal. As a business operating in the power sector was privatized from state enterprises, so businesses will be affected directly from the Ministry of Law and specific laws such as the laws of equitization, Business Law , procurement Law, electricity Law, tax Law ... Currently, guidelines and bylaws of this law is not uniform and is being improved and supplemented, amended. So these risks may negatively affect the transition to the operational model as well as production and business activities of enterprises. The competition between firms in the same industry will become stronger.

### **13.3. Specific risks**

The construction works at the end of the year Frequent weather, climate is not favorable, so sometimes some construction projects may be slower than originally expected time but not significantly.

### **13.4. Risks of the offering**

The offering of shares depends on supply and demand of shares of electricity supply and demand in particular and the entire stock market in general, as well as psychology, the expectations of investors at the time of sale. Do not issue should be underwriting the offering of shares of the Company may occur risks not sold out. Number of shares not sold (if any) will be handled in accordance with the provisions of Article 40 of Decree 59/2011 / ND-CP. Where public offering in a manner that agreement remains unsold, the Ministry of Industry and Trade Report implementing structural adjustment capital.

### **13.5. Other risks**

Some risk unusual nature, objective, the possibility of a very rare phenomenon that is caused by natural disasters such as earthquakes, floods or war ... These risks are rare but if you happen to very serious consequences, direct impact to production and business activities of the Company as to cause losses in terms of infrastructure, production delays, interruptions operating results of the Company.

## **14. Method of sale and payment for shares**

### **14.1. Method of sale**

#### **a. For employees**

Offer as defined in Paragraph 1 of Article 48 of Decree 59/2011 / ND-CP. Number of employees in the Company purchase in accordance with paragraph 1 of Article 48 of Decree No. 59/2011 / ND-CP dated 18/7/2011 of the Government is counted as 100 shares for one year working in the area State and price incentives to employees in this case 60% of the lowest successful bid.

- Total number of employees included in the list of company employees at the time of publication enterprise value is: 1552 people;
- The total number of employees to purchase shares under the criteria of seniority working in the public sector: 1,461 people;
- Total number of employees are not buying preferred shares: 61 people (due to not enough time working one year);

Total number of full years of service employees to purchase shares of seniority working in the Public Sector: 10 577 years;

- Total number of full years of service employees to purchase shares of seniority working in the Public Sector: 10 577 years;
- Number of employees subscribed preference shares: 1,132 people (with 9309 years of service) corresponding to 930,900 shares, worth 9.309 billion VND;

• Thus there are 329 workers subscribed preference shares, corresponding to 126,800 shares, equivalent to 1.268 billion dong. These shares will be additive to the number of shares sold at auction to the outside;

Incentives for employees to buy under the five commitments and labor experts, high qualified professional.

• The employee is entitled to purchase: 1,514 people, respectively 3,860,100 shares.

• Number of employees subscribed: 407 persons, respectively 677 140 shares, and equivalent to 6.7714 billion dong.

• Thus there are 1,107 people who are not subscribed, corresponding to 3,002,960 shares, equivalent to VND 30,029,600,000. These shares will be additive to the number of shares sold at auction to the outside.

b. For strategic investors

Up to the present time the Corporation has no strategic investors to buy shares.

c. For trade unions

Preference shares sold to the trade union in the company is 0.

d. For investors participated in the auction

Total number of shares in auction as follows:

- Organize auction 236,391,960 shares at par value is 2,363,919,600,000 contract for outside investors, accounting for 34.76% of the charter capital of a joint stock company.
- The starting price estimate: 10,000 VND / share.
- Time Auction: After Prime Minister has decided to No. 85 / QD – TT issued on 19/01/2015.
- Subjects participating in the auction: individual investors, investors are held in the country and abroad in accordance with law.
- The auction of shares specified in detail in the "Regulation on auction of shares of Vinacomin Power" by the Council issued auction.

#### 14.2. Payment method and payment term

- For public auction of shares:

Payment method and payment term are defined in detail in the "Regulation on share auction of Vinacomin Power" by the Council issued auction.

- For shares sold to employees and trade unions:

Payment method and payment terms are implemented in the company according to the approved list.

#### 15. Income spending plan from equitization

The administration, management and use of proceeds from equitization must be complied with the provisions of Section III of Circular No. 196/2011 / TT-BTC issued on 26/12/2011 of the Ministry of Finance.

On the basis of the actual value of the state capital in enterprises, capital contribution ratio of state shares in the Company, the Company expects payback plan to the state budget, according to provisional plans assume all the number of shares to be purchased auction with an average auction price is 10,000 / share, detailed as follows:

Unit: VND

No	Content	Value	Note
I	State capital at valuation time	5,606,785,747,150	Acc. To the Enterprise valuation
II	Charter Capital at the JSC	6,800,000,000,000	
III	State owned share at the JSC (65%)	4,420,000,000,000	II*65%
IV	Income plan	2,380,000,000,000	

1	Income from State Capital sale	1,186,785,747,150	
A	- Preference sold to employees (0,14%)	9,309,000,000	As registered
B	- Work committed sale (0,1%)	6,771,400,000	As registered
C	- Union sale		Non-registered
E	- Other investors sale	1,170,705,347,150	
2	Variable from Share auction sale		Estimated
3	Issuance of new shares	1,193,214,252,850	II-III-IV(1)
A	- Strategic investors sale		
B	- Other investors sale	1,193,214,252,850	3-3a
V	After equalization use	1,199,023,852,850	
A	- Equalization fee	2,086,000,000	Estimated
B	- Surplus labor management fee		Không có
C	- 40% employee incentive	3,723,600,000	Acc. To decree 196/2011/TT-BTC
D	- Left at the Company	1,193,214,252,850	
VI	The difference in the state capital to be paid	1,180,976,147,150	I-III-V(a)-VC

The proceeds from equitization will be used to supplement the charter capital, payment for equitization fee as state regulations. The rest of the funds will be paid back to the Business supporting Fund.

#### 16. Responsible personnel for the content of the information about the equitization

##### 16.1. Equitization board

- Mr Nguyen Van Hai – Vinacomin Board Member – Director of the Equitization Board.

##### 16.2. Equitized Business

Vinacomin – Power Coporation

- Mr Ngo Tri Thinh CEO

We ensure that the information and data provided in this announcement are objective, honest, consistent with reality to investors can evaluate the assets, financial condition, results and business prospects of General Electric Company - Vinacomin pre-register for the auction to buy shares.

##### 16.3. Auctions Consular

PETROVIETNAM SECURITIES INCORPORATE

- Mr Mai Trung Dung Deputy CEO

Analyzing, evaluating and choosing the language of publication for this information publication has been done Securities Corporation Petroleum sensibly and carefully on the basis of the information and data provided by Vinacomin Power. We ensure that the steps taken and the content of the disclosure of this information was in compliance with the mandatory order, but does not imply that the value of the stock.

#### V. SUMMARY

The evaluation and selection of information and words in the Declaration of this information are made reasonable and prudent based on the information and data provided by Vinacomin Power. We provide information designed to help investors recognize the enterprise intends to invest in an objective, lucid before the auction to purchase shares of Vinacomin Power.

The Vinacomin Power Equitization Board has conducted the review and approval of The disclosure auction shares of the Company. The Equitization Board and Vinacomin Power commit that this information publication is made based on the proper, truthful, transparent and decent data, information. In case of unexpected events that caused a change in the Company's value, we are committed to announce to the related parties in order to guarantee the legal rights of the information users.

As stipulated in Paragraph 1, Article 14 of Decision No. 51/2014 / QĐ-TTg of the Prime Minister prescribed some content on divestments, sale of shares and registration transactions, listed on the stock exchange of state-owned enterprises, provides:

- Within ninety (90) days from the date of issuance of the certificate of registration of business, equitized enterprise must complete registration procedures public companies, registered shares for central custody at the Central Securities Depository and register the transactions in the trading system Upcom accordance with the law on securities and securities markets.
- When the equitized enterprise fulfills the conditions listed in stock exchanges, after performing the procedure to take stock in trading on the stock market, within a maximum of one (01) years from the date of issuance of the certificate of registration of the enterprise, enterprise equitization to add records to complete the

procedures listed on the stock exchanges in accordance with the law on securities and stock market.

After the equitization process finish, Vinacomin Power commits to fully carry out the above regulation.

We hope the investors will carefully go through this publication before deciding to purchase Vinacomin Power share.

We wish you best luck practicing in this auction. Our best regards!

Hanoi, date month year 2015

**ON BEHALF OF EQUITIZATION STEERING COMMITTEE  
HEAD OF EQUITIZATION STEERING COMMITTEE**



**Nguyen Van Hai**

**ON BEHALF OF PARENT COMPANY-VINACOMIN POWER HOLDING  
CORPORATION  
CEO & PRESIDENT-MEMBER OF EQUITIZATION STEERING COMMITTEE**



**Ngo Tri Thinh**

**ON BEHALF OF COUNSELING ORGANIZATION  
PETROVIETNAM SECURITIES INCORPORATED  
VICE DIRECTOR**



**Mai Trung Dung**