



ANNUAL REPORT 2017



EVNCHP



GENERAL DIRECTOR'S STATEMENT	02	OPERATION REPORT IN 2017 AND PLAN IN 2018	32	REPORT OF BOARD OF DIRECTORS	90
GENERAL INFORMATION	05	Overview of Vietnam energy sector in 2017	33	Structure of Shareholders and change situation of Owner's equity	92
VISION, MISSION AND CORE VALUES	07	Strategy and goal of renewable energy development	37	Activities of Board of Directors	98
BUSINESS LINES AND LOCATION	09	EVNCHP's orientation compared to electricity sector	42	Activities of subdivision under Board of Directors	107
FORMATION AND DEVELOPMENT PROCESS	11	Report of Board of directors	43	Report of Board of Management	111
HIGHLIGHTS AND TYPICAL ACHIEVEMENTS 2017	18	Report of Board of Management	47	Risk management activities	118
ORGANIZATIONAL CHART	20	Analysis of EVNCHP's financial situation	61	Risk management plan in 2018	120
INTRODUCTION OF BOARD OF DIRECTORS	22	Analysis of SWOT EVNCHP	73	Management activities in 2017	121
		Factors' impact of EVNCHP	75		
		Strategy 2017-2020	77		
		Plan and performance method in 2018	85	SUSTAINABLE DEVELOPMENT REPORT	127
				OVERVIEW OF SUSTAINABLE DEVELOPMENT REPORT	128
				ACTIVITIES OF HUMAN RESOURCES TRAINING AND DEVELOPMENT	129
				ENVIRONMENT PROTECTION ACTIVITIES	140
				COMMUNITY SOCIAL ACTIVITIES	148



GENERAL DIRECTOR'S STATEMENT

“Green energy for sustainable economic development”

Dear: Shareholders of Central HydroPower Joint Stock Company

“Record, excellent completion of the task ... are the words intended to describe business production activities in 2017 of Central HydroPower Joint Stock Company (EVNCHP)”

Commercial electricity output reached 877,536 million kWh, an increase of 135% compared to the plan and 139% compared to 2016.

The net revenue was VND 877,833 million, reaching 134% compared to the plan and increase of 33% compared to 2016;

Profit before tax was VND 432,396 million, reaching 186% compared to the plan and increase of 68% compared to 2016.

The electricity market in 2017 witnessed a strong growth rate of the whole system capacity. At the same time, the hydrological situation was also favorable for the hydropower plant with much higher rainfall than the average for many years. Comparing to the same period last year, when the hydrological conditions were heavily influenced by El Nino, in 2017, the phenomenon of La Nina caused heavy rainfall in the Central area-Central Highlands, which helped the prospects for hydropower were becoming brighter. In 2017, the hydrological situation in A Luoi area is quite favorable, the average water flow of the lake in 2017 was 38m3 / s, frequency was 12% (in the data series of 33 years of



design and operation, there was only 04 years with average annual flow was > 38m3/s). Meanwhile, the annual average is 27.40m3 / s and according to the plan of 2017 was 25.67m3 / s. Besides, thanks to the drastic direction of the Board of Directors and Board of Management, together with the efforts of all employees, EVNCHP always ensures that the factory's operation is safe, continuous, stable, high capacity, in response to timely mobilization of the National Electricity System, there are reasonable plans to participate in the electricity market, so the output, revenue and profit exceeded the plan in 2017 approved by the General Meeting of Shareholders.

GENERAL DIRECTOR'S STATEMENT (cont.)

In 2017 is just five years of A Luoi Hydropower Plant officially power generation, joined in the national electricity system (2012-2017). Over the years, the staff, engineers, employees of the plant added more bold marks in the mission to launch the "white gold" of A Sap River. From 2012 to 31/12/2017, EVNCHP provided the national electricity system with over 3,611 million kWh of electricity, contributing to overcome the power shortage of the national electricity system as well as contributing to the development of the country.

Not only safe production and supply of electricity to the national electricity system, contribution to state budget, socio-economic development of Thua Thien Hue province and Da Nang city. Over the years, EVNCHP has been a pioneer in social security activities, joining hands for the community, as a positive element of the new rural construction, contributing to a prosperous new look for the poor rural areas in A Luoi district.

Ladies and gentlemen!

Sustainable development is a requirement of EVNCHP's long-term strategy, in a common effort to minimize and adapt to climate change, to fulfill its commitment to environmental protection. Therefore, in the coming years, the Company will focus on investing in renewable energy, clean energy projects in the direction of sustainable development, responsible for community, social and friendly with the environment to ensure the harmony of benefits for businesses and related parties.

With the desire to improve the business activities efficiency, EVNCHP regularly reforms and adjusts corporate governance practices to meet the new requirements, ensure transparency, in accordance with the provisions of law, with the spirit of equality to all shareholders, including minority shareholders and foreign shareholders. The result of the continuous improvement was that in 2017, the company was voted in the top 500 best profit enterprises in 2017 (profit 500) by Vietnam Report Joint Stock Company (Vietnam Report) cooperating with VietnamNet, in the top 100 sustainable development enterprises in 2017 by VCCI together with Ministry of Labor, Invalids and Social Affairs, Ministry of Planning and Investment, Ministry of Industry and Trade, Ministry of Natural Resources and Environment, Vietnam General Confederation of Labor and State Securities Commission of Vietnam and in the top 30 best annual reports in two consecutive years 2015-2016, etc.

In the face of erratic weather, complicated climate change making forecasting become difficult, EVNCHP owns water reservoir regulated by the week, so it is difficult to actively regulate water resources. In addition, in 2018, the company stopped power generation in the first quarter to begin the overhaul of machine group no. 1, minor repair of machine group no. 2 and periodic maintenance of the water-supply tunnel, so the electricity output is expected to be around 580 million kWh (down nearly 4% compared to the plan 2017) in 2018, the Board of Directors agrees to submit to the General Meeting of Shareholders for approving revenue plan of VND 613 billion, profit after tax of VND170 billion.

In the face of the above mentioned pressures, it is requested concentrated, drastic, effective management of the Board of Management and the efforts and attempts of all employees to continue promotion of the spirit of solidarity, focus on production to achieve high productivity, optimize cost. Determine to successfully perform the task of production and business in 2018 and the development strategy goals of 2017-2020 to deserve the trust of shareholders, partners, customers and social community.

On behalf of the Board of Directors, the Board of Directors, I would like to send my sincere thanks to shareholders as well as investors who have supported and accompanied EVNCHP during the past time.

Best regard!

GENERAL DIRECTOR



TRUONG CONG GIOI



GENERAL INFORMATION

Full name in Vietnamese: CÔNG TY CỔ PHẦN THỦY ĐIỆN MIỀN TRUNG

Abbreviation name: EVNCHP

Name in English: Central Hydropower Joint Stock Company

Business registration certificate No.: 0400477830

The first registration: 13/12/2004

The 5th registration of change: 09/07/2015

Charter capital: VND 1,259,995,110,000

Investment capital of owner: VND 1,259,995,110,000

Add: Da Nang Industrial Zone, An Hai Bac Ward, Son Tra District, Da Nang City, Vietnam

Tax registration number: 0400477830

Tel: 0236 3 959 110

Fax: 0236 3 935 960

Email: banbientap@shp.com

Trang Web: www.chp.vn

Securities code: CHP

VISION - MISSION CORE VALUES

VISION :

Central Hydropower Joint Stock Company develops sustainably and becomes one of the most effective joint stock companies in electricity production and business in Central Vietnam.

MISSION:

Power supply ensures the quality of power, promotes the spirit of sustainable cooperation for the shareholders and partners. Build a professional, dynamic, creative, effective and humane working environment with social responsibility.

CORE VALUES

Quality: Commitment to build trust, confidence by product and service quality, honesty and responsibility, high efficiency in production and business.

Efficiency: EVNCHP always create a favorable environment for people to promote the creativity, technological innovation and management process to bring the highest efficiency and make EVNCHP become a business enterprise operating the most effective production and business in Central region.

Professional: Employees are professionally trained, have appropriate professional knowledge, skills, ability to perform work, high discipline; Complete, modern, and specialized facilities, equipment, tools; To work in an organized, planned and consistent manner with the system of texts, documents and regulations of the Company.

Creativity: EVNCHP identifies innovation as a lever for business development. EVNCHP is not satisfied with the results achieved, but always actively study, learn, master modern technology, technology, apply advanced management methods and strength of solidarity to achieve the highest efficiency.

Prestige: EVNCHP committed to all partners that it will always fulfill their responsibilities and obligations to constantly improve the prestige in



EVNCHP

**CÔNG TY CỔ PHẦN THỦY ĐIỆN
MIỀN TRUNG**

BUSINESS LINES

STT	Tên ngành	Mã ngành
1	Electric power generation, transmission and distribution	3510 (chính)
2	Management consultancy activities	7020
3	Construction of other civil engineering projects	4290
4	Construction of buildings	4100
5	Architectural and engineering activities and related technical consultancy	7110
6	Quarrying of stone, sand and clay	0810
7	Marine aquaculture	0321
8	Silviculture and other forestry activities	0210
9	Real estate activities with own or leased property	6810
10	Short-term accommodation activities	5510
11	Restaurants and mobile food service activities	5610
12	Travel agency activities	7911
13	Other amusement and recreation activities n.e.c	9329
14	Vocational education	8532

BUSINESS LOCATION

The company has 02 branches: A Luoi Hydropower plant and Cu Jut Solar PV Power Plant.

1. A Luoi Hydropower plant is located on A Sap River, in area of A Luoi district, Thua Thien Hue province, at the distance of 70km from the center of Hue city along the highway 49 to the west. A Luoi hydropower plant is a type of conduit, a canal derived from the tail A Luoi Lake connected to the water intake to the west of Ho Chi Minh Road, tunnels and pressure pipes which is longer than 12 km leads water into the hydroelectric power plant. The main task is to supply electricity to the national electricity system with a total installed capacity of 170 MW, average annual power 649 million Kwh.

2. Cu Jut solarPV power plant project invested by Central Hydropower Joint Stock Company, with a capacity of 50MWac (installed capacity of 61,926 MWp), expected annual electricity capacity: 94.71 million kWh. The project is built on an area of 62 hectares in the township of Ea T'ling, Cu Jut district, Dak Nong province

CÔNG TY CON VÀ CÔNG TY LIÊN KẾT VỚI EVNCHP: Không có



FORMATION AND DEVELOPMENT PROCESS

The company has been allowed by the government to invest in the A Luoi hydropower plant project with the capacity of 170MW, the total investment of the project is VND 3,234 billion



On June 30, 2007, Central Hydropower Joint Stock Company officially commenced the construction of A Luoi Hydropower construction in A Luoi mountain district, Thua Thien Hue province.



On April 26, 2009, Deputy Prime Minister Hoang Trung Hai officially issued an order to block A Sap River in A Luoi district, TT. Hue province.



2004



The company was established on November 30, 2004 with initial charter capital of VND 500 billion

2005

2006



Vietnam Electricity officially became the founding shareholder of the company in replacement of Electricity Construction Joint Stock Company 1. In December 2006, the company decided to increase its chartered capital to VND1,200 billion.

2007

2008



The Company signed credit contracts with banks, total value of VND 2,023 billion

2009



FORMATION AND DEVELOPMENT PROCESS (cont.)

The company completed the construction items such as Tunnel of A Luoi Hydropower, close of pipeline culvert, rotor reduction of machine group no. 1



Formally entering the competitive power generation market from April 15, 2013 and this is the first year of EVNCHP having profits, dividend payout ratio for shareholders in 2013 is 8% and the dividend will increase gradually through years.



On April 16th, 2014, 120 million CHP shares were officially listed on the Hanoi Stock Exchange (HNX), became the sixth hydroelectric company listed and reached the TOP of enterprises with big capital ratio of HNX.



The Year 2016 Enterprises completed the Information Announcement Standard
Central Hydropower Joint Stock Company is a listed company that strictly adheres to the obligation of information announcement on the Vietnam securities market in 2016 voted by the IR 2016 Organizing Committee.



The top 30 best annual reports in 2016.
In the total of more than 600 annual reports of listed companies, Central Hydropower Joint Stock Company was honored to be voted in the top 30 best annual reports in 2016.



2010

2011

2012

2013

2014

2015

2016



The company's shares were officially exchanged on Upcom Stock Exchange of Hanoi with the stock code of CHP



After 5 years of construction, machine group no. 1 of A Luoi Hydropower Plant has officially joined the National Electricity system on May 20, 2012 and machine group no.2 on June 12, 2012.



Mr. Huynh Mai-KTT receiving medal
Central Hydropower JSC was honored in the 30 most transparent enterprises of HNX 2014-2015



EVNCHP is honored to receive the excellent emulation flag in 2015



Top 50 the Most Effective Company In Vietnam
Central Hydropower Joint Stock Company was selected as one of the 50 most efficient companies in Vietnam, according to the survey results published on 16/6/2016 of the Business Review Magazine and Thien Viet Securities Company



FORMATION AND DEVELOPMENT PROCESS (cont.)

CENTRAL HYDROPOWER JOINT STOCK COMPANY

»14 YEARS OF STEP-BY-STEP BRAND AFFIRMATION

Central Hydropower Joint Stock Company (EVNCHP) was established in 2004, its main task is to invest in A Luoi Hydropower Project with the capacity of 170 MW and produce electricity business in A Luoi district, Thua Thien Hue province. . The project has been constructed and operated in June 2012. Flexible and scientific management and united human resources helped the company gradually assert its position in the field of hydropower, exceeding its production plan. Accumulated electricity generated from EVNCHP reached 3,610 billion kWh, revenue reached VND 3,725 billion, paid more than VND 670 billion.

Activities in the competitive power generation market with the characteristics of hydrology in the area of A Luoi hydropower reservoir are concentrated power production in the fourth quarter, the period of frequent storms in the central region has made the Company face to more difficulties. In order to overcome these challenges, the General Director of Truong Cong Gioi together with the Board of Directors and Board of Management always keep abreast of the plan, the practical situation to make the correct decision, reasonable direction and solution. The stages in the production process from procurement and supply of equipment, safe operation of the machine groups, the development of appropriate bidding strategies, accurate coordination of electricity generation, etc.

The company has applied the quality management system ISO 9001: 2015. Bidding packages for fix, repair and maintenance of hydraulic works shall ensure the progress and quality. As a result, A Luoi Hydropower has been operating stably, contributing to improve the lives of staffs and bring economic efficiency to the Company.

Toward the goal of sustainable

development, in harmony with nature, the company has completed replacement forest plantation with an area of 156 hectares. In addition, the company also released 33,000 seed in two batches in the lake area to create aquatic resources, contribute to clean water environment. Monitoring and controlling of periodic environment is strictly implemented.

To add more power to the country and expand production and business. In 2017, EVNCHP completed the planning and approval of the investment project of Cu Jut solar power plant in Dak Nong province with the capacity of 50 MWAC, total investment of VND 1,367 billion. Currently, the project is in the investment phase and is expected to complete commercial operation by June 2016. In addition, EVNCHP is implementing the project of Ninh Thuan Solar Power Plant project, Ninh Thuan province with the capacity of 50MWac. These two projects, after completion and exploitation, will supplement the National Electricity system as well as make use of green energy. Activities in response to World Environment Day, Sea and Islands Week, World Water Day organized by the Company under various forms and content.

The company is well known for its experienced staff, professionalism with dedication and responsibility. Thanks to the close attention of the Secretary Truong Cong

Gioi and the Party Committee, the staff of the Company always hold the ideological position, promote the spirit of democracy, join hands for the strength of the business. The Company has timely mobilized, rewarded and multiplied the advanced models to encourage staffs and employees to explore, create and contribute

many technical innovations to increase productivity and reduce the cost.

One of the authors of many initiatives is the member of the Board of Directors, Secretary of the Party Committee, General Director - Truong Cong Gioi with the typical ideas: "Design of the rubbish blocking system leading to the channel" to limit maximum time to stop rubbish collection in the process of generating electricity, "Improved design of installation of rubbish blocking system canal leading from 549.25m elevation to elevation 552.25m", etc. General Director is also person who are very interested in employees and always have suitable policies for employees to ensure working and long-

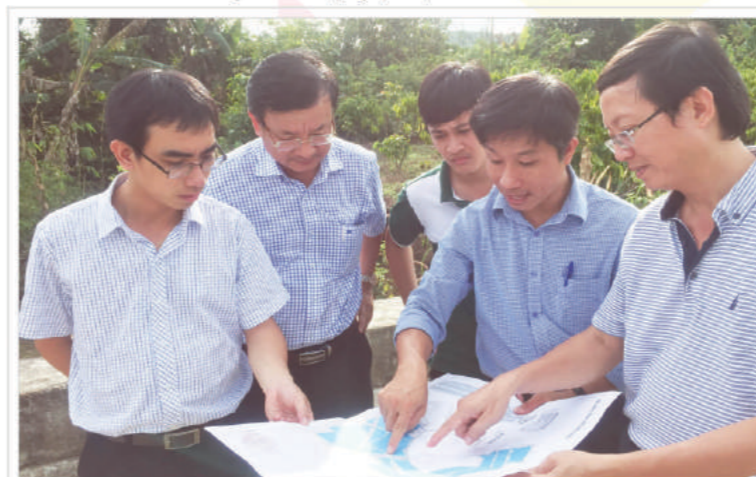
term commitment to the Company.

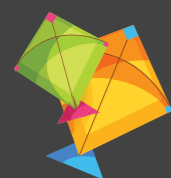
As a responsible enterprise with the community, the Company has organized many social activities, gratitude and good deeds in the staff. The activities that brighten the image of the company can be mentioned as: Heroic mother in Quang Nam province; To build 06 houses of gratitude for local people in A Luoi district in difficult circumstances; construction of rural roads, bridges, schools; Fund for the Poor person, Blind Association; blood donation;...

Nearly 14 years of establishment and development of the Central Hydropower Joint Stock Company are marked by many honors and awards: the Labor Medal of the third rank, the Certificate of Merit from the Prime Minister, the Certificate of Merit from Ministry of Industry and Trade, Certificate of Merit of the People's Committee of Da Nang City, Certificate of Merit of the People's Committee of Thua Thien Hue Province, Certificate of Merit from the Vietnam Chamber of Commerce and Industry, Certificate of Merit of the Vietnam Electricity, Emulation Flag of the Vietnam Electricity and Central Power Company, Emulation Flag of Thua Thien Hue Provincial People's Committee, Excellent Labor Collective ...The company is among the top 500 best-profit enterprises in 2017, with the top 30 enterprises having the best annual report in 2017, the top 100 sustainable development enterprises in 2017. Especially, The success of the enterprise, the members of the Board of Directors, the Secretary of the Party Committee, General Director - Truong Cong Gioi was honored to receive: Labor Medal third, Certificate of Merit of the Prime Minister, Certificate of Merit of People's Committee of Da Nang, Certificate of Merit of the Vietnam Electricity, the title of emulation fighter of the Ministry of Industry and Trade, basic emulation fighter.



Top 500 doanh nghiệp lợi nhuận tốt nhất năm 2017





HIGHLIGHT



EXCELLENT COMPLETION OF PRODUCTION-BUSINESS TASKS

In 2017, EVNCHP performs business and construction tasks in the context of high economic growth (6.7% GDP) and stable macroeconomic in general. All employees of EVNCHP have worked hard to strive to complete the tasks and goals of the plan in 2017.

Revenue reached VND 878.7 billion increased 134% and profit after tax reached VND 410, 3 billion exceeded 185% of the plan approved by the General Meeting of Shareholders.

“GREEN” DEVELOPMENT STRATEGY REALIZATION

On 08/5/2017: The Ministry of Industry and Trade has issued Decision No. 1626 / QD-BCT approving the addition of the Cu Jut solar power plant project to the development plan of the 110kV power system of Dak Nong province in the period 2016-2025, taking into account

2035 On 14/12/2017, EVNCHP's Board of Directors issued Document No. 510 / QD-EVNCHP-BĐQT approving the investment project of construction of Cu Jut Solar Power Plant, Dak Nong Province

REE BECOMES A BIG SHAREHOLDER OF EVNCHP

By the end of 2016, Refrigeration Electrical Engineering Corporation (REE) officially became a major shareholder after buying more than 12.2 million shares of CHP. In 2017, it will continue to buy more than 13 million CHP shares to increase its holding

volume to 25.3 million units (equivalent to 20.07%).REE has clearly stated its view that it is desirable to cooperate with CHP to bring value to shareholders from this development.

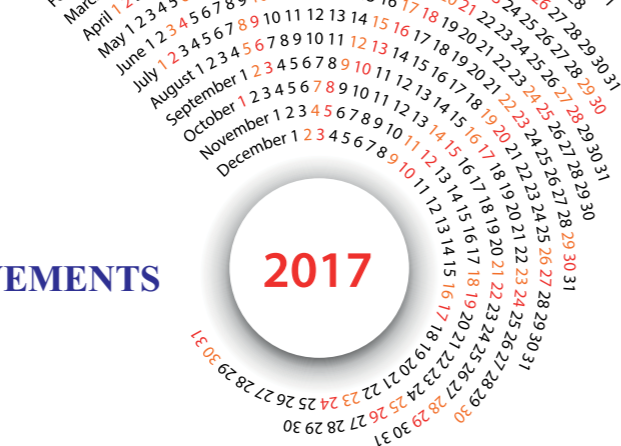
BIG BUDGET CONTRIBUTION FOR THE LOCAL

In 2017, with the completion result of exceeding the business plan, EVNCHP was recognized by the Chairman of Thua Thien Hue province People's Committee as "Excellent Enterprise" in 2017. In the past years, A Luoi Hydropower Plant located in the province, annually contributed to the

budget over VND 150 billion. Only in 2017 EVNCHP has paid the budget of TT. Hue province over VND 180 billion, paid to the city budget Da Nang over 20 billion. Thus contributing to the building and development of the local economy.



TYPICAL ACHIEVEMENTS



TOP 30 BEST ANNUAL REPORTS IN 2 CONSECUTIVE YEARS

Central Hydropower Joint Stock Company, CHP securities code was honorably voted in Top 30 Best Annual Reports in 2017 by Vietnam Report Joint Stock Company (Vietnam Report) in cooperation with VietnamNet. It also assessed the efforts of the Board of Management in improving the corporate governance model, enhancing the management and training of human resources development, ensuring the company's sustainable development. Having responsibility for society and environment, which brings confidence to shareholders, customers and partners.



TOP 500 BEST PROFIT BUSINESSES 2017 (PROFIT 500)

On 17/10/2017, Vietnam Report Joint Stock Company (Vietnam Report) in cooperation with VietnamNet published the ranking of Profit500 - Top 500 Best Profits Businesses in 2017 to honor Vietnamese enterprises having the potential of good profit, has the potential to become the backbone for the future development of the Vietnamese economy, and contribute to promote the brand of Vietnamese enterprises to the business community in the country and international countries.



TOP 100 SUSTAINABLE DEVELOPMENT BUSINESSES IN 2017

Voted by the VCCI in cooperation with the Ministry of Labor, Invalids and Social Affairs, the Ministry of Planning and Investment, the Ministry of Industry and Trade, the Ministry of Natural Resources and Environment, the Vietnam General Confederation of Labor and the State Securities Commission.

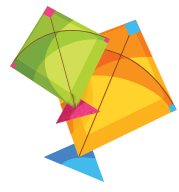
Ranking of BP500 - 500 Prosperous Vietnamese businesses in 2018 officially announced

The BP500 ranking is based on the results of the independent research and evaluation of the Vietnam Report on the principle of science and compliance with national standards. This is to ensure the objectivity and accuracy of the rankings, in order to honor the enterprises with stable business results, potential growth and potential to contribute significantly to the common prosperity of the country

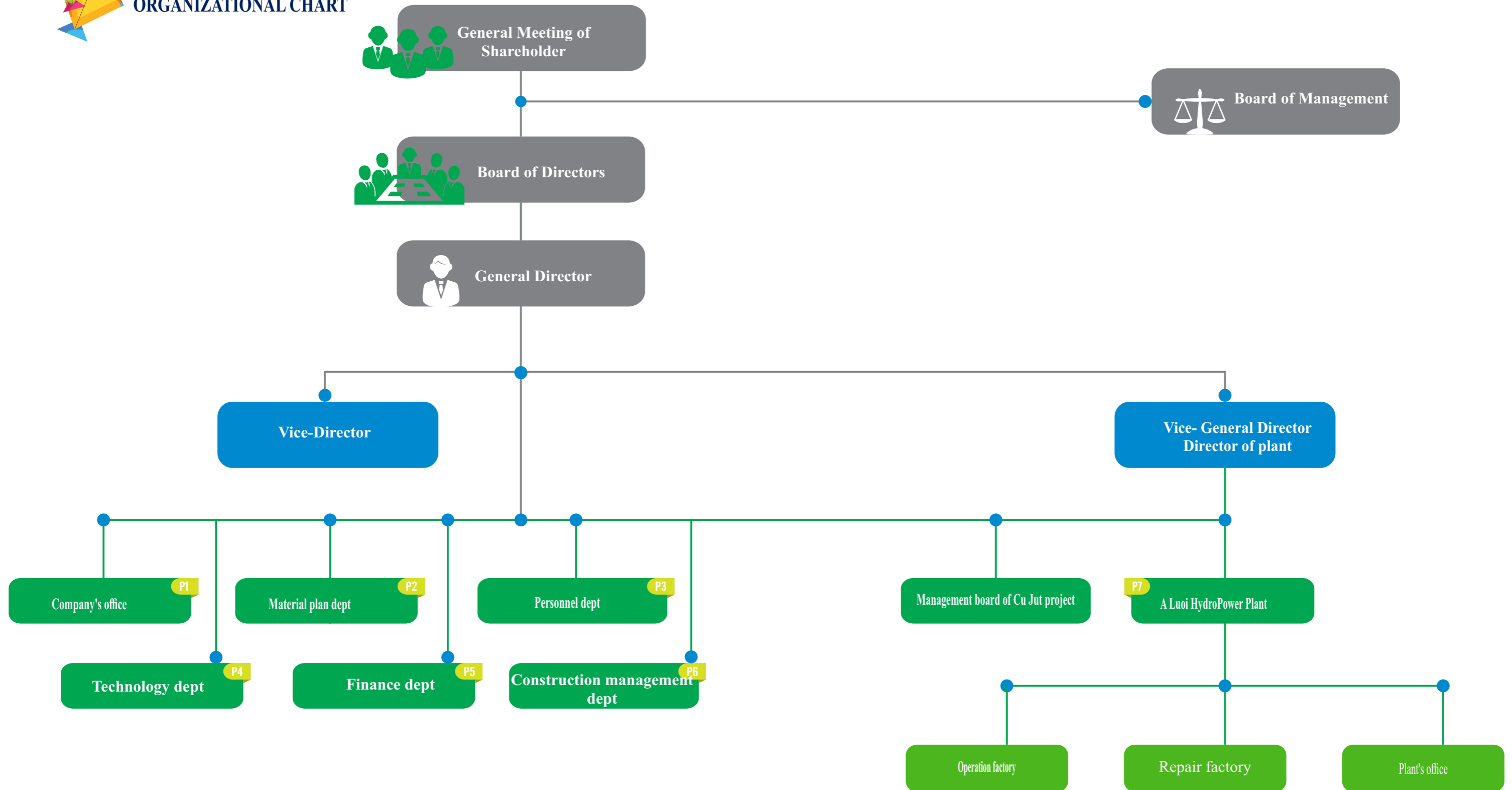


EXCELLENT BUSINESSES IN 2017

EVNCHP has been awarded the title of Excellence Enterprise in 2017 by the Chairman of Thua Thien Hue People's Committee and awarded the Emulation Flag in 2017 under Decision No. 3112 / QĐ- UBND dated 29/12/2017



ORGANIZATIONAL CHART





INTRODUCTION OF BOARD OF DIRECTORS



Mr.: PHAM NGOC LE
Chairman of Board of Directors

Year of birth: 1962

Qualification: Master of Business Administration
Engineer of Electricity system

Title at other organization: Vice-Director
- Southern Power Corporation

Process of working:

02/1985 - 11/1987: Technical staff of Cuu Long power station

11/1987 - 01/1992: Vice head of branch - Tra Vinh power station

01/1992 - 05/1992: Head of branch - Tra Vinh power station

05/1992- 02/1993: Vice-Director - Vinh Long power station

02/1993 - 05/1998: Director - Vinh Long power station

05/1998 - 04/2010: Vice-Director - Power Company 2

04/2010 -up to now : Vice-General Director - Central Power Corporation



Mr.: TRUONG CONG GIOI
Member of Board of Directors - General Director

Year of birth: 1962

Qualification: Electrical engineer, Irrigation-
Hydropower engineer

Title at other organization: Non

Process of working:

05/1985 - 12/1989: Specialist of board of QLCT

An Diem Hydropower - QNĐN

01/1990 - 12/1992: Assistant of Director - Board of QLCT of An Diem Hydropower - QNĐN

08/1998 - 05/1999: Vice head of operation of Ayun Ha hydropower project

06/1999- 07/2002: Vice head of Construction management office - Power Company 3

08/2002 - 03/2005: Head of Hydropower management - Power Company 3

04/2005 - up to now: General Director of Central HydroPower Joint Stock Company



Mr.: PHAM SY HUNG
Member of Board of Directors

Year of birth: 1961

Qualification: Electrical engineer

Title at other organization: Vice-General Director - Central Power Corporation

Process of working:

03 - 11/1990 : Specialist of Technology dept. - Quang Tri Power station

12/1990 - 03/1991: Assistant of Manager of Electricity system factory - Quang Tri Power station

04/1991-08/1992: Vice head in charge of Sale Dept. - Quang Tri Power station

09/1992-07/2000: Head of Sale Dept. Quang Tri Power station

07/2000-02/2010: Vice Director of Quang Tri Power station

03/2010-04/2014: Director of Quang Tri Power Company



GIỚI THIỆU HỘI ĐỒNG QUẢN TRỊ (tt)



Mr. HO QUOC VIET
Title: Member

Year of birth: **1962**
Professional: Master

Position in other Organizations:
Head of Investment Management
Division – Southern Power Corporation

Working experience:

1987 – 1988: Officer in Tien Giang Ocean Shipping company

1989 – 1997: Officer in Tien Giang Power Company

1988 – 1999: Officer in Power Company 2

04/2000 – 07/2005: Deputy Head - Production Technical Department of Power Company 2

08/2005 – 05/2007: Head – Appraisal Department, Power Company 2

06/2007 – 03/2010: Head – Construction Management Department, Power Company 2

04/2010 to Present: Head of Investment Management Unit, Southern Power Corporation.



Mr. NGUYEN QUANG QUYEN
Title: Member

Year of birth: **1972**
Professional: Master

Position in other Organizations:
- Investment Director in Refrigeration Electrical Engineering Corporation (REE)
- Member of the Board of Directors in Thac Ba Hydropower Joint Stock Company & Thac Mo Hydropower Joint Stock Company & Ba Ha Hydropower Joint Stock Company & Member of the Board of Directors in Pha Lai Thermal Power Joint Stock Company

Working experience:

06/1997 – 05/2000: Investment Analyst at the American Finance Company (Finansa); Fund Management: Vietnam Frontier Fund, has value of \$ 50 million in 1997.

06/2000 – 08/2002: Chuyên viên phân tích tài chính (trưởng nhóm) tại Công ty Chứng khoán Sài Gòn (SSI)

09/2002 - 02/2007: Supervisor Financial control and investment at Vietnam Dairy Products Joint Stock Company (Vinamilk)

03/2007 to Present: Investment Director of Refrigeration Electrical Engineering Corporation (REE)



Mr. NGUYEN HUU PHUONG
Independent Member of the Board of Directors

Year of birth: **1955**
Professional: Bachelor of Economics
Position in other Organizations: None

Working Experience:

03/1978 – 12/1980: Accountant - Power Design Department Power Company 2

01/1981 – 10/1988: Deputy Head of Finance and Accounting Department - Electricity Construction Company, Power Company 2

11/1988 – 01/1991: Head of Finance – Accounting Department, Electric Construction Company, Power Company 2

02/1991 – 10/1998: Chief of Accountant - Electric Construction Company, Power Company 2

11/1998 – 15/07/1999: Deputy Head of Finance – Accounting Department, Power Company 2

16/07/1999 – 30/12/2006: Chief of Accountant – Power Company 2

01/01/2007 – 04/2010: Head of Planning Department – Power Company 2.

04/2010 – 12/2015: Head of Planning Board, Southern Power Corporation.



Mr. NGUYEN HUU TAM
Independent Member of the Board of Directors

Year of birth: 1954
Professional: Bachelor of Business Administration
Position in other Organizations: None

Working Experience:

1980 – 1988: Specialist in Finance – Accounting Department, Power Company 3.

1988 – 1993: Deputy Head of Finance – Accounting Department, Power Company 3.

1993 – 1995: Head of Finance – Accounting Department, Power Company 3.

1995 – 04/2010: Chief of Accountant, Power Company 3.

04/2010 – 2014: Chief of Accountant – Central Power Corporation.



INFORMATION ON THE BOARD OF SUPERVISORS



Mr. TRINH QUANG VIET

Head of the Board of Supervisors

Year of birth: **1979**

Professional: Bachelor of Economics

Working experience:

09/2002 – 06/2005: Specialist in Finance – Accounting
Department, Central Vietnam Metal Corporation

07/2005 – 12/2012: Specialist in Finance – Accounting
Department, Central Hydropower Joint Stock Company

01/2013 – 03/2016: Deputy Head of Finance – Accounting
Department, Central Hydropower Joint Stock Company

04/2016 to Present: Head of the Board of Supervisors, Central
Hydropower Joint Stock Company



Mr. NGUYEN VAN DANH

Member of the Board of Supervisors

Year of birth: 1976

Professional: Bachelor of Business of Administration

Working experience:

2001 – 2003: Member of the Board of Supervisors

2003 – 2010: Specialist in Finance – Accounting
Department, Southern Power Corporation

2010 – 2012: Specialist in Supervisory Board,
Southern Power Corporation

2012 – 2014: Specialist in Finance – Accounting
Department, Southern Power Corporation

2014 to Present: Deputy Head of Internal
Supervisory Board, Central Power Corporation.



Mr. PHAM VIET THIEN

Member of the Board of Supervisor

Year of birth: 1986

Professional: Bachelor of Economics

Working experience:

02/2010 to Present: Specialist in Finance –
Accounting Department, Southern Power Corporation



Mr. TRUONG CONG GIOI

Member of the Board of Directors

(Please see in the Introduction of the Board of Directors in page 24)

Mr. LE QUY ANH TUAN

Deputy General Director

Director of A Luoi Hydropower Plant

Year of birth: 1969

Professional:

Master of Electric System

Working experience:

1992 – 2007: Work at Tri An Hydropower Company, Vinh Cuu District, DongNaiProvince. Position: Shift Leader, Assistant Foreman, Foreman, Head of Technical Planning Department. He was appointed to hold the position of Deputy General Director in Central Hydropower Joint Stock Company from 2007 to present



Mr. LAM UYEN

Deputy General Director

Year of Birth: 1961

Professional:

Bachelor of Economics

Working experience:

He held the position of Chief Accountant in Project Management Unit of An Diem Hydropower in Quang Nam – Da NangProvince from 1985 to 1991.

From 1992, he worked at Project Management Unit of Ialy Hydropower.

From 1994, he held the position of: Specialist in Finance Department of Power Company 3, Chief Accountant of Project Management Unit of Power Network, Power Company 3.

From 2005, he was appointed to hold the position of Deputy General Director of Central Hydropower Joint Stock Company.

Mr. HUYNH MAI

Chief Accountant

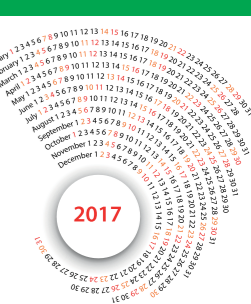
Year of birth: 1970

Professional: Master of Business Administration

Working experience:

He worked at Finance Department of Power Company 3 from 1993 to 1994.

In 2005, he was appointed to hold the position of Chief Accountant in Central Hydropower Joint Stock Company.



TOTAL REVENUE

877,8

Billion Vietnamese Dong

TOTAL PRE-TAX BENEFIT

432

Billion Vietnamese Dong

“

EVNCHP ALWAYS STRIVES FOR
SUSTAINABLE DEVELOPMENT
THROUGH INVESTMENT IN THE
DEVELOPMENT OF CLEAN
ENERGY PROJECTS WITH LOW
ENVIRONMENTAL IMPACT.

THE ENERGY SECTOR PLAYS A KEY ROLE IN BOOSTING THE ECONOMY

For decades, Vietnam has been one of the most dynamic and fast-growing economies in the region and in the world. Economic growth is critical to the improvement of the life quality of residents through the clear decline in the rate of poverty. Vietnam always regards economic growth as a top priority, but development strategies shall focus on rapid growth and sustainable development.

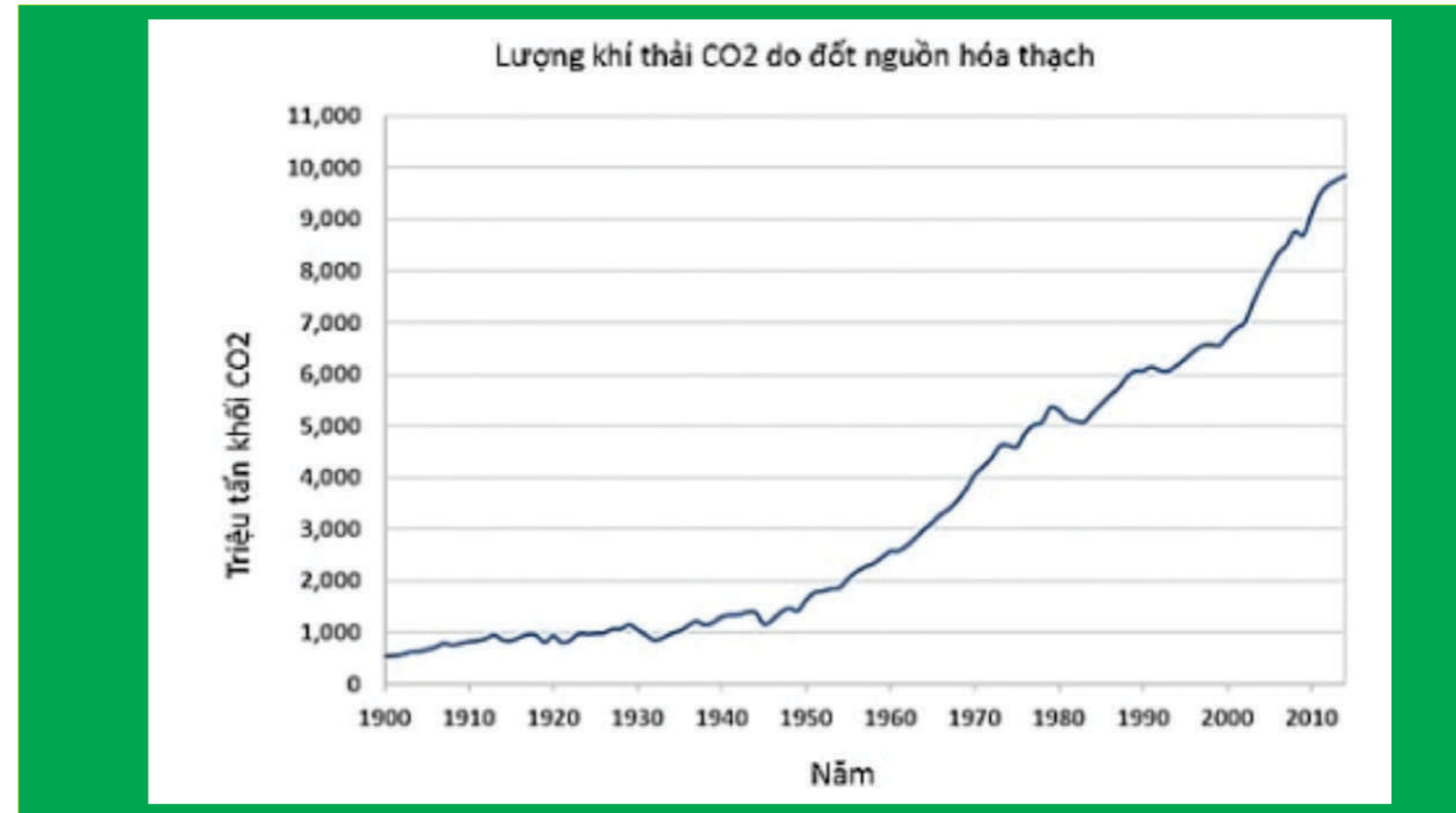


The energy sector plays a key role in boosting the economy. Economic growth requires a secure supply of energy, in the ability to pay for all social and economic sectors.

At the same time, to ensure the sustainability, the energy sector must be able to attract the capital needed to develop the infrastructure, ensure long-term energy supply, reduce negative environmental impacts as well as control the amount of greenhouse gases emitted to the environment. Vietnam has proposed a number of policies and strategies, including master plans for the exploitation of domestic fossil fuels and strategies for increasing the use of renewable energy.

In recent years, the government has played an important role in investing in the energy sector through the use of state-owned capital in state-owned enterprises, partly through private and foreign capital and through development policy in the energy sector.

Viet Nam should continue to develop appropriate legal and regulatory frameworks to ensure a competitive investment environment, attract and encourage the adoption of new and advanced technologies that meet national policies for environmental protection and energy security.



Current energy sources come from two sources: non-renewable energy (fossil fuel such as oil, gas, coal and nuclear energy) and renewable energy (solar, wind, biogas, geothermal, small hydropower, etc.). However, the fossil fuel is limited and it is only enough to supply us for 51 years (at the current energy consumption rate). Greenhouse gas emissions have increased tenfold in the past 100 years. As a result, the average temperature of the Earth may

rise by 6 degrees Celsius by 2050. (Meanwhile, scientists warn that global average temperatures could rise by 2 degrees Celsius by the end of the 21st century.) . Therefore, we need to focus on research and exploitation of renewable energy to gradually replace fossil fuels, towards the goal of sustainable development.

(Source: Vietnam Energy Outlook for 2017)

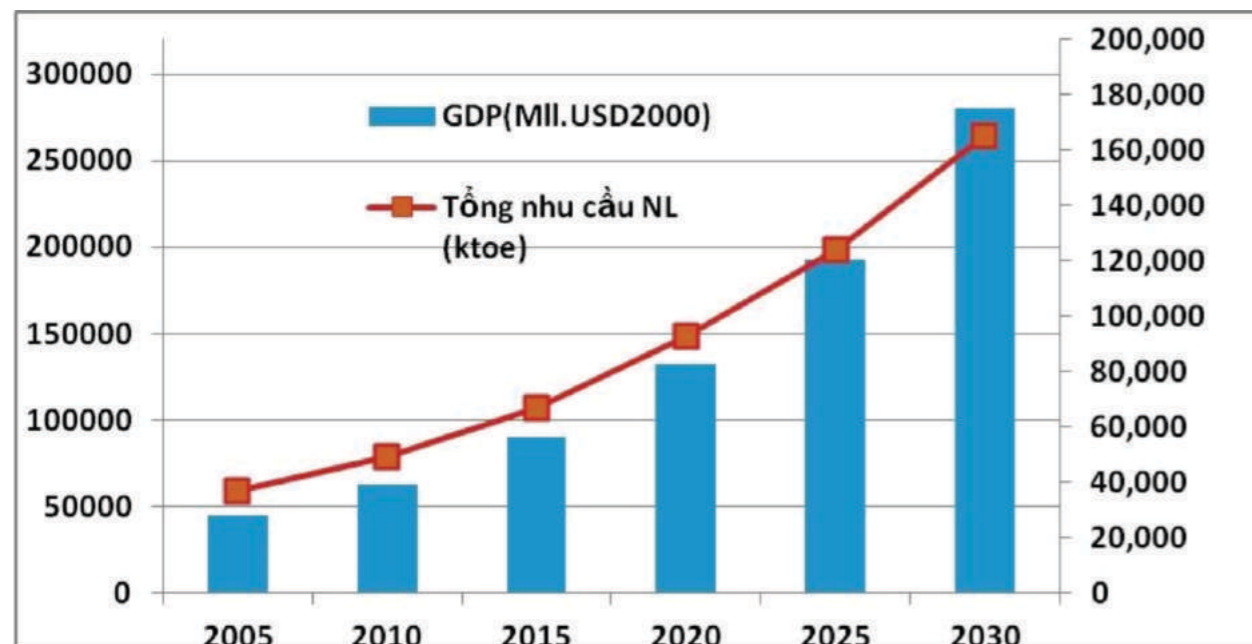


DEMAND FOR ENERGY INCREASES SHAPRLY

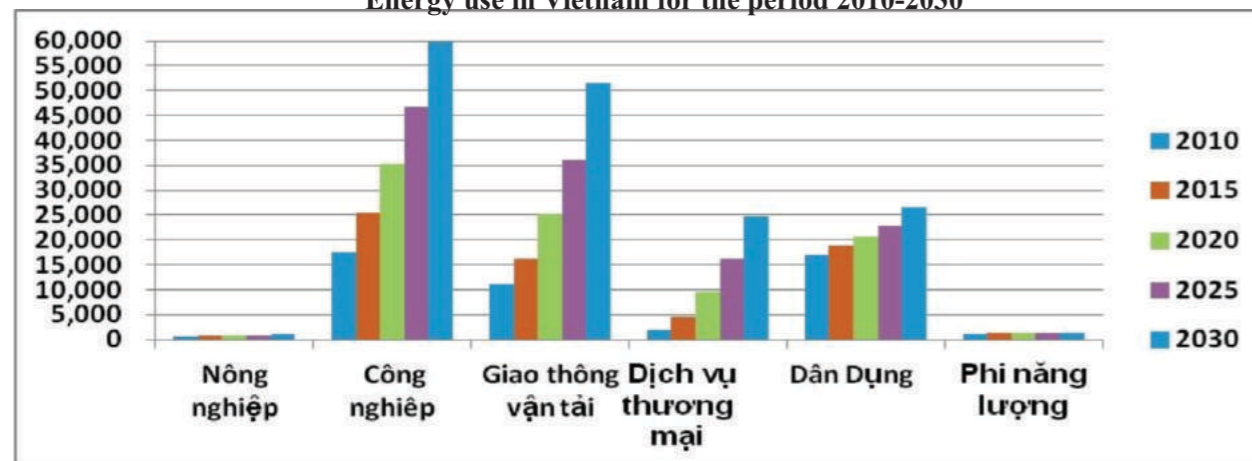
According to the draft report of National Energy Development Plan for the period 2016-2025 with a vision towards 2035 (Energy Planning) by Institute of Energy - Ministry of Industry and Trade is implementing, the forecast of energy demand in the base case scenario show that, by 2035, total final energy demand will increase by

nearly 2.5 times compared with 2015. By 2035, the energy consumption in transport (account for 27.5%) is forecasted to increase fastest (5.7% / year), the industry (account for 45% 3%) will increase by 5.0% per year in the period 2016-2035.

Economic and energy correlations from 2005 to 2030



Energy use in Vietnam for the period 2010-2030



Source: MPI, UNDP. Study, establish quantifiable targets for reducing greenhouse gas emissions in Vietnam energy sector in the period 2013-2030. Support the development and implementation of the National Strategy on GREEN GROWTH, registration No. DKXB: 1287-2013 / CXB / 06-632 / BD.

CHALLENGE AND OPPORTUNITY

CHALLENGES

The growth in energy demand, especially the rapid increase in electricity demand poses great challenges

From 2015, Vietnam has become a net importer of energy, with a net import of around 5% of total energy supply. Net import is expected to increase;

Traditional primary energy resources are being depleted: large and medium-sized hydropower will be exploited almost from nearly 18 GW to reach a capacity of about 21.6 GW by 2020. Domestic coal is

currently not sufficiently to supply electric power plants. With coal mining plan which is approved by the Prime Minister, coal can be exploited for 70 years, but not meet the demand; Oil and gas resources will be reduced and depleted over the next 60 years;

The need to reduce environmental pollution from the energy sector is increasing to ensure sustainable development.

OPPORTUNITIES

Government greatly pays attention to economic development and energy security and environmental protection issues;

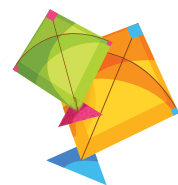
The potential for further implementation of energy saving and energy efficiency measures;

Renewable energy potential, especially solar and wind energy, is considered to be quite large, which can play an important role in medium and long-term energy supply;

Cooperation in the field of energy is growing with the participation of international organizations and the private sectors in the field of energy. Recent years, the Government has issued many

important policies and solutions to attract investment from various economic sectors into the energy sector through the mobilization of state and private capital and foreign investment directly involved in construction, own and operates the energy infrastructure.

Future investment projects in the energy sector will continue to attract investment from the private sectors with an increasing proportion. Therefore, the Government should continue to develop a suitable legal and regulatory framework to ensure the competitive investment market, to attract and encourage the application of advanced technologies to meet the national standards on environmental protection and energy security.



DEVELOPMENT STRATEGIES AND TARGETS FOR RENEWABLE ENERGY

DEVELOPMENT STRATEGY

Encourage the mobilization of all resources from society and residents for the development of renewable energy to enhance access abilities to modern, sustainable and reliable energy sources at reasonable prices for all people; promote the development and use of renewable energy sources, increase domestic energy supplies; Step by step

increase the proportion of renewable energy sources in National energy production and consumption in order to reduce the dependence on fossil fuels, contributing to energy security, mitigate the climate change, protect environment and sustainable socio-economic development.

DEVELOPMENT TARGETS OF RENEWABLE ENERGY

- To step by step increase the rate of access to clean energy and electricity of residents in mountainous, remote, border and island areas: By 2020, most households will have electricity, By 2030, most households will have access to sustainable and modern energy services at reasonable prices

- Develop and use renewable energy sources, contribute to the implementation of sustainable environmental targets and the development of a Green Economy

- Increase the total renewable energy from about 25 million TOE (tons of oil equivalent) in 2015 to about 37 million TOE by 2020; about 62 million TOE by 2030 and 138 million TOE by 2050. The percentage of renewable energy in total primary energy consumption in 2015 is about 31.8%; about 31.0% by 2020; about 32.3% by 2030 and increase to about 44.0% by 2050.- Increase the amount of electricity produced from renewable energy from about 58 billion kWh in 2015 to about 101 billion kWh by 2020, about 186 billion kWh in 2030 and about 452 billion kWh by 2050. The percentage of electricity produced from renewable energy in total

electricity produced nationwide will increase from about 35% in 2015 to about 38% by 2020; about 32% by 2030 and about 43% by 2050.

- Increase the absorbed area of solar water heater from about 3 million m² in 2015 to about 8 million m² by 2020, providing 1.1 million TOE; Approximately 22 million m² in 2030, providing 3.1 million TOE and approximately 41 million m² by 2050, providing 6 million TOE. Increase the proportion of households with solar appliances (water heater, cooking stoves, heating and cooling space, water distillation, etc., using solar energy) about 4.3% in 2015; about 12% by 2020, about 26% by 2030 and about 50% by 2050.



- To increase the scale of using biogas technology with the construction volume of about 4 million m³ in 2015, about 8 million m³ by 2020; about 60 million m³ by 2030 and about 100 million m³ by 2050.

- Change the use of traditional biomass energy in household cooking, in the local industry and cottage industry from traditional cookers and low-performance appliances by advanced stoves, high-efficiency biomass energy conversion appliances.

Increase the percentage of households using advanced, high-efficiency cooker from negligible current levels to around 30% by 2020; about 60% by 2025 and from 2030, most of the rural households use efficient, hygienic cooker.- Increase biofuel production from about 150,000 TOE in 2015 to about 800,000 TOEs, meeting approximately 5% of the transportation sector fuel demand by 2020; Approximately

3.7 million TOE, meeting approximately 13% of transportation demand by 2030; By 2050, biofuel production will reach 10.5 million TOE, meeting about 25 % of the transportation fuel demand.

- To promote the development of renewable energy technologies and industrial sectors, to build a renewable energy industry system, to increase the percentage of equipment produced domestically in the field of renewable energy: Approximately 30% by 2020; increase to 60% by 2020; By 2050, to meet the domestic demand, partly for export to countries in the region and the world.

Source: Decision No. 2068 / QĐ-TTg dated 25/11/2015 on: Approving the development strategy of renewable energy of Vietnam by 2030 with a vision to 2050



DEVELOPMENT STRATEGIES AND TARGETS FOR RENEWABLE ENERGY (Continue)

DEVELOPMENT ORIENTATION OF SOLAR ENERGY

Develop solar electricity for supplying electricity to the national power system and border areas, islands and remote areas where electricity cannot be supplied from the national grid. Electricity produced from solar energy increases from about 10 million kWh in 2015 to about 1.4 billion kWh by 2020; about 35.4 billion kWh by 2030 and about 210 billion kWh by 2050. The rate of electricity produced from solar

energy in the total electricity production increases from the current negligible level to about 0.5% by 2020, about 6% by 2030 and about 20% by 2050. Develop solar-powered equipment for providing heat to households; manufacture of industry, agriculture and services. Total solar energy output will increase from 1.1 million TOE in 2020 to about 3.1 million TOE by 2030 and 6.0 million TOE by 2050.

ELECTRICITY PRICE POLICY AND INVESTMENT GUARANTEE

- The Ministry of Industry and Trade shall formulate and submit to the Prime Minister for approving the electricity prices of renewable energy projects connected to national grid. The price of electricity is in line with the conditions of different regions and the characteristics of the technology generating electricity from different renewable energy sources, in principle, to promote the development and use of renewable energy, to ensure that investors recover costs and make reasonable profits; Electricity prices are timely adjusted, in line with the development of technologies using renewable energy sources.

- The electricity Units are responsible for buying all electricity produced from renewable energy which is connected to electrical grids in their localities under their management. The purchase and sale of electricity is made through the power purchase contract which is regulated by the Ministry of Industry and Trade.- The electricity cost of electricity projects using renewable energy sources shall be accounted into the electricity prices of the

electricity Units and calculated based on the electricity retail price structure and recovered through electricity revenue.

- Electricity projects using renewable energy for electricity production shall be given priority for connection with the national power system. Connection costs and other related costs incurred by grid Unit (electricity transmission and distribution units) due to purchase of electricity produced from renewable energy are calculated in the transmission and distribution cost of power grid units.

- For independent electricity systems using independent electricity sources from renewable energy, the investors shall formulate electricity price schemes and determine the total support levels from the state budget, submitting them to the Ministry of Industry and Trade for appraisal, to Prime Minister for approval. The total amount of support is received from the Sustainable Energy Development Fund.

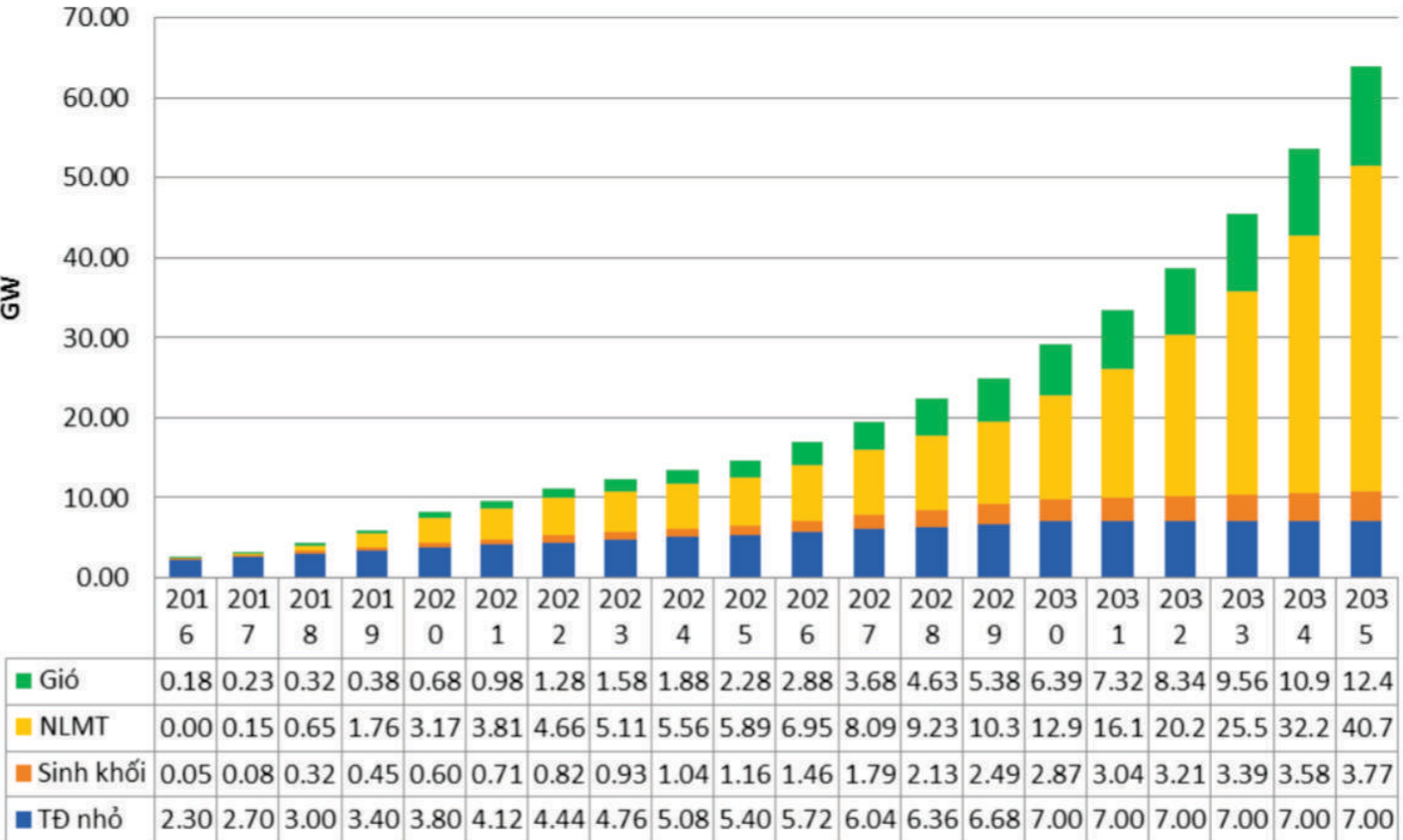
Source: Decision No. 2068 / QĐ-TTg dated 25/11/2015 on: Approving the development strategy of renewable energy of Vietnam by 2030 with a vision to 2050

GLOBAL TRENDS SHOW SIGNIFICANT CONTRIBUTION OF RENEWABLE ENERGY TO THE DEVELOPMENT OF LOW CARBON ECONOMY (EVEN NO CARBON). SIMILARLY, THE DEVELOPMENT OF RENEWABLE ENERGY IN ELECTRICITY PRODUCTION IN VIETNAM WILL BE THE MAINSTAY FOR PROMOTING RENEWABLE ENERGY USE ACTIVITIES

Proportion of electricity produced from renewable energy in total electricity production:

Type of Renewable Energy	2015	2020	2025	2030	2035
Wind and Solar Power	0,3%	2,4%	3,6%	6,2%	7,7%
Renewable Energy + Small Hydropower	4,7%	9,3%	10,6%	13,8%	13,7%
Renewable Energy + Hydropower	37,4%	35,0%	28,6%	26,6%	23,8%
Wind and Solar Power	0,3%	2,5%	3,8%	6,8%	13,3%
Renewable Energy + Small Hydropower	4,8%	9,6%	11,3%	15,6%	21,0%
Renewable Energy + Hydropower	37,4%	36,4%	30,6%	29,8%	32,7%

Growth in the electricity capacity of renewable energy



Source: Vietnam Energy Outlook Report 2017



Assess the suitability of the Company's development orientation with the orientation of the power sector and State policies.

Electricity sector is an essential sector of the national economy, serving production and business and meeting the demand of daily life. The development of the electricity sector is fundamental to the industrialization and modernization of the country in particular and the development of the economy in general. Vietnam's economy is growing at an average rate of 6% - 7% per annum and is accompanied by a growth in electricity demand of about 12% per annum. Therefore, in the electricity sector, supply is always smaller than demand.

In 2015, Vietnam's renewable energy development strategy up to 2030 with a vision to 2050 had been approved by the Government. This can be seen as the basis for the development of renewable energy in Vietnam, encouraging and mobilizing all social resources to develop renewable energy at reasonable prices, gradually increasing the proportion of renewable energy in total output and national energy consumption.

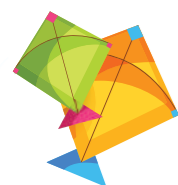
Vietnam is one of the countries with high levels of sunlight in the global solar radiation map. The average solar radiation in our country ranges from 4.3-5.7 million kWh / m². The Southern Central provinces and the Central Highlands have relatively high hours of sunshine. Approximately 2,000 to 2,600 hours per year. While traditional fossil fuels, such as coal and oil, are running out of supplies, and supplies are unstable, renewable energy sources are gaining much attention, especially the solar energy. Utilizing this source of natural energy not only contributes to meet the increasing energy demand of the society, but also contributes to reduce environmental pollution and reduce global greenhouse gas emissions.

In the context of the electricity sector is facing the dramatic increase of energy demand in the power system, Central Hydropower Joint Stock Company is together with Vietnam Electricity to reduce parts of the power supply shortage. The main objectives of the company are to seek and invest in potential power projects in the region, with priority given to renewable energy sources.

Through assessments of the prospects for development of the energy sector, step by step, the Company invests in building a solar power plant at Cu Jut in Dak Nong province, which will bring a clean energy source without causing environmental pollution. This mitigates the climate change, brings economic benefits and is important for energy security, as follows:

+ On 08/5/2017, Ministry of Industry and Trade issued Decision No. 1626 / QĐ-BCT approving the addition of the Cu Jut solar power plant project to the 110kV power system development plan of Dak Nong province in the period 2016-2025, with a vision to 2035.

+ On 14/12/2017, EVNCHP's Board of Directors issued Document No. 510 / QĐ-EVNCHP-HĐQT approving the investment project of construction of Cu Jut Solar Power Plant, Dak Nong Province



EVALUATION REPORT OF BOARD OF DIRECTORS

EVALUATE THE COMPANY'S ACTIVITIES IN 2017

1 Business results in 2017

Thanks to the favorable hydrological conditions, as well as the good management of the Board of Directors, the synchronous

solutions are given to help Company exceed the business plan in 2017.

No.	Targets	Units (million)	Plan 2017	Results 2017	Rate % Compared with Plan
1	Commercial Electricity Output	kWh	654,179	871,598	135%
2	Revenue	Dong	653.670	877.833	134%
3	Pre-tax Profit	Dong	233.037	432.396	186%
4	Profit after tax	Dong	221.323	410.334	185%



2 Construction investment results in 2017

2.1. Solar power plant project in Cu Jut district, Dak Nong province

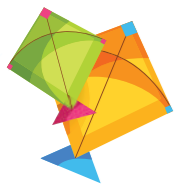
Cu Jut Solar Power Plant project can lead to long-term growth prospects in CHP. Because the price of solar power doubles the average selling price of A Luoi Hydropower Plant, the revenue from this project will make an important contribution to CHP's long-term growth prospects.

On 08/5/2017: The Ministry of Industry and Trade issued Decision No. 1626/QD-BCT approving the addition of the Cu Jut solar power plant project into the 110kV power system development plan of Dak Nong province in the period 2016-2025, with a vision to 2035.

On 14/12/2017 EVNCHP's Board of Directors issued Document No. 510 / QD-EVNCHP-HDQT approving the construction investment project of Cu Jut Solar Power Plant, Dak Nong Province.

2.2 Solar power plant project in Ninh Thuan province

On 24/11/2017, the People's Committee of Ninh Thuan province issued Document No. 4961 / UBND-KT on approving for EVNCHP to conduct survey, invest in Solar Plant Project in Ninh Son district, Ninh Thuan province. Currently, EVNCHP is working with provincial departments, submitting supplementary documents to Provincial People's Committee for submission to the Ministry of Industry and Trade for consideration and approval.



EVALUATION REPORT OF BOARD OF DIRECTORS (Continue)

EVALUATE THE COMPANY'S ACTIVITIES (Continue)

- 3 Operation and maintenance works periodically; regular repairs; large repairs meet good quality; to ensure that 02 teams operate safely: in 2017 EVNCHP carried out self-reparation of Machinery Team No. 1 and No. 2 earlier than planned, well implementing the work safety, prevent explosion and fires and labor accident
- 4 Complete the relocation of VTTB to the new warehouse. The relocation process has been implemented actively and safely and the VTTB is assembled, arranged in accordance with planning, ready to serve production
- 5 Innovative and technical improvements are promoted. Three initiatives have been applied and bring practical benefits in the operation of A Luoi hydropower plant
- 6 Has strictly implemented the management and evaluation of objectives; complete the re-evaluation and convert Quality Management System into the version of ISO 9001: 2015
- 7 Maintain good social activities; actively participate in the Gratitude Movement, care Vietnamese heroic mother and social charity, etc
- 8 Contract dispute resolution: On February 27, the People's Court of Da Nang City issued Decision No. 05/2018 / KDTM-PT to adjudicate "Not accept the request of lawsuit of Construction Joint Stock Company No. 47 about forcing the Central Hydropower Company make payment for violation caused by contractor
(For details of the judgment please see <http://chp.vn/qnan-co-dong>)

9 TÌNH HÌNH PHÂN PHỐI LỢI NHUẬN 2017

The Board of Directors agreed to submit to the General Meeting of Shareholders in 2018 for approving the plan to distribute 2017 profit; transfer the development investment fund, supplementation reserve fund, the charter capital but not yet used to undistributed profits in order to increase charter capital for investment purpose of Cu Jut Solar Power Project in Dak Nong Province.



DIVIDEND 2017 **26%**
EQUIVALENT TO **327**
BILLION VIETNAMESE DONG

Bảng phân phối lợi nhuận năm 2017 dự kiến sẽ trình ĐHĐCĐ thường niên năm 2018 thông qua:

No.	Target	Rate of deduction 2017	AMOUNT (Dong)
1	Net Profit After Tax TNDN		410.334.082.470
2	Dividend payment in 2017 Of which: - Issue shares to increase charter capital - Payment in cash	26% 10% 16%	327.598.728.600 125.999.511.000 201.599.217.600
3	Deduction for welfare fund	3%	12.310.022.474
4	Remaining profit not yet distributed 2017		70.425.331.396
5	Undistributed profits in previous years		109.776.547.327
6	Development investment fund, reserve fund for supplementing charter capital, share premium of previous years		98.791.549.510
Total remaining undistributed profits: (4)+(5)+(6)			278.993.428.233



PRODUCTION ACTIVITIES

In recent years, the competition in operation of investment in electricity projects has become increasingly high. Unusual weather conditions such as Elnino and Lanina have brought many risks to the operation and safety of the plant.

With a team of leaders who are prestigious, enthusiastic and have a strategic vision, EVNCHP has

gradually rearranged the company's organization, arranged staffs in accordance with professional, strengthened the training activities and self- training; experience learning by doing. So far, the staffs of the Company have fully mastered the production technology of A Luoi Hydropower Plant, clearly understand professional knowledge.

“WITH THE EFFORTS OF EXECUTIVE BOARD AND STAFFS, EVNCHP EXCEEDS BUSINESS PRODUCTION LEVEL 2017”

Commercial electricity output reaches 877,536 kWh, increasing by over 135% compared with the plan;

The net revenue is 877,833 million VND, increasing by 134% compared with the plan and 33% higher than 2016;

Pre-tax Profit is 432,396 million VND, increasing by 186% compared with the plan and 68% higher than 2016

Net Revenue in 2017

877,8
billion Vietnamese Dong

Increase by **33%**
compared with 2016

In 2017, EVNCHP carry out the tasks of business production and construction investment in the context of high economic growth (GDP increases by 6.7%) and stable macroeconomic. All employees of EVNCHP have worked hard to fulfill the tasks and objectives of the 2017 plan, the number of incidents, self-consumption electricity and transformer losses decrease by 18% compared with the plan.

In this year, hydrological meteorology in A Luoi area is favorable, the volume of runoff which

goes into the lake has increased sharply. The average in 2017 is 38m3/s, frequency is 12% (in data series 33 years of design and operation there is only 04 years with the average annual discharge being more than 38m3/s. Meanwhile, the annual average discharge is 27.40m3 / s and according to the 2017 plan is 25.67m3 / s. As a result, EVNCHP's output, revenue and profit in 2017 exceeded its target and surpassed 2016. Revenue reached 134% and profit after tax reached 185% compared with the plan.

Target	Units (millions)	Implementation 2016	Plan 2017	Implementation 2017	Growth 2017/2016	% compared with 2017
Commercial electricity output	kWh	634,435	650,227	877,536	38%	135%
Total Revenue	VND	659,536	653,670	877,833	33%	134%
Pre-tax Profit	VND	257,774	233,037	432,396	68%	186%
Profit after tax	VND	257,774	221,323	410,334	59%	185%



REPORT OF THE EXECUTIVE BOARD (Continue)



NEW PROJECTS INVESTMENT ACTIVITIES

1. Cu Jut Solar Power Project

According to the adjusted power plan VII, the plan for development of power sources approved by the Prime Minister: will accelerate the development of solar-power supplies generating electricity, including installations on the ground and on the roof; Increase the total solar power capacity from current insignificant levels to around 850MW by 2020, about 4,000MW by 2025 and about 12,000MW by 2030. Electricity produced from solar power accounts for about 0.5% by 2020, about 1.6% by 2025 and about 3.3% 2030.

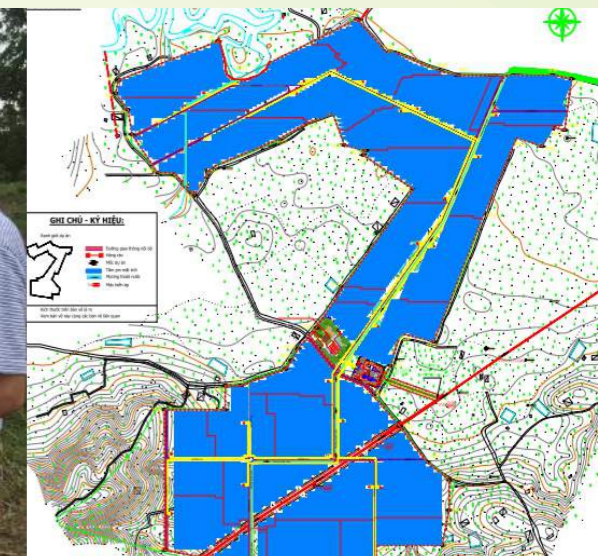
And to meet the average GDP growth rate of 7% between 2016-2030 and in the later phases, in order to avoid a shortage of electricity in the dry season, the power system must increase its power capacity and grid. At the same time accelerate the development of electricity from renewable energy sources, step by step increase the proportion of electricity produced from renewable energy sources in the power structure. The Prime Minister approved the mechanism to encourage the development of solar power projects in Vietnam in Decision No. 11/2017 / QD-TTg dated

GENERAL INFORMATION

Cu Jut Solar Power Plant Project is invested by Central Hydropower Joint Stock Company, with a capacity of 50MWac (installed capacity of 61,926 MWp), expected annual production power of 94,71 million kWh. The project is built on an area of 62 hectares in Ea T'ling Town, Cu Jut District, Dak Nong Province. Commercial Operation

11/4/2017 Accordingly, the support mechanism for electricity prices is 9.35 UScents / kWh with the term of the contract is 20 years along with other support mechanisms, such as the purchase of electricity, taxes, fees, land use fee, land rent. This mechanism takes effect from 01/6/2017 to 30/6/2019. With the advantage of using clean energy to produce electricity without emission of greenhouse gases, causing environmental pollution, Cu Jut solar power plant is a project in accordance with the policy of the Government in general and of Dak Nong province in particular; on the socio-economic development associated with environmental protection, contributing to ensure energy security for the local and the country in the coming period. Cu Jut Solar Power Plant will contribute to create jobs for the local residents (about 30 employees). In addition, when the project is put into operation, this will be a prominent place, creating new scenery, attracting tourists, contributing to the general development policy of Dak Nong province.

Date: Expected 6/2019
The company has worked with the Ministry of Industry and Trade, Provincial Party Committee and People's Committee of Dak Nong province on the project of solar power plant and achieved the following results:



EVNCHP accompanies bank delegation to check the reality of Cu Jut project

- On 08/05/2017: The Ministry of Industry and Trade issued Decision No. 1626 / QD-BCT on approving the addition of the Cu Jut solar power plant project to the 110kV power system development plan of Dak Nong province in the period 2016- 2025, with a vision to 2035.

- On 23/06/2017, the People's Committee of Dak Nong Province sent an Official Dispatch No. 3233 / TTr-UBND to the Standing Committee of the Provincial Party Committee asking for comments on the project of solar power plant of Central Vietnam Hydropower Joint Stock Company.

- On 11/9/2017, Dak Nong Province People's Committee issued Decision No. 1485 / QD- UBND on approving the policy of investing in the project of solar power plant of Central Vietnam Hydropower Joint Stock Company.

- On 24/11/1977, the Ministry of Industry and Trade issued Decision No. 443 / LD-NLTT on announcing the

appraisal results of basic design of Cu Jut solar power plant project in Dak Nong province.- On 29/11/1977, the People's Council of Dak Nong Province issued Document No. 359 / HDND-VP on the agreement for EVNCHP to implement the land acquisition in 2017 to carry out the project of Cu Jut solar power plant, Dak Nong Province

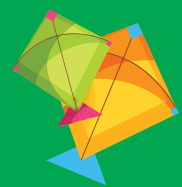
- On 01/12/2017, the Provincial People's Committee issued Document No. 6797 / UBND-NN on the implementation of Official Dispatch No 359 / HDND-VP of the Standing of Provincial People's Council on the agreement for EVNCHP implementing the land acquisition in 2017 to carry out the Cu Jut solar power plant project in Dak Nong province.

- On 14/12/2017, EVNCHP's Board of Directors issued Document No. 510 / QD-EVNCHP-BĐQT on approving investment project for construction of Cu Jut Solar Power Plant, Dak Nong Province

2. Solar Power Plant Project in Ninh Thuan

On 24/11/2017, the People's Committee of Ninh Thuan province issued document No. 4961/UBND-KT on agreeing that EVNCHP conducts survey and investment research the solar power project of EVNCHP in Ninh Son district, Ninh Thuan province. .

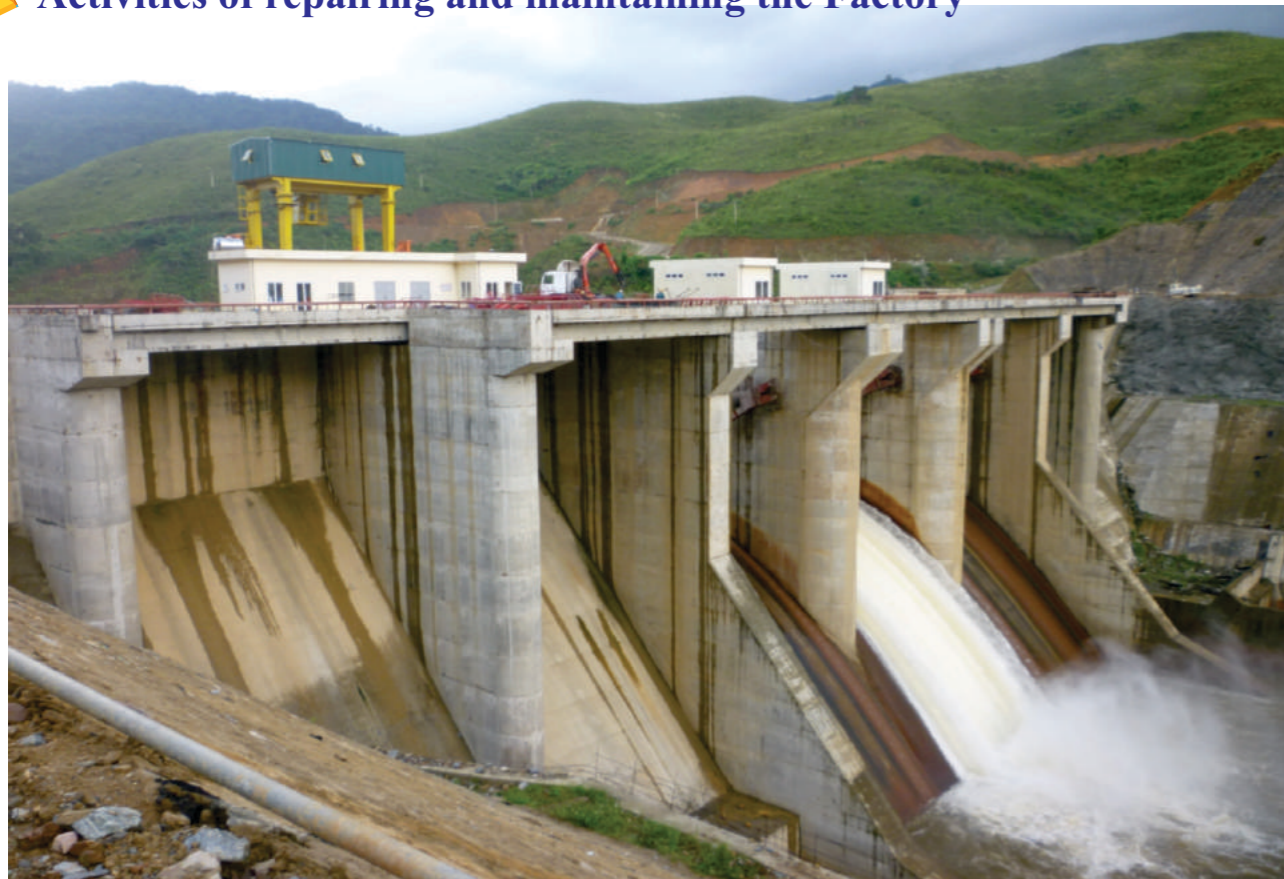
At present, EVNCHP is working with provincial level departments, submitting additional planning dossiers to the Provincial People's Committee in order to submit to the Ministry of Industry and Trade for consideration and approval.



REPORT OF THE EXECUTIVE BOARD



Activities of repairing and maintaining the Factory



REPORT OF THE EXECUTIVE BOARD (TT)

Activities of repairing and maintaining the Factory

EVNCHP regularly performs minor repairs and maintenance to maintain and bring equipment/unit system/set of machines back to operation in safe and stability in order to meet the specifications according to requirements in Operational and maintenance documentation (O&M) of the original equipment Manufacturing (OEM).

In the year 2017, the implementation of minor repairs of set of machines 1 and combination of changing injector Joint no.2 and 4 finished 03 days earlier comparing to the Plan. In July, EVNCHP implemented minor repairs set of machines 2 according to the plan (in which implementing changing 01 injector Joint no.2) from 01 July to 12 July 2017, however, in reality,

EVNCHP realized that it is in need of changing 04 injector Joint (no.3, 4, 5, 6) in order to improve reliability of set of machines 2 in operating arrival time and time for minor repairs of set of machines 2 is expected to increase by 8 days.

Nevertheless, EVNCHP had finished the activities 04 days earlier comparing to the Plan.

Establishment of inventory committee for materials and equipment at AL1, AL2 warehouses periodically in May and December, 2017.. Summary of Accumulate at the end of 2017, there no lost of materials and equipment. The materials and equipment had been gathered, arranged in a relatively orderly manner and those were all stick with material code creating convenient for inventorying, making stock cards and ensuring the provision of materials on time in order to serve for periods of minor repairs and regular repair of the Factory.



The Company had made a tender for repairing packages serving for production comply with procedures on investment and construction of the State. There is a completion of package construction on maintenance and repairing roads, construction of warehouses, repairing Aco Block, CNN valve house and checking and taking over to put into use at the end of September 2017. The total value is VND 5.5 billion.

In the year 2017, the Company itself had constructed 2 packages of maintenance and repair. Up to now, it has been a completion of

construction ensuring the progress and quality of 2 packages maintenance and repair, maintenance of the hydraulic works in the factory area - the road to the factory as well as repaired and maintained regularly the items of hydraulic works in Area HP1.2, CNN, original investment cluster and road to the dam site which had been checked and took over to put into use at the end of July, 2017. The total value is VND 730 million/VND 770 million.



FIRE FIGHTING

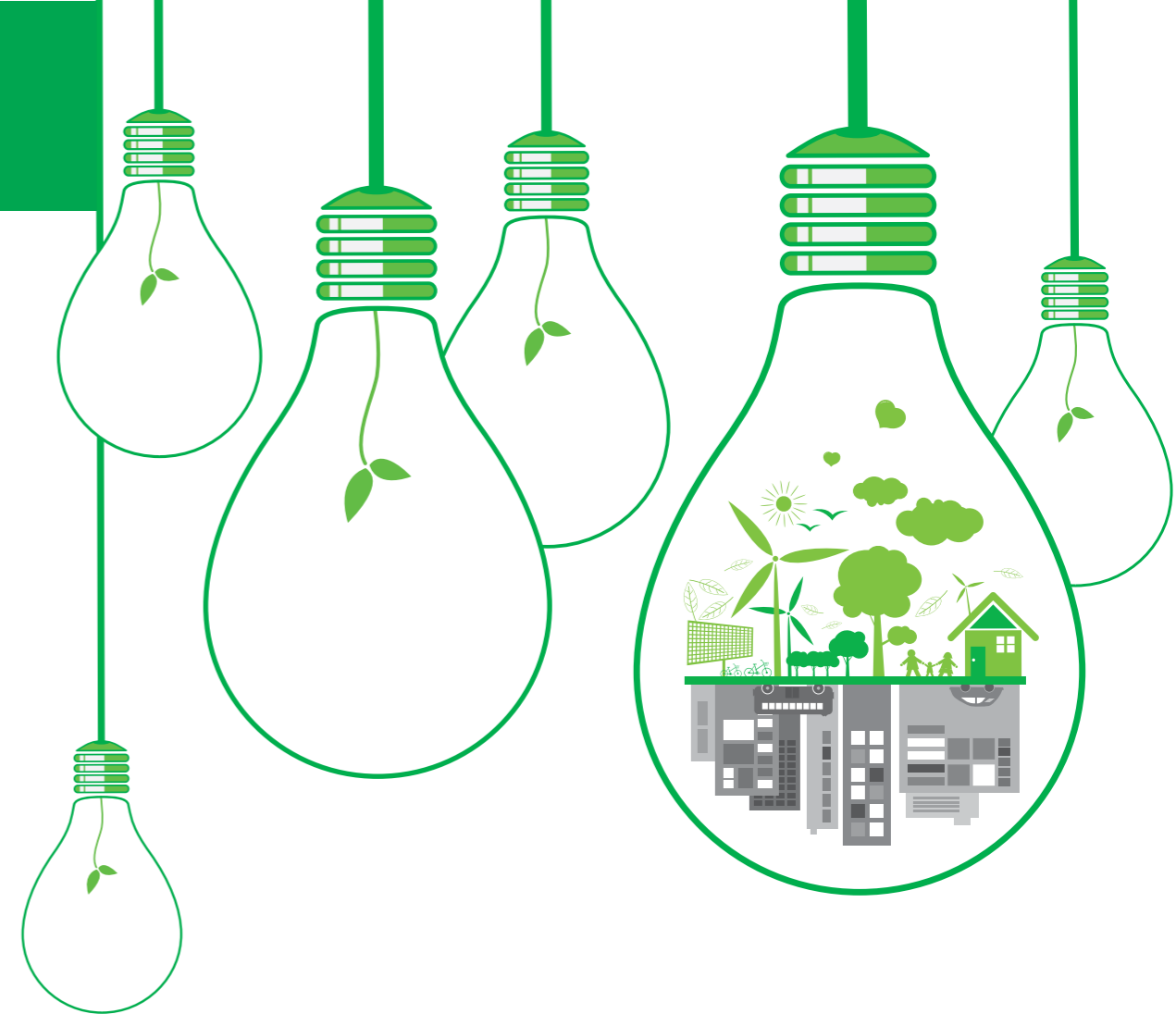
According to annual periodic routine EVNCHP organized a training course on occupational safety and labor sanitation for workers. Whether they work directly or indirectly in electric production line, they are required to pass this. Basically, this is the requirement stipulated in the Occupational safety and health for organizations, enterprises and employer.



Contest for excellent ATVSV & Manoeuvres on Firefighting in 2017

From the very beginning when establishment of the company, firefighting activities is always concerned by the company leaders and soon be deployed and held. Managers of the company working at the Factory have the sense of initiative to act as a counsellor and make suggestion to the leaders of the company to invite officers from

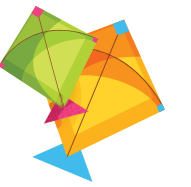
Department of Firefighting and prevention of Thua Thien Hue Province Public Security to train, propagate the law on Firefighting and prevention and deploy the activities of Firefighting and prevention, Strengthen firefighting measures annually.



INNOVATIONS - TECHNICAL IMPROVEMENTS

Research and Development as well as creative thinking, promote the initiative have great importance, strategy in the development of the Company, therefore, EVNCHP has regularly concerned in a moderate way, created conditions on mechanisms, technical infrastructure as well as laboratories, tools and funds. Individuals, groups who have ideas, initiatives, research results should be rewarded, recognized, evaluated and honored worthily. In the coming time, the company will continue to strongly promote this movement, considering it as a core activity, a focus in labor production in order to improve the quality of products, efficiency of equipment, reduce energy and materials consumption to constantly bring about economic benefits to the company and especially to society.

In the year 2017, there were 10 initiatives in which three initiatives were approved by the Corporation (EVNCPC). Initiatives have been put into practice and brought about practical benefits in the operation of A Luoi Hydropower Plant such as “Use the MOXA device to collect the communication signals on the central control system”, “Removal and repair on the spot of hydraulic turbo injector” and “A solution for implementing the experiment of control analysis of turbine oil specifications 32 for the purpose of continuing to use turbine oil for more than a year at the A Luoi Hydropower Plant



At the beginning of 2017, the level water of A Luoi Lake was at the ground level of 553m normal rising water level. The average flow of the reservoir in January and the beginning of February is approximately equal to the flow rate of set of machines 2. Therefore, in order not to let out the water superfluously, in January and early February, sets of machines had to generate power at rated capacity, while the

the third quarter of 2017, the water volume of the lake continued to maintain quite well, in which two floods occurred from 25 July to 27 July and 14 June to 16 June. However, in July and September of this year, the market price was too low while there were several times, it had to increase generating maximum power in the phase before and after each flood so the sales of electricity market in July and September of this year continued being lower than the sales of electricity by unit price of contract therefore in first 9 months of 2017, the accumulation of electricity sales was lower than the electricity sold by unit price is VND 12.5 billion. In October 2017, EVNCHP temporarily ceased to participate in the competitive power generation market under Decision No. 3698 / QD-BCT dated 26 September 2017 by Minister of Ministry of Industry and Trade on the temporary suspension of the maximum mobilization of gas-fired plants in the last months of 2017. Therefore, in October 2017, the sales of electricity sold by unit price of contract.

On 27 October 2017, the Minister of Ministry of Industry and Trade made decision no. 079 / QD-BCT on restoring operation of the competitive power generation market starting from 01 November 2017. In November and December 2017, the volume of water in the reservoir was larger than the designed capacity of 2 sets of machines. Hence, the company had to generate 100% of its rated capacity to increase the revenue of limited spillage, accepting a portion of the output on the yield of the settlement contract at a very low market price. Thus, in November and December, despite the high revenue generated from electricity generation, the sales of selling electricity to electricity market was still lower than the sales of electricity sold by unit price of contract.

market price during this period was very low. Hence, Accumulation from the beginning of the year to 12 February 2017, the sales from selling electricity to electricity market is lower than electricity sold by unit price is about VND 23 billion. From 12 February 2017 to June 2017, although the average market price was lower than the contract price, but thanks to the initiative of the power generation plan, by forecasting the price and level of water overflowing into the lake and offering price have been effective. As a result, the sales of electricity in the market in March to June was higher than the sales of electricity sold by unit price is VND 21 billion contributing to reducing the difference between the revenue from the sale of electricity according to the contract's unit price from the beginning of the year to the end of June to -2 billion. In



ELECTRICITY ACTIVITY

In order to launch the competitive wholesale electricity market competition in official operation in 2019, EVNCHP actively promotes the completion of IT infrastructure system for the electricity market as well as continue training to improve the ability of members in Department of Electricity



REPORT OF THE EXECUTIVE BOARD



MANAGEMENT OF QUALITY – APPLICATION OF IT

In addition, the research on the IT application to the electricity market is also attached to importance by the CHP. The company has completed the system of updating form, reported and regularly monitored the market data, data on factory operation for calculating the bid; simultaneously calculate and monitor the daily market sales to timely serve the market operation.



The company also applied the software to calculate the forecast of the level of water overflowing into the lake, closely followed the operation of the electricity market continuously to draw experience for calculating to make the next day's bid. Make improvements of Website, changed the interface to ensure accurate and timely transmission of information to shareholders and investors...

EVNCHP has strictly implemented the management and evaluation of objectives and tasks of the departments, made assessments of work accomplishment and personal goals in order to ensure to performing the right tasks and plans approved by the Board of Directors.

Carrying out the relocation of personnel in departments and factories in a more rational way to promote strengths, overcome limitations in performance of tasks in the departments and create something new in the departments. và chuyển đổi HTQLCL sang phiên bản ISO 9001:2015.

EVNCHP has developed an electronic safety testing software for employees to test them periodically and improve electrical safety. EVNCHP also completed signing the contract on construction and programming software for managing Human Resource, salary, social insurance and personal income tax at EVNCHP which is expected to start in 2018 and operate officially in the second quarter of 2018. Periodically organized the implementation of Kaizen 5s to create a neat, tidy, clean and scientific working environment.



RELATIONSHIP WITH INVESTOR

TOP 114

CORPORATIONS ATTAINING STANDARD OF INFORMATION DISCLOSURE

Information disclosure is obliged to all the enterprise posted a bill in 2 stock exchanges of Vietnam.

This is not only an obligation but also a responsibility of listed companies with respect to investor community in general and shareholders in particular.

In 2017, Vietstock together with the Financial and Life Newspaper (FiLi) conducted a comprehensive survey on the correctness and completeness of information disclosure obligations in the Vietnamese stock market.

EVNCHP was honored to be in the top 114 for attaining Standard of Information disclosure. Transparency in providing information is reflected in the openness of EVNCHP in sharing information with investors who are interested and wish to find opportunities to invest in the Company.

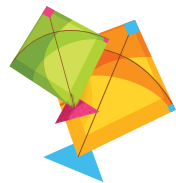
In the past time, EVNCHP regularly received investment funds. Moreover, domestic and foreign securities companies had made surveys on the Company through direct meetings...

Hold firmly the

TOP 30

position

Best Annual Report for 2 consecutive years



REPORT OF THE EXECITIVE BOARD

“ In the process of building and developing, The Company always strictly implements the Law on Environmental Protection of the State.”



ENVIRONMENTAL ACTIVITIES

During the year, EVNCHP worked with Delegation of inspectors from the Environmental Crime Prevention Division, the Department of Natural Resources and Environment and Delegation of inspectors from General Department of Environment about the environmental protection of A Luoi Hydropower Plant, **the Delegations of inspectors basically assessed that EVNCHP's performance in environmental protection was good.** All the records had been made by the Company comply with regulations.

Regarding the situation of waste management and treatment, environmental protection, the Company already had a register of waste sources, arranged a place to temporarily store hazardous waste and signed a contract with functional agencies for collecting, transporting and handling comply with regulations.

- With respect to the monitoring of the social and economic environment: Every year, the

Company cooperates with the local authorities and health centers to collect data and make reports to the Department of Natural Resources and Environment of Thua Thien Hue province comply with regulations.

- With respect to management of hazardous waste: Once every 6 months, the Company establishes management of temporary storage, makes registration books and collection and treatment.
- Comply with the regulations in Certificate of using Surface Water and maintaining the environmental flow in downstream of the dam as regulated.
- Regularly organizes propaganda on environmental protection, establishes inspection of environmental protection of A Luoi hydropower plant and comply with the regime of reporting periodically to the authorities.



SOCIAL ACTIVITIES

In addition to profession skills, EVNCHP actively participates in social activities such as Manoeuvres for Public employees-laborers of Central Power Corporation, public relations, Summer Volunteer 2017, volunteer blood donation, having art shows with youth union of EVNCPC, holding tennis tournament and football on the 13th anniversary of the company. In addition, the Company enthusiastically participates in social activities, movement for gratitude, taking care of heroic Vietnamese mothers and join the social assistance fund.

Pubic employees and workers contributed

their wages to support the construction of new rural areas and families of employees who injured at work as well as people affected by Hurricane No. 12, supporting the construction of rural roads for Son Thuy Commune, A Luoi District, Thua Thien Hue Province and donating VND 200 million for the Fund for the Poor and Community Care-Education supporting Center for Disabled Children in Da Nang.



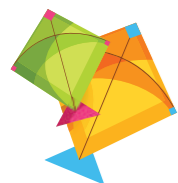
RISK MANAGEMENT ACTIVITIES

(Detailed in Risk Management Report on page 118)



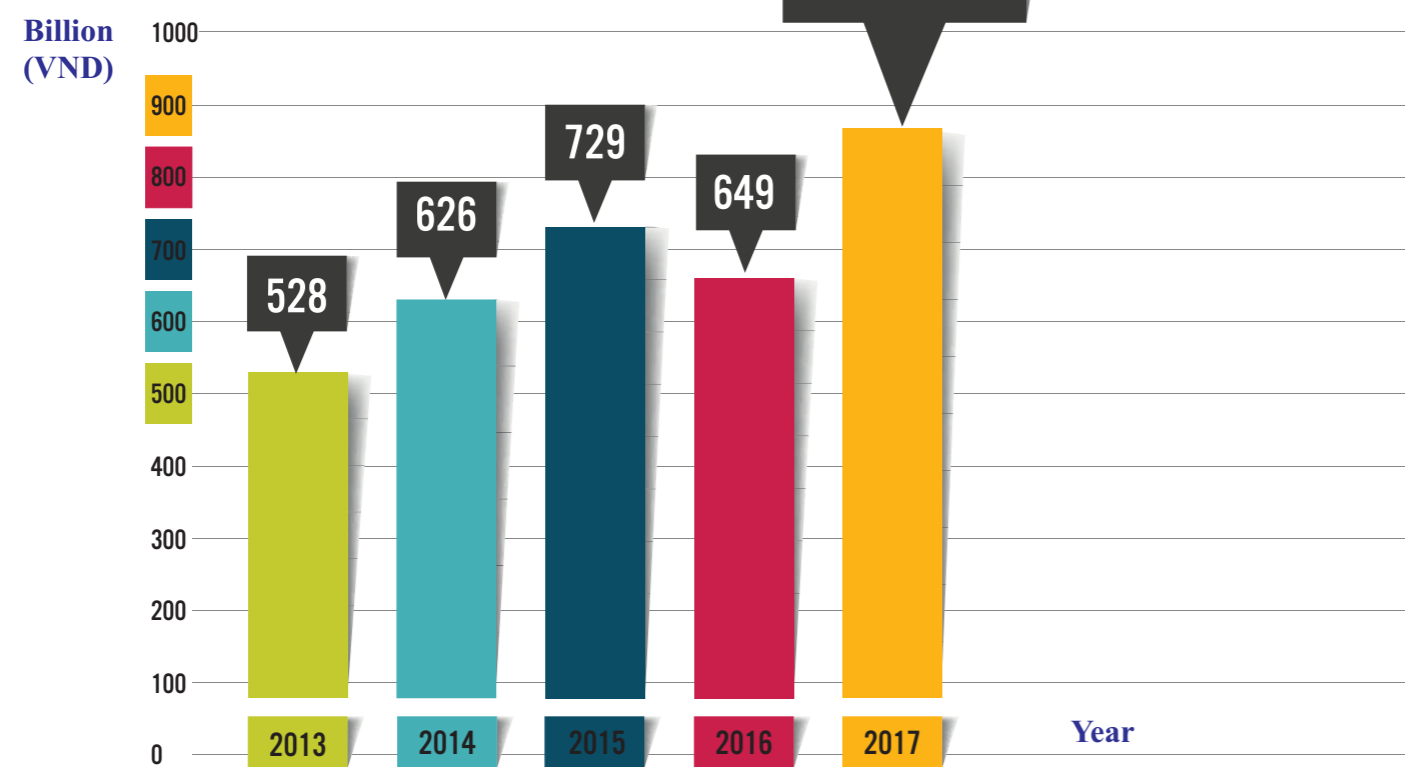
TRAINING OF HUMAN RESOURCES

(Detailed in on Sustainable Development Report page 129)



REPORT OF THE EXECITIVE BOARD

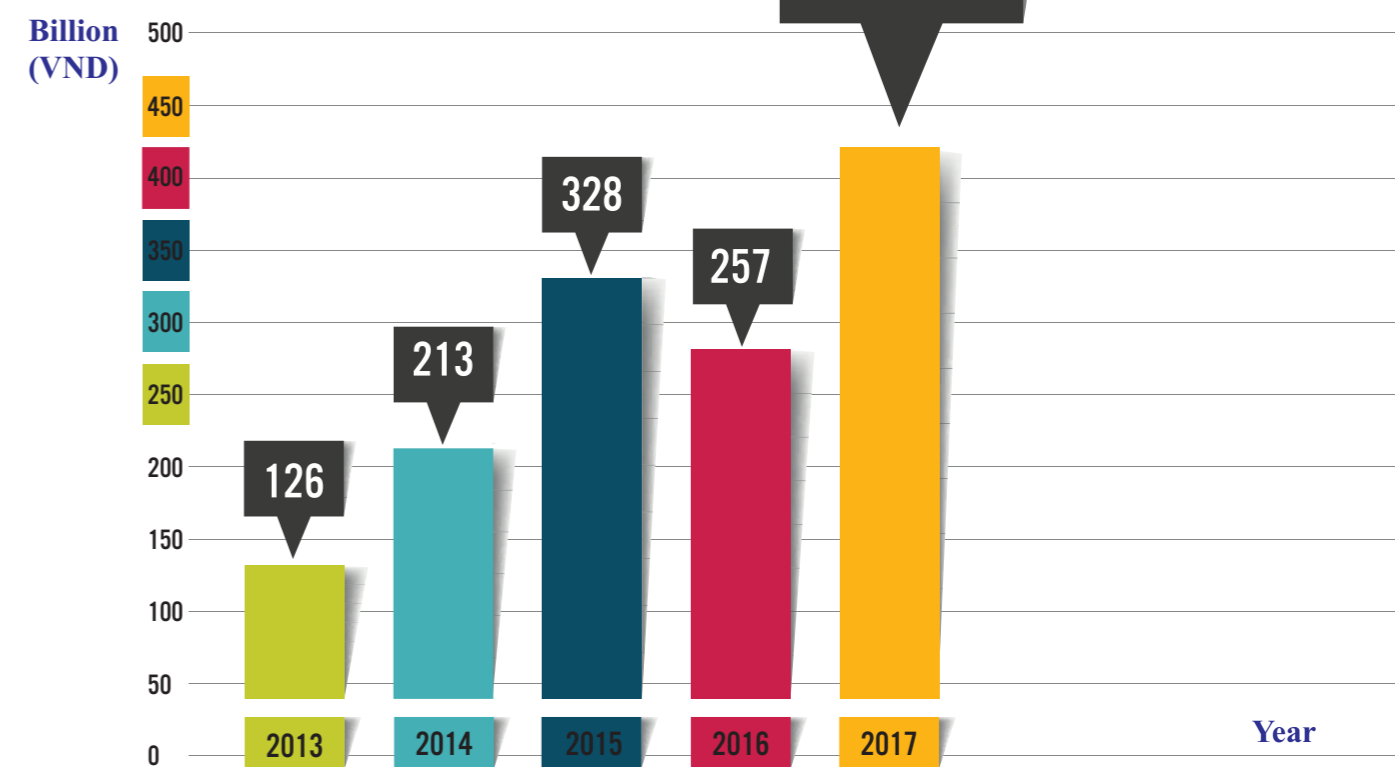
ANALYSIS OF FINANCIAL SITUATION



Growth of Revenue and service provision over the years

Unit: Million VND

RESULTS OF BUSINESS	Năm 2013	Năm 2014	Năm 2015	Năm 2016	Năm 2017
Sales Revenue and service provision	528,415	626,484	729,310	649,689	860,533
Cost price of goods for sales	197,393	225,688	242,498	252,623	295,644
Revenue from financial activities	9,180	8,066	9,454	9,800	16,954
Financial expenses	190,896	167,205	131,541	111,395	98,614
Expenses for managing the business	23,302	35,544	39,007	37,728	45,444
Profit from business activities	126,003	206,114	325,718	257,744	437,785
Total accounting profit before taxes	125,965	213,070	328,301	257,775	432,396
Profit after Corporate income tax	125,965	213,070	328,301	257,775	410,334



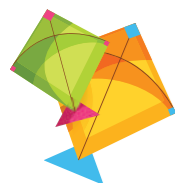
COST PRICE OF GOODS FOR SALES

The most important contribution to CHP's business results is Electric power business. This is the traditional business as well as accounts for the largest

proportion of the CHP. Although the weather has a lot of fluctuations, CHP's selling price still maintained its upward momentum.

GROWTH OF REVENUE - PROFITS

Net revenue maintained at good growth. Climate change, the phenomenon of Elnino extended from the end of 2015 to the end of 2016 leading the net revenue as well as the rate of profit of CHP fluctuated strongly. Specifically, net margin fell from 45% in 2015 to only 40% in 2016. However, in 2017, the weather was favorable, EVNCHP had impressive business results: Revenue was over VND 877 billion (reaching 134% of the plan), profit after taxes was over VND 410 billion (reaching 185% of the plan), this was considered as a great growth of CHP throughout these years.



REPORT OF THE EXECITVE BOARD

ASSET STRUCTURE - SOURCE OF CAPITAL

ASSET STRUCTURE



Asset structure through years:

CAPITAL STRUCTURE



Unit: Million dong

ASSET	In 2013	In 2014	In 2015	In 2016	In 2017
Short-term asset	368,134	431,860	513,526	478,051	660,217
Cash and cash equivalents	117,110	115,109	250,681	194,158	501,318
Short-term receivables	188,179	264,274	214,916	276,168	123,148
Inventory	47,344	51,941	47,984	7,717	9,084
Other short-term assets	15	535	8	8	167
Long-term assets	3,040,670	2,889,800	2,741,746	2,605,712	2,445,313
Fixed assets	3,030,340	2,878,481	2,722,551	2,547,405	2,392
Total assets	3,408,804	3,321,660	3,255,272	3,083,763	3,105,531

TOTAL ASSETS ON DECEMBER 31, 2017: **3.105**
BILLION DONG

On December 31, 2017, the total assets of EVNCHP increased by 0.71% over the same period of 2016, equivalent to about 22 billion. The increase was due to an increase in the proportion of short-term assets, mainly of cash, cash equivalents and short-term financial investments.

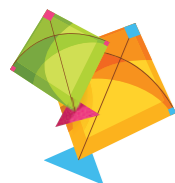
The proportion of cash and cash equivalents maintained by EVNCHP at high level meet short-term payments as well as production demand during the peakseason.

The proportion of short-term receivables of about 3.8%, down by more than 5% compared to 2016, ensuring liquidity of the Company as well as the ability to control and recover debts from sales of electricity, etc.

At the beginning of 2018, EVNCHP will organize major repair of generating setNo.2 and minor repairof generating setNo.1 of A Luoi Hydropower Plant. To ensure the supply of VTTB for large repair, EVNCHP signed a number of VTTB purchase contracts so at the end of 2017, the inventory increased nearly 2 billion compared -to 2016.

EVNCHP is a unit of electricity production and trading, therefore, the proportion of fixed assets accounts for the majority of the company's total assets. The proportion of long-term assets decreases over the years mainly due to depreciation of fixed assets.





REPORT OF THE EXECUTIVE BOARD

FINANCIAL ANALYSIS (cont.)

BILLION DONG

SOURCE OF CAPITAL

EQUITY ON DECEMBER 31, 2017:

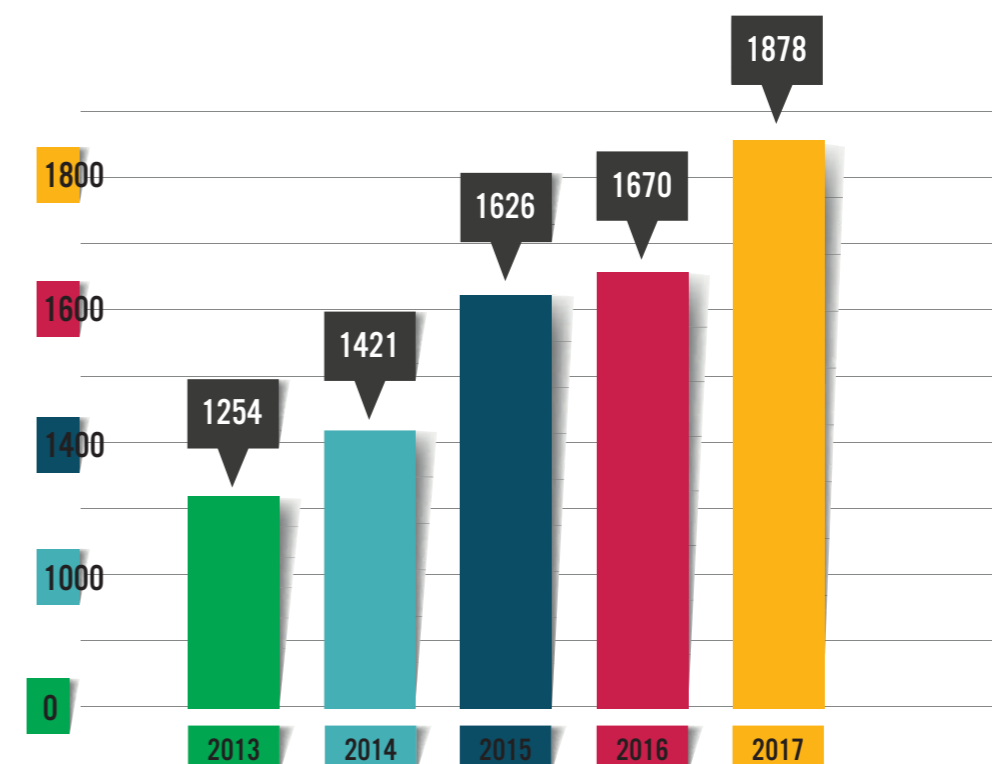
1.879

EQUITY IS GRADUALLY INCREASED OVER THE YEARS,
MAINLY FROM THE PROVISION OF UN-DISTRIBUTED
ANNUAL AFTER-TAX PROFITS.

Capital structure over the years

Unit: Million dong

SOURCE OF CAPITAL	Năm 2013	Năm 2014	Năm 2015	Năm 2016	Năm 2017
Liabilities payable	2,154,726	1,900,601	1,629,185	1,413,600	1,266,633
Short-term debt	539,503	455,378	347,762	295,977	272,810
Long-term liabilities	1,615,223	1,445,223	1,281,423	1,117,623	953,823
Equity	1,254,078	1,421,059	1,626,087	1,670,162	1,878,897
Capital contributed by the owner	1,200,000	1,200,000	1,259,995	1,259,995	1,259,995
Surplus equity	(265)	(265)	(265)	(265)	(265)
Profit after tax has not been distributed & funds	36,492	171,513	267,300	272,710	520,110
Total of capital sources	3,408,804	3,321,660	3,255,272	3,083,763	3,105,531



Equity increases over the years

Short-term debt:

Short-term debt structure at EVNCHP includes short-term payables, tax and payables to the state, short-term financial borrowings and liabilities. The value of short-term debt decreases over the years from 2013 to 2017.

+ Short-term payables: EVNCHP regularly monitors and controls debts to pay to suppliers in accordance with the contract.

+ Taxes and amounts payable to the state: This tax arises at the end of 2016 and will be paid to the state in early 2017.

Long-term debt:

Long-term liabilities at EVNCHP are mainly long-term financial borrowings and liabilities. Long-term liabilities are gradually reduced due to EVNCHP pays the loan principal to the lenders in accordance

with the terms of the credit agreement and the agreement. Specifically:

+ Long term borrowing from the Vietnam Development Bank - Thua Thien Hue Branch under the investment credit agreement No. 06/2008/HDTDDT-NHPT dated September 15, 2008 to invest in A Luoi Hydropower Project. The outstanding debt to December 31, 2017 is VND 912,623,490,334.

Long term borrowing from Vietnam Bank for Agriculture and Rural Development - Sai Gon Branch under the investment credit agreement No. 1600- LAV-200800752 dated September 30, 2008 for construction investment, procurement of machinery, the cost of land and other expenses related to the investment in A Luoi hydropower project. The outstanding debt to December 31, 2017 is 205 billion dong.



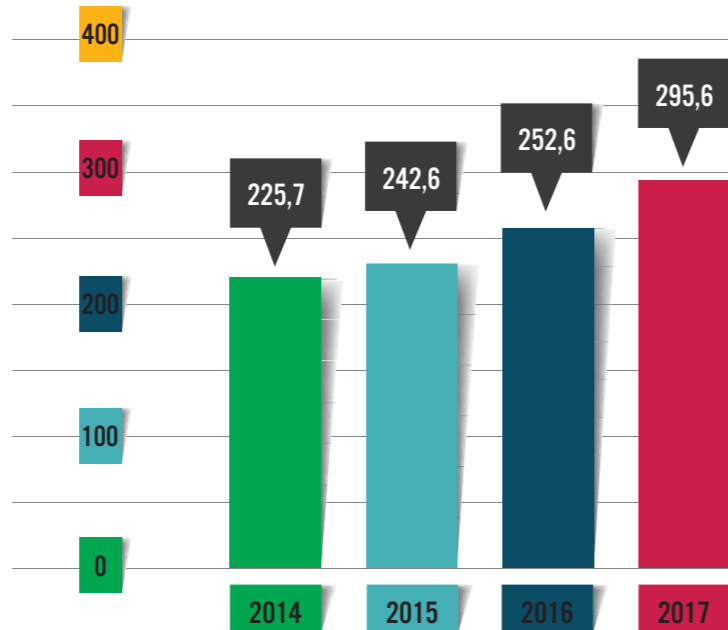
REPORT OF THE EXECITIVE BOARD

FINANCIAL ANALYSIS (cont.)

COST STRUCTURE

COST OF GOODS SOLD

The most important contribution to EVNCHP's business results is still electric power business. This is the traditional business as well as the largest proportion of EVNCHP. Despite the fluctuations in weather, EVNCHP's selling price still maintained its upward momentum.



		2014	2015	2016	2017
Cost of goods sold/net revenue	%	36.02	33.25	38.88	34.36
Selling expenses/net revenue	%	0	0	0	0
Enterprise management expenses/net revenue	%	5.67	5.35	5.81	5.28
Interest expense / net revenue	%	26.69	18.01	17.15	11.46

The cost of goods sold and the cost of corporate management remained relatively stable and did not change significantly over the years.

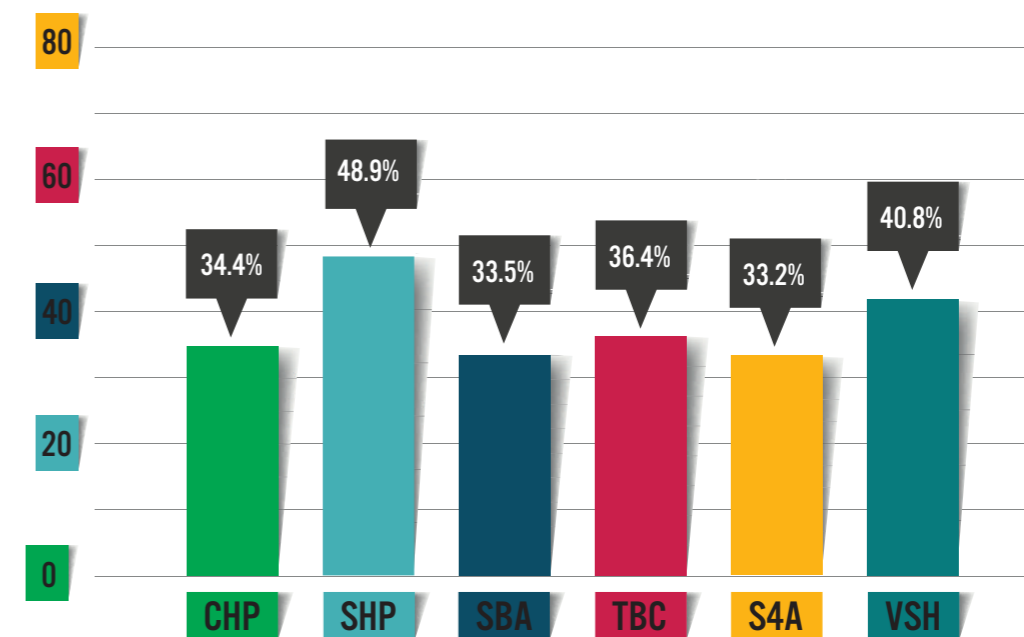
Financial expense accounts for a relatively large share of the company's business structure over the years and tends to decrease

indicating that the company has the financial ability to repay its loans for construction investment in A Luoi hydropower project. With the loan repayment progress of VND 170 billion per year, EVNCHP will continue to reduce interest expenses in the coming years, helping to increase stability as well as increase profitability of the company.



Spillway of A Luoi Hydropower Plant

PROPORTION OF COST OF GOODS SOLD TO OTHER COMPANIES IN THE SAME INDUSTRY



Source: Reference at Website <http://finance.vietstock.vn>

In terms of net sales, the proportion of sold goods cost of the hydropower companies is relatively equal. CHP's cost of goods sold is mainly the cost of selling commercial electricity, the proportion of cost of goods sold by CHP is average

compared to other companies in the same industry and tends to decrease over the years. This is a good sign, showing the possibility of increasing profit from sales of electricity in the next years.



REPORT OF THE EXECUTIVE BOARD

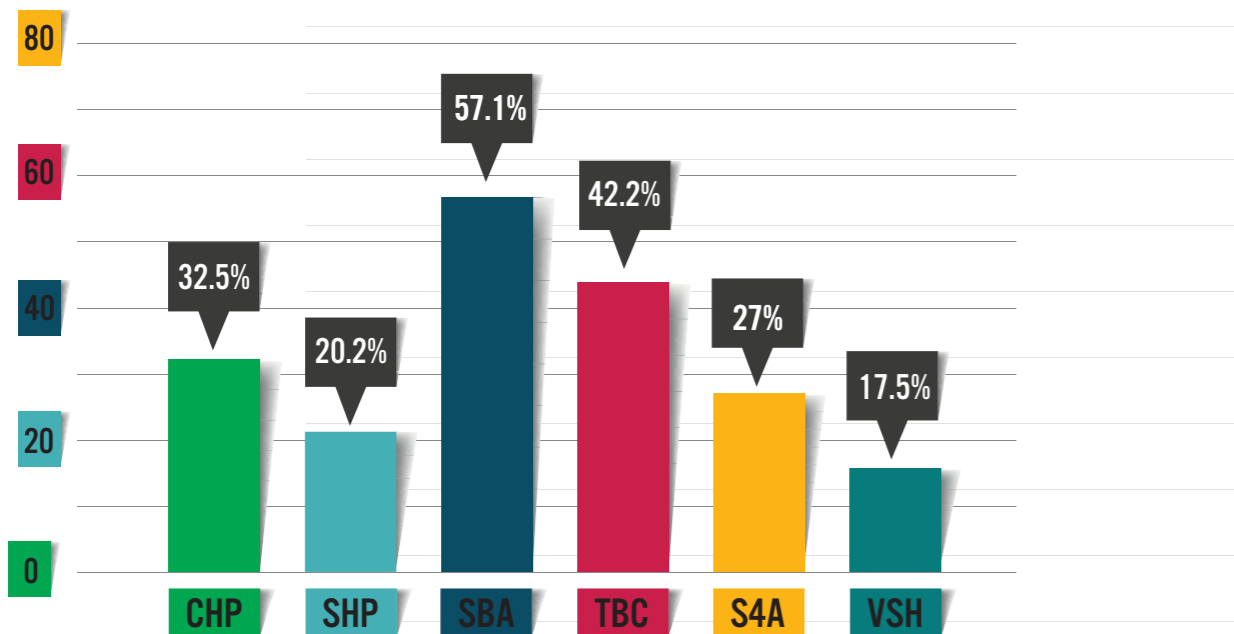
FINANCIAL ANALYSIS (cont.)

GROUP OF BASIC FINANCIAL INDEXES

GROWTH INDEX GROUP		Năm 2013	Năm 2014	Năm 2015	Năm 2016	Năm 2017
Net revenue growth	%	126.64	18.56	16.41	-10.92	32.45
Gross profit growth	%	227	21.08	21.46	-18.44	42.27
Profit growth before tax	%	-1,910	69.15	54.08	-21.48	67.74
Profit growth after tax	%	-1,910	69.15	54.08	-21.48	59.18
Growth in total assets	%	2.46	-2.56	-2	-5.27	0
Long-term liabilities growth	%	-3.78	-10.52	-11.33	-12.78	-14.66
Growth of liabilities payable	%	0.96	-11.79	-14.28	-13.23	-13.23
Equity growth	%	5.14	13.32	14.43	2.71	12.5
Charter capital growth	%	0	0	5	0	0

COMPARING NET SALES GROWTH WITH OTHER COMPANIES IN THE SAME INDUSTRY

If compared to profit in 2016, most hydropower companies have strong business growth results in 2017.



Source: Reference at Website <http://finance.vietstock.vn>

2017 is considered by most hydropower companies as heavy rain, favorable for water storage and electricity generation. As a result, most of the business results of the hydroelectric companies in 2017 have achieved positive results, profit increased sharply compared to the previous year and far exceeded the plan.

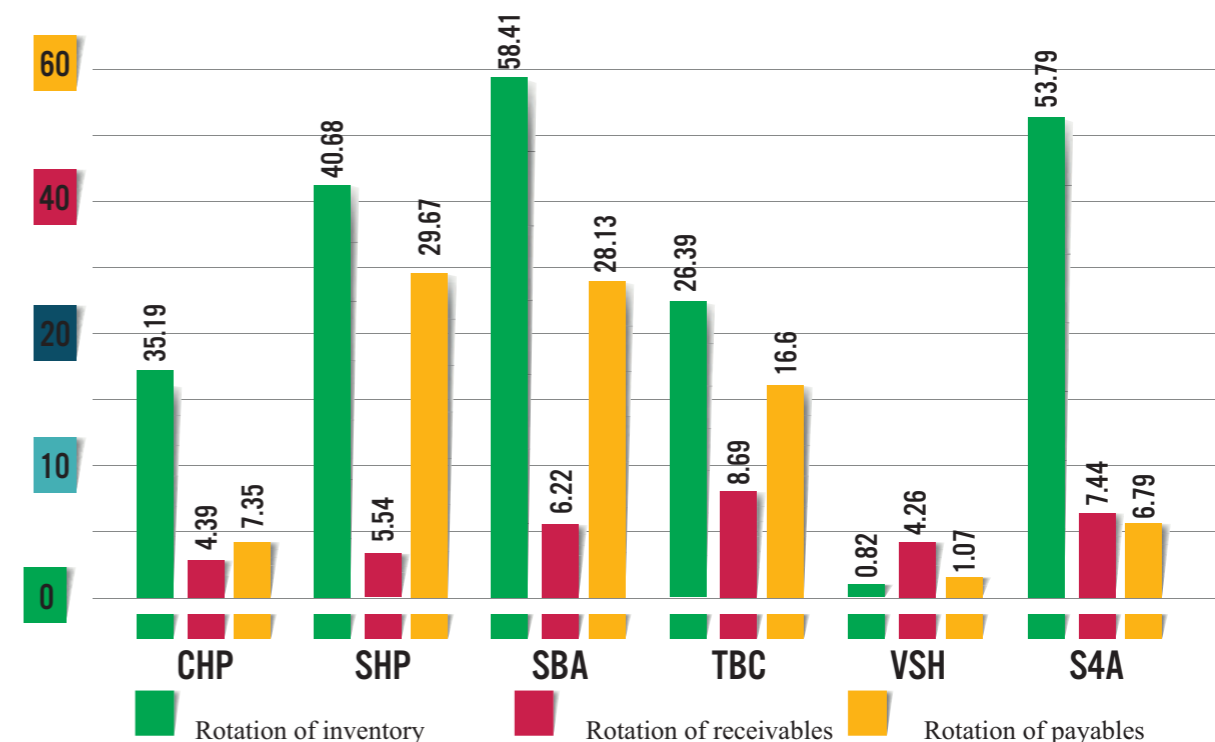
GROUP OF LIQUIDITY INDEX		Năm 2013	Năm 2014	Năm 2015	Năm 2016	Năm 2017
Payment ratio in cash	Lần	0.22	0.25	0.72	0.66	1.84
Quick payment ratio	Lần	0.59	0.83	1.34	1.59	2.39
Current payment ratio (short term)	Lần	0.68	0.95	1.48	1.62	2.42
Ability to pay interest	Lần	1.66	2.27	3.5	3.31	5.38

Current payment and quick payment ability of the Company are safe and higher than some companies in the hydropower sector. This shows that the financial status of the company is always stable, timely and responsive to the demand for payment of VTTB procurement costs as well as regular repair of A Luoi Hydropower Plant.

GROUP OF PERFORMANCE INDEX		Năm 2013	Năm 2014	Năm 2015	Năm 2016	Năm 2017
Rotation of receivables of customer	Rotation	3.78	2.82	3.08	2.69	4.39
Rotation of inventory	Rotation	8.32	4.55	4.85	9.07	35.19
Rotation of payables of supplier	Rotation	1.01	1.47	2.25	3.76	7.35

Being a unit of electricity production and trading, the inventory of EVNCHP is mainly the backup VTTB for regular repairs of A Luoi Hydropower Plant. In 2016, inventories are mainly backup devices during the installation of devices with the value of more than 47 billion. By the end of 2016, backup devices have been transferred to monitoring and management in the item of other long-term assets, inventories have fallen, leading to rotations of inventory raise uncommonly in 2017 to 35.19 versus 2016.

COMPARING WITH OTHER COMPANIES IN THE SAME INDUSTRY



Source: Reference at Website <http://finance.vietstock.vn>

Group of pricing index

		CHP	SHP	SBA	TBC	S4A	VSH	TMP
Earnings per share for the last four quarters (EPS)	VND	3,26	1,977	2,254	2,622	3,194	1,377	4,45
Book value per shares (BVPS)	VND	14,91	12,98	11,841	13,569	12,513	14,084	15,110
The market price index per Earnings (P/E)	Time	7.43	11.38	7.25	9.15	7.2	12.78	7.46
Market price index on book value (P/B)	Time	1.22	1.73	1.38	1.77	1.84	1.25	2.2

Source: Reference at Website <http://finance.vietstock.vn>

The industry's average P/E is about 9.4 times. Since the beginning of the year, the P/E of the CHP is moving towards the industry's average P/E. This shows that investors are expecting high dividend growth in the future and low-risk stocks, so investors are satisfied with low market capitalization. At the same time, the CHP's EPS is ranked second in the list of hydropower companies listed on the stock exchange (after TMP only), showing that the earnings per share issued by CHP bring high returns to investors. At the same time, the P/E of the

hydropower sector is much lower than the general level of the economy, indicating that dividend yields on a stock for investors are quite large, future hydropower stocks are expected to grow even higher with especially CHP at an annual dividend of around 16%.

P/B of the CHP is an average of companies in the hydropower sector (1.74). This result also shows that compared to other companies in the industry, CHP is doing well with high earnings.

GROUP OF PROFITABILITY INDEX

		Năm 2013	Năm 2014	Năm 2015	Năm 2016	Năm 2017
Gross profit margin ratio	%	62.64	63.98	66.75	61.12	65.64
Profitability ratio per net revenue	%	23.84	34.01	45.02	39.68	47.68
Profitability ratio per Average equity (ROE)	%	10.3	15.93	21.55	15.64	23.12
Profitability ratio per total average assets (ROA)	%	3.74	6.33	9.98	8.13	13.26

The profitability ratio of the company has clearly increased and is high compared to the industry average. ROE in 2017 increased 48% compared to 2016 (23.12% respectively). Favorable weather conditions and efficient operation in the competitive electricity

generation market have helped boost CHP's profit margins over the years. In addition, the depreciation and interest expenses will gradually decrease, so the profitability index will continue to increase in the coming years to bring high profit to shareholders.



CONCLUSION

The financial indicators of EVNCHP are maintained at a healthy and stable level over the years.

Receivables from the power purchase agreement are controlled and receivables are recovered in a timely manner, ensuring the maintenance of cash flow to pay for short-term payables. Thus, the current and rapid liquidity is rising steadily from 2013 and maintaining high levels in 2017, ensuring financial ability to repay debt and interest expenses. With a loan repayment schedule of VND 170 billion a year, interest expense reduction will also contribute to improving EVNCHP's total revenue and net profit next year.

In 2018, the company will continue to invest in the project of solar power project at Cu Jut, Dak Nong Province with a capacity of 50MW, the project can reach 94 million kWh per year. The selling price of solar power is more than double the average selling price of A Luoi Hydropower Plant, so the revenue from this project will make an important contribution to the long-term growth prospects of the Company.



Analysis of S.W.O.T EVNCHP

STRENGTH

- Clean power generation technology, virtually no emission of greenhouse gases
- High long life of the work and low maintenance and operation costs
- Developing a rational regulation for the operation of a hydro power plant to ensure that water resources are used fairly and efficiently for society.
- Strong financial resources and efficient business that facilitate the implementation of medium and long term strategies.
- Good geographic location - high and stable power plant output
- Leadership and staff experienced in technique and operation of A Luoi hydropower plant under the power market mechanism.
- Actively carrying out many activities contributing to society

S

WEAKNESS

- Power generation depends on weather conditions
- The application of information technology to the operation and management is a strategic goal but the efficiency is not high.
- Not actively in the development of measures to respond to climate change, directly affecting the ability to produce electricity and safety of the work, etc.
- There are no plans for training and organizational structure of the electricity market to be appropriate and capable of implementing new functions in the competitive electricity wholesale market.
- The search for investment in the construction of new projects is slow, the approval of large bidding packages is under the authority of the Board of Directors, so deployment time is usually long.
- Severe weather conditions make operation difficult (especially in rainy season).

W

OPPORTUNITY

- State's policy opening the electricity sector market, creating more opportunities for enterprise to enter the competitive electricity wholesale market.
- The development of science and technology creates opportunities for EVNCHP's human resources to learn, improve skills and apply new technology into the regular operation and maintenance of the plant.
- Power generation has been stable over the years, creating strength for EVNCHP to attract investment capital at home and abroad.
- With the goal of green energy development of the Government, creating favorable conditions for enterprises to invest in this field.

O

CHALLENGE

- Climate change is one of the greatest challenges for all humanity in the 21st century and the next centuries. Climate change has been and is going to make a comprehensive and profound change in the process of development and global security such as food, water, energy, social security, culture, diplomacy and trade, direct impacting on the ability to produce electricity, work safety, inundation, drought, etc.
- The competitive wholesale market that will be officially launched in 2019 will attract many domestic and foreign investors to enter the market, etc, creating fierce competition in the electricity market.
- The potential for hydropower development is increasingly exhausted. The search for construction of new hydropower projects faces many difficulties due to the increasing number of investors and increasingly required environmental policy.

T

KEY FACTORS AFFECTING THE PERFORMANCE OF EVNCHP

(Please see details in Risk Management Report on page 116)

1. Weather risks

Natural conditions are the biggest risk factor affecting the production and business activities of Central Hydropower Joint Stock Company. The output and efficiency of the company's hydropower plant will depend mainly on water resources. In addition, other natural disasters such as flash floods and heavy rains can cause damage to the roads and dams of the plant, resulting in power failure and increased repair costs.

2. Risks of alternative energy sources

Currently, the supply of electricity does not meet the demand. Electric power plants mainly apply thermal and hydroelectric technologies which have a large impact on the environment. Therefore, the demand for alternative energy sources such as wind power or solar power is increasingly pressing.

3. The risk of monopoly power distribution

Electricity of Vietnam (EVN) has a monopoly position in the electricity industry with the function of producing, transmitting and distributing electricity throughout the country. The current electricity price negotiated by EVN and the Company and based on the actual market price (Selling price regulated by EVN and Ministry of Industry and Trade). In case of bad market price will affect the revenue of the company. The decision to change the price range from EVN will also affect the company's production and turnover. In addition, due to EVN's monopoly power distribution, the enterprise has difficulty in negotiating and signing power purchase contracts with units outside EVN.

4. Other risks

Unforeseen risks such as earthquakes, fires, wars, epidemics, etc., all affect the Company's operations.

COMPANY'S POSITION IN THE INDUSTRY AND PROSPECTS OF THE INDUSTRY

1. Position of the company in the industry

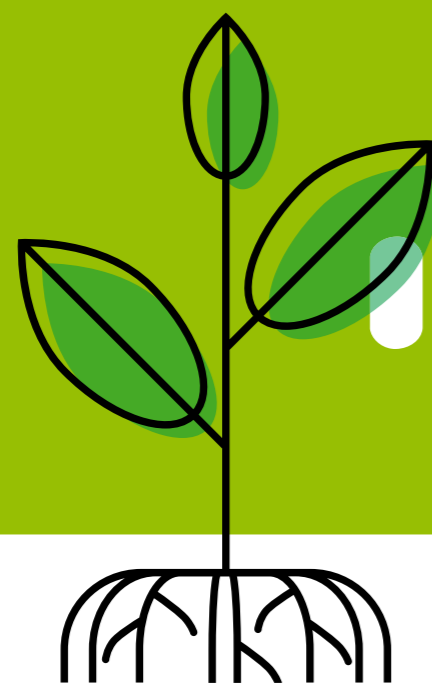
A Luoi Hydropower project is a large project, belonging to Group A project, which is a national key project assigned by the Prime Minister to the Company. In addition, the company has been assigned by Vietnam Electricity and People's Committees of provinces to invest in a number of large projects. That proves the relatively firm position of the company in the industry. Compared with the listed hydropower companies on the Vietnam stock market, EVNCHP is the largest hydro power company with two generating sets and supplies about 649 million kWh annually. With a capacity of 170MW, A Luoi Hydropower Plant ranked 23rd out of 32 hydro power plants in Group 1 with a capacity of over 100MW. Since its inception, A Luoi Hydropower has been operating at full capacity, contributing to the development of the power sector in general.

2. Development prospects of the industry

According to a survey conducted by multinational consulting firm KPMG, Vietnam's power sector is one of the most attractive

sectors in the region due to Vietnam's economic growth and demand for electricity are rising. According to the survey, Strategic investors tend to invest in development projects in the form of independent power and joint ventures, while institutional investors tend to seek dividends and profit margins. The prices of investment in bonds and shares of equitized companies in the power sector. For domestic investors, the sector ranks fourth in terms of attractiveness after telecommunications, banking and oil and gas. According to the Decision No. 1208/2011/QĐ-TTg approving the National Electricity Development Plan 2011-2020 with a vision to 2030 of Prime Minister dated July 21, 2011 (Power Plan VII revised). One of the important priorities is the development of renewable energy as a breakthrough in ensuring national energy security. With the aim of providing sufficient electricity for socio-economic development with an average GDP growth rate of around 7.0% per annum during 2016-2030, the revised power plan VII will prioritize the development of renewable energy (hydropower, wind power, solar power, etc.).





STRATEGIC GOALS TO

2020

Promoting its strengths, the Company has also set up a development strategy for the period 2017-2020 to expand production, increase the capacity of electricity supply to the national power system, increase electricity output, thereby increase annual turnover and profit.

01

Operation of electricity generation

Ensuring the stability, continuity and safety of people, works and equipment in order to reach the average power output of 649 million kWh for many years.

02

Electricity Market

Participating in the competitive electricity generation market, optimally exploiting the reservoir to reach the highest revenue with the average annual electricity price higher than the contract price.

03

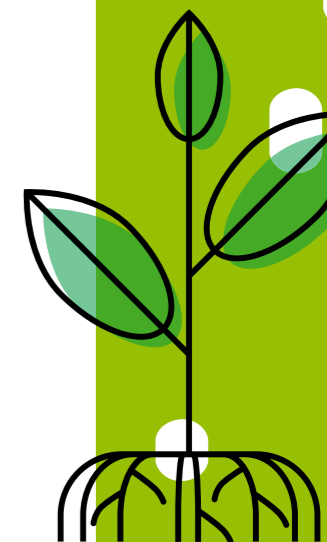
Project investment

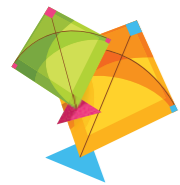
Invest in one or two hydropower projects, renewable energy projects in Central Vietnam and the Central Highlands.

04

Increase in revenue

From electricity production, trading, financial investment, other activities and cost optimization to achieve annual dividend of over 10%.





SOLUTIONS TO IMPLEMENT COMPANY STRATEGY

FINANCIAL SOLUTIONS



Making annual cost optimization in production. Carrying out the consultancy, installation, supervision, minor and medium repairs for construction items managed by the company;

Perfecting the financial management system, maintain stable flow of capital and income over the years;

Strengthening the management of procurement of materials and equipment;

Monitoring and supervising CDM project implementation to increase annual revenue;

Strengthening the function of managing investment capital in new projects and analyzing economic and technical criteria to bring about the highest efficiency.

MARKETING SOLUTIONS



Intensifying market research activities; regularly monitoring and performing competitive bidding; bids; thoroughly understanding the information on the bidding package;

Completing the quality management processes of the business services; Improving the existing processes of the company on maintenance and modernization of hydro-electric power plant equipment; the operating procedures of the generating sets; procedures for supervision, installation of equipment, etc, to ensure improvement of service quality in accordance with ISO 9001: 2015;

Currently, the company has contracted with many units to provide consultancy services for supervision and installation of equipment; human resource training; testing, maintenance and repair, but most of them are in the power sector, project management units in the industry. Therefore, in the coming time, the company must expand its service delivery area to enterprises outside the electricity industry which are investing in the construction of new power plants.



SOLUTIONS FOR HUMAN RESOURCES - ORGANIZATION

In the context of economic integration, in order to attract human resources, EVNCHP constantly improves the working environment as well as appropriate welfare policy. It can be said that wages and benefits are a powerful tool to encourage employees to stick with the enterprise, improve productivity and efficiency; helping the enterprise stabilize and overcome the difficult periods to achieve sustainable development;

Developing long-term and short-term training plans to improve skills and professional skills for staff;

The company is committed to implementing remuneration policies and policies and creating a safe, comfortable and beneficial working environment for employees;

Building collective labor agreements in accordance with current regulations of the State and the Electricity Vietnam.



STRATEGIC IMPLEMENTATION SOLUTIONS OF THE COMPANY(cont.)



IMPLEMENTING CORPORATE CULTURE

Building the spirit of mutual, loving, for the development of the community;

On the basis of corporate culture formed during the construction and development of the power industry. EVNCHP has issued the document "EVNCHP Culture". The content of this document is considered as a "guideline" for the actions and perceptions of employees, towards the behavior of squatting, actively cultivating, learning, improving oneself, jointly carrying out the mission of the Company;

Creating a sustainable development platform through the improvement of corporate governance model, corporate

governance system, implementing and perfecting corporate culture. Training and developing human resources in line with the company's strategy;

Prioritizing the use of advanced technologies, "green, clean" technology, friendly with the environment. Encouraging and motivating all staff to raise awareness and actively participating in activities of environmental protection and responding to climate change; preserving and developing living environment at the agency as well as in the community, etc.

PRODUCTION SOLUTION

Establishing reservoir regulating procedures in combination with equipment repair schedule in order to maximize the capacity of the reservoir in order to achieve the highest output;

Building a suitable repair schedule, shortening the time for repairs, preparing enough supplies, spare parts as well as equipment for strategic backup before repairing the equipment system;

Raising the capacity of the operation team, the repair force, intensifying the inspection in the operation, inspecting the observance of procedures, rules, technical measures for construction, safety measures and raising of the output of commercial electricity with electricity-saving policies.

Investing in upgrading and modernizing the equipment, equipping the means and machines in service of the inspection and supervision of equipment, improvement of working conditions and ensuring labor safety;

Regularly researching, learning, exchanging and understanding to approach and master equipment. Monitoring of equipment operation 24/24 hours, promptly detecting, preventing incident mitigation; Quickly correcting the problems, soon putting the equipment into operation again.





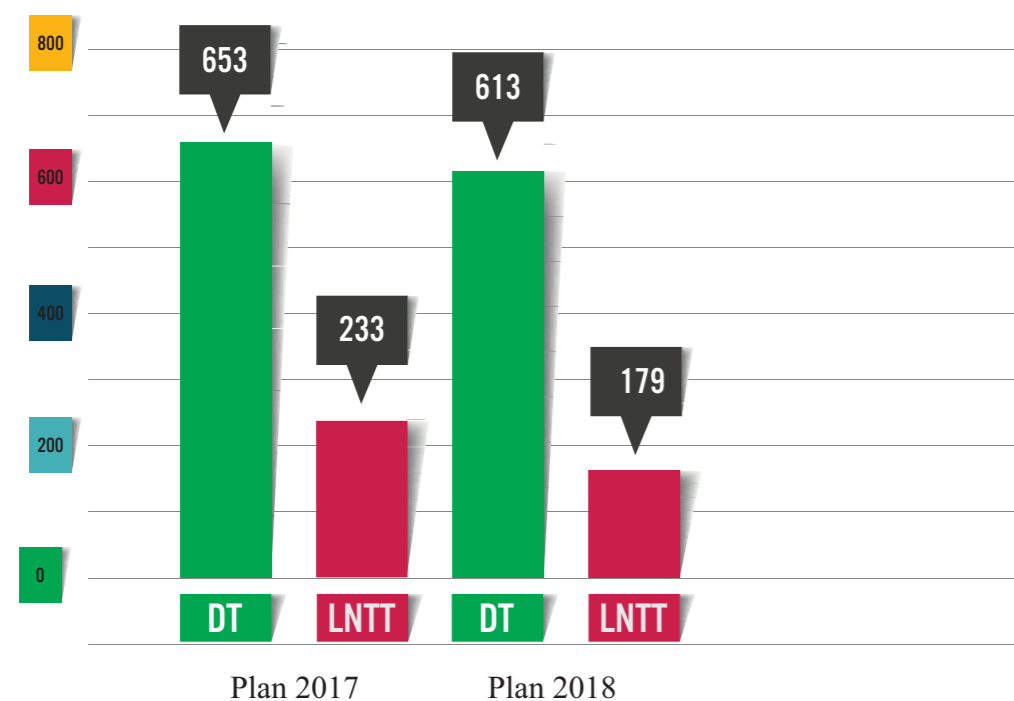
BUSINESS PLAN IN 2018

- * **Objective 1:** Completing the revenue target of VND 613 billion dong
- * **Objective 2:** Completing the after-tax profit target of 170 billion dong
- * **Objective 3:** Completing the investment plan for the construction of a solar power plant

Main targets for 2018

Targets	Unit	Plan 2017	Plan 2018	Growth
Net revenue	Billion dong	653	613	-6,13%
Profit before tax	Billion dong	233	179	-23,2%

According to the business and production plan approved by the Board of Directors and will be submitted to the 2018 General Shareholders' Meeting, targets of revenue (-6.13%) and profit (-23.2%) are lower than the 2017 plan. The main reason is that in 2018, EVNCHP will temporarily stop generating electricity from January to May 2018 to carry out periodic maintenance of water tunnel, and major repair of generating set H2 and minor repair of generating set H1 approved by the Board of Directors.



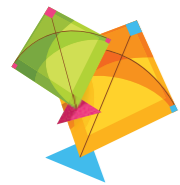
PLAN FOR INVESTMENT IN NEWPROJECT

Cu Jut solar power plant project, Dak Nong province: target for electricity generation before June 2019

- Complete the technical design, construction drawings for the whole project.
- Complete the signing of the power purchase contract with EPTC
- Complete the signing credit contract financing the project
- Complete payment of land compensation for the people and site clearance.
- Complete the selection of contractors for all equipment and construction tender package.
- Complete the infrastructure, houses, roads, drainage canals, management houses, residential houses, fence walls.
- For EPC bidding packages: In 2018, the following tasks will be completed and the package expected to be completed in April 2019:
 - + Supply complete racks, solar panels, inverter stations, transformers, SCADA, BoS
 - + Complete construction of internal road, the foundation of the solar panels, inverter, cable duct
 - + Complete basic installation of equipment and interconnection of all equipment.
- For items of stations and lines: The project will be implemented simultaneously and expected to be completed in 2018; installation of equipment, information and scada will be completed in February 2019, electrical testing package is expected to be completed in June 2019 as it relates to the EPC tender package.
- The total value of construction investment plan 2018 of Cu Jut solar power plant project is 1.170 billion VND / total investment of 1.367 billion

Solar Power Plant Project in Ninh Thuan Province

- Complete the dossier supplementing the planning and submit to the competent authority for approval Ninh Son project in Ninh Thuan province. The value of the construction investment plan in 2018 is about VND 0.5 billion for the preparation of additional planning documents.



SOLUTIONS TO IMPLEMENT THE 2018 PLAN

GENERATING ELECTRICITY



Strictly follow the operation procedures, the fire prevention and fighting safety and labor safety regulations. Operate the works in the rainy season must ensure the safety of people, works and equipment, regulate the operation of the reservoir in flood season according to the operation procedures of the Ministry of Industry and Trade and the local committee for flood and storm control, improve professional knowledge on reservoir operation and accumulation of experience, to ensure revenue generation in the rainy season. Perform the work of minor repair, major repair of the works and equipment of the power plant in accordance with the period. Electromechanical equipment and supplies are replaced at regular intervals as recommended by the manufacturer, according to current regulations of the state and statistical results of failure of elements in the factory. Hydropower project items are periodically and irregularly inspected and perform water level monitoring and site transect monitoring in accordance with regulations.

Raise awareness of staff on occupational hygiene and safety, build occupational hygiene and safety management system, ensuring safety for people, works and plant equipment. Raise the professional qualifications of employees so that they can master the technology to the extent that they are capable of analyzing incidents and replacing equipment and devices for timely remedying production incidents in order to achieve the turnover according to the plan. Assign technical managers to follow every item of plant technology equipment, organize the study of factories with similar technology items. Step by step replacing old equipment and supplies with low operational reliability, to modernize and diversify materials and equipment for the plant, minimizing dependence on several suppliers and producers. Material and equipment management is under the process of EVN and EVNCHP, the supply schedule of supplies and equipment meets timely production and troubleshooting.

ELECTRICITY MARKET OPERATIONS

In the year 2018, the electricity market operations are expected to face many difficulties and 2018 is a year with many challenges for EVNCHP's electricity market. However, EVNCHP will strive and propose solutions as follows:

Increasing the reliability in hydro-meteorological forecasting to calculate the water volume of the reservoir, the expected generation capacity:

- + Monitoring and timely updating of weather information affecting the flow of the reservoir.
- + Application of advanced software combined with statistical data method to calculate the forecast of water volume on the reservoir.

Setting up the optimal bidding scenarios for revenue with the following parameters:

- + Water consumption of the generating sets according to the level.
- + Water flow to the reservoir forecasted during the expected time [Q to (t)].
- + Market price is forecasted in the expected time.
- + The distribution chain of the contract power output according to the hours in the expected time period.

Monitoring and supervising the operation of the electricity market in order to draw experiences for calculating to make the quotation of the next day.



INVESTMENT IN NEW PROJECTS

Leveraging its existing resources and experience, EVNCHP continues to research and invest in other renewable energy projects in order to create stable development and to improve the operation efficiency of A Luoi hydropower reservoir. New investment project must have good

economic and technical criteria in order to mobilize capital from the securities market and from strategic investors but ensure the growth of enterprises in the period of investment and diversification of products and contribute to social welfare.



SOLUTIONS TO IMPLEMENT THE 2018 PLAN (Cont.)

FINANCIAL ACTIVITIES

Proposal for adjustment of electricity prices when input information of electricity prices change strongly.

Improving the efficiency of using the A Luoi Hydropower Plant to increase the production of electricity.

Increasing revenue from financial activities and other activities:

- Improving financial management system: to maintain capital flow and business income; Improve the efficiency of capital use, maximize cash flow to increase profit, dividend; Financial risk management.

- Implementing external services such as supervision consultancy, construction.

- Monitoring and supervising the implementation of CDM project to increase annual revenue.

- Creating more income from exploiting services of Aco house in Hong Thuong commune, A Luoi district, and carry out repairs.

- Commercial exploitation of office space (new construction after relocation from DaNang industrial park).

Cost optimization:

Maintain and improve optimization every year in all production activities.

- Reduce provision for equipment and supplies.

- Self-implementation of consulting, installation, supervision, minor repairs, medium repairs and major repairs of items of the work managed by the company.



CORPORATE GOVERNANCE

Perfecting the system of governance and implementation of corporate culture:

- Creating the foundation for sustainable development through the improvement of corporate governance, corporate governance, perfecting and implementing corporate culture. Training and developing human resources in line with the company strategy.

- Perfecting the model of enterprise management along the direction of division of powers and tasks; Target governance by hierarchy (from company to department, each job/individual position) and evaluating of the level of completion of functions and tasks.



- Perfecting and improving the system of regulations, rules and procedures and developing appropriate policies.

MAJOR REPAIRS

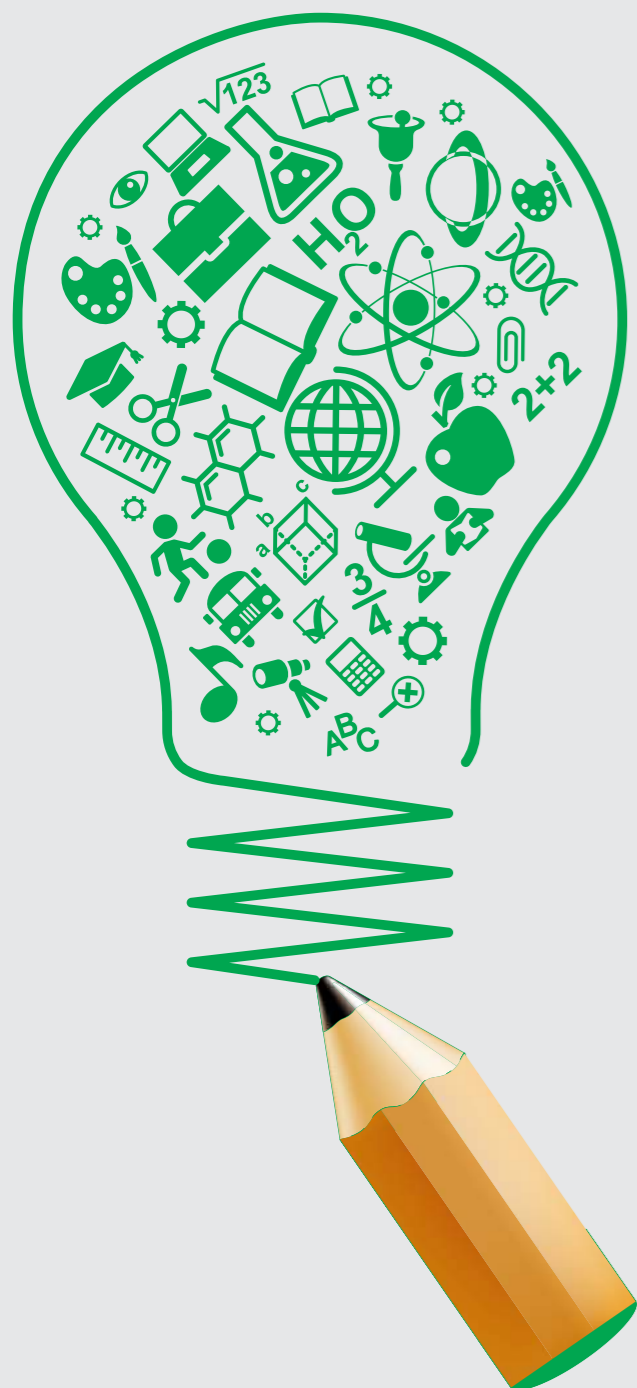
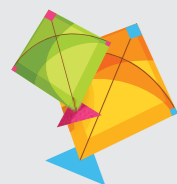


Researching and developing options for responding to urgent cases in the tunnel processing to ensure the correct procedures and scientific basis.

Supervising and urging the contractor to timely supply equipment and materials for the major repair of generating set 1 and repair of the tunnel.

Timely signing contracts for repair and treatment of tunnel defects, reinforcing the roof of the factory in accordance with the law.

Strengthening staff in all departments to serve tunnel repair and processing, reinforcing the roof and major repair of generating set 1.



APPLICATION OF INFORMATION TECHNOLOGY

Strongly apply information technology on all management and governance systems of the Company:

- The staff has knowledge of IT, professional knowledge, management knowledge.
- IT infrastructure is stable, meeting the needs of and information safety and security. Synchronization of software data, increasing the ability to communicate over the network towards paperless management, regardless of geographic distance..
- Having budget, training, managing of annual IT application plan.
- Concentration of applications:
 - + Mastering technology of A Luoi hydropower plant in measuring and automatic control of SCADA system upgrading; improving the joint of ball-valve oil pump control system and ball-valve control system, system of speed controlling oil pump control and supplement oil pump; Modbus communication connection, receiving and sending control signals to the actuator; Taking signals from the PMAC metric sets, DEC-grade meters, etc.
 - + Effectively exploiting equipment management software.
 - + Developing software to forecast water volume to reservoir for the electricity market and regulating the lake.
 - + Developing software for management of plant target and personnel management of salary.
 - + Accessing to software, building project management module.





INTRODUCTION OF FOUNDING SHAREHOLDERS & MAJOR SHAREHOLDERS

- 1. Mr. Tran Dinh Nhan** - Chairman cum General Director - Central Power Corporation (EVNCPC) which owns 22.95% of charter capital of Central Hydropower JSC (EVNCHP).
- 2. Mr. Pham Ngoc Le** - Deputy General Director - Southern Power Corporation (EVNSPC) - Chairman of EVNCHP.
- 3. Mr. Truong Cong Gioi** - General Director of EVNCHP
- 4. Mrs. Nguyen Thi Mai Thanh** - Chairwoman cum CEO of Refrigeration Electrical Engineering Corporation (REE) - which owns 20.07% of charter capital of EVNCHP.
- 5. Mr. Tran Dinh Thanh** - Former Chairman cum General Director - Central Power Corporation (EVNCPC).
- 6. Mr. Nguyen Van Hop** - Chairman cum General Director - Southern Power Corporation (EVNSPC) which owns 22.95% of charter capital at EVNCHP.
- 7. Mr. Le Quang Toan** - Director of Vietnam Development Bank (VDB) - Branch of Thua Thien Hue - Quang Tri area, the main sponsor of EVNCHP's projects.
- 8. Mr. Pham Sy Hung** - Deputy General Director - Central Power Corporation (EVNCPC) - Member of EVNCHP's Management Board.



THE PROCESS OF CHANGING THE EQUITY

Central Hydropower Joint Stock Company (hereinafter referred to as "the Company") was established on the basis of Contract No. 5852CP/ĐL2-ĐL3-XLD1-ĐLHN/2004 dated November 30, 2004 by 4 units: Power Company No.2 (now Southern Power Corporation, contributing 30% of charter capital), Power Company No.3 (now the Central Power Company, contributing 30% of charter capital), Hanoi Power Company (now Hanoi Power Corporation, contributing 20% of charter capital), Electricity Construction Company 1 (contributing 20% of charter capital). Until November 24, 2005, the General Meeting of Shareholders approved the withdrawal of Electricity Construction Company 1 from its founding shareholders in accordance with Resolution No. 01/2005/CP/ĐHĐCĐSL and the General Meeting of Shareholders agreed Vietnam Electricity (EVN) has agreed to become a founding shareholder since March 18, 2006 according to the Resolution No. 01/2006/CP-DHĐCĐSL (contributing 20% of charter capital).

By the end of 2016, after buying more than 12.2 million CHP shares, REE officially became a major shareholder of EVNCHP. In 2017, REE continued to buy an additional 13.1 million CHP shares, raising its post-trading ownership volume to 25.3 million units (equivalent to 20.07%).

OUTSTANDING SHARES

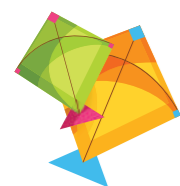
Criteria	Quantity
Total number of shares being traded	125,999,511
Free shares transferred	125,999,511
Shares restricted to transfer	0

CHANGE IN EQUITY:

In 2017, the Company will not increase its share capital

TREASURY STOCK TRANSACTIONS:

In 2017, the Company did not occur trading of treasury shares



CORPORATE GOVERNANCE REPORT

VND **3.202**

billion dong in capitalization on
December 31, 2017

SHARES

Face value of 1 share	10.000 dong
Number of listed shares	125.999.511 shares
Number of outstanding shares	125.999.511 shares
Treasury shares	0
Market capitalization (on December 31, 2017)	3.202 billion dong

SHAREHOLDER STRUCTURE: According to the list dated January 30, 2018

	Number of shareholders	Number of shares	Charter capital
Foreign country	29	4.296.132	3,410%
Individual	18	131.375	0,105%
Organization	11	4.164.757	3,305%
Domestic country	4.067	121.703.379	96,590%
Individual	4.044	37.074.250	29,424%
Organization	23	84.629.129	67,166%
Total	4.096	125.999.511	100%

SHAREHOLDERS HOLDING MORE THAN 5%

Name of shareholder	Registered number of ownership	Date of issuance	Nationality	Number of shares held	Owners hip ratio
Central Power corporation	0400101394	May 6, 2014	Vietnamese	28.941.680	22,97%
Southern Power corporation	0300942001	April 7, 2010	Vietnamese	28.941.680	22,97%
Refrigeration Electrical Engineering Corporation	0300741143	December 29, 1993	Vietnamese	25.292.185	20,07%

TRADING OF SHARES OF INTERNAL PERSONS & RELATED PERSONS

Person performing the transaction		Number of shares owned on December, 2017		Number of shares owned on January 30, 2018		Reasons to increase, decrease (buy, sell, convert, bonus, etc)
		Number of shares	Rate	Number of shares	Rate	
Refrigeration Electrical Engineering Corporation	Large shareholders	17.710.205	18,96%	25.292.185	20,07%	Investment
Nguyen Van Danh	Member of Supervisory Board	10		5.840	0,0046%	Investment

Note: Transactions of internal persons and related persons are taken from internal and related person's transaction reports.



CORPORATE GOVERNANCE REPORT

THE LIST AND STOCK OWNERSHIP RATIO OF THE MANAGEMENT BOARD, SUPERVISORY BOARD, EXECUTIVE BOARD

(According to the list of shareholders on January 30, 2018)

Ord.	Full name	Title	Capital representation	Owning individual	Total	Ownership ratio
I. Management Board , term of 2015-2020						
1.	Pham Ngoc Le	Chairman of Management Board	23.153.344	1.055.250	24.208.594	19,21%
2.	Ho Quoc Viet	Member of Management Board	5.788.336	183.000	5.971.336	4,74%
3.	Truong Cong Gioi	Member of Management Board	12.599.951	56.490	12.656.441	10,04%
4.	Pham Sy Hung	Member of Management Board	16.341.729	10.500	16..352.229	12,98%
5.	Nguyen Quang Quyen	Member of Management Board	-	-	-	-
6.	Nguyen Huu Tam	Independent Member of Management Board	-	94.500	94.500	0,08%
7.	Nguyen Huu Phuong	Independent Member of Management Board	-	114.500	114.500	0,09%
II. Supervisory Board , term of 2015-2020						
1.	Trinh Quang Viet	Head of Supervisory Board	-	10.500	10.500	0,008%
2.	Nguyen Van Danh	Member of Supervisory Board	-	5.840	5.840	0,0046%
3.	Pham Viet Thien	Member of Supervisory Board	-	-	-	-
III. Executive board						
1	Truong Cong Gioi	General Director	12.599.543	56.490	12.656.483	10,04%
2	Le Quy Anh Tuan	Deputy General Director	-	36.750	36.750	0,03%
3	Lam Uyen	Deputy General Director	-	68.250	68.250	0,05%
4	Huynh Mai	Chief accountant	-	42.000	42.000	0,03%

CHANGES IN THE MANAGEMENT BOARD, SUPERVISORY BOARD, EXECUTIVE BOARD

CHANGE THE MEMBERS IN THE MANAGEMENT BOARD

LIST OF MEMBERS OF THE MANAGEMENT BOARD BEFORE APRIL 20, 2017

Mr. PhamNgoc Le	- Chairman of Management Board
Mr. Truong Cong Gioi	- Member of Management Board
Mr. Le Kim Hung	- Member of Management Board
Mr. Ho Quoc Viet	- Member of Management Board
Mr. Nguyen Huu Phuong	- IndependentMember of Management Board
Mr. Nguyen Huu Tam	- Independent Member of Management Board

Mr. Nguyen Quang Quyen - Investment Director of Refrigeration Electrical Engineering Corporation was introduced as the member ofthe Management Board by the Management Board and approved by the General Meeting of Shareholders on April 20, 2017.

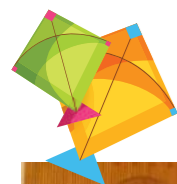
Mr. Le Kim Hung is no longer a member of the Management Board due to retirement under the regime and the Central Power Corporation nominated Mr. Pham Sy Hung to replace and approved by the Management Board in accordance with Resolution No. 04-2 dated September 29, 2016 and the Management Board submitted to the Annual General Meeting of Shareholders on April 20, 2017.

LIST OF MEMBERS OF THE MANAGEMENT BOARD AFTER APRIL 20, 2017

Mr. PhamNgoc Le	- Chairman of Management Board
Mr. Truong Cong Gioi	- Member of Management Board
Mr. Pham Sy Hung	- Member of Management Board
Mr. Ho Quoc Viet	- Member of Management Board
Mr. Nguyen Quang Quyen	- Member of Management Board
Mr. Nguyen Huu Phuong	- IndependentMember of Management Board
Mr. Nguyen Huu Tam	- Independent Member of Management Board

CHANGE OF SUPERVISORY BOARD'S MEMBERS: No changes in 2017

CHANGE OF EXECUTIVE BOARD'S MEMBERS: No change in 2017



CORPORATE GOVERNANCE REPORT



"IN 2017, THE MANAGEMENT BOARD'S ACTIVITIES ARE IN ACCORDANCE WITH THE CORPORATE GOVERNANCE RULES, COMPANY CHARTER, OPERATIONAL REGULATIONS OF THE MANAGEMENT BOARD. THE CHAIRMAN OF THE MANAGEMENT BOARD AND THE ASSIGNED MEMBERS REGULARLY SUPERVISED AND INSPECTED THE IMPLEMENTATION OF THE CONTENT APPROVED BY THE MANAGEMENT BOARD AT THE BOARD MEETINGS, RESOLUTIONS ISSUED."



ACTIVITIES OF BOARD OF DIRECTORS

The implementation of the resolution of the General Meeting of Shareholders in 2017

Overfulfil the targets, business plan in 2017.

Board of Directors agrees with Supervisory Board to select AAC Auditing and Accounting Company Limited as an independent auditor in 2017.

Set up funds and pay dividends in 2016 in cash at the rate of 16%/face value, closing date: 25/5/2017, payment date: 01/6/2017; Advance the dividend in 2017 in cash at the rate of 10%/face value, closing date: 30/1/2018, payment date: 8/2/2018.

Complete the sixth change of Business Registration Certificate of the Company on 28/4/2017

The Company has implemented the investment procedures for Cu Jut solar power plant project in Cu Jut district, Dak Nong province and on 14/12/2017, Board of Directors approved the investment project of Cu Jut solar power plant in the Decision No. 510/QD-EVN-CHP-HDQT with the total investment of 1,367.08 billion Vietnam dong.



CORPORATE GOVERNANCE REPORT

Information about members of Board of Directors

No.	Members of Board of Directors	Title	Start date	Number of meetings attended	Percentage	Reason
1	Pham Ngoc Le	Chairman of the Board	Re-appointed on 23/04/2015	7/7	100%	
2	Ho Quoc Viet	Member of the Board	Re-appointed on 23/04/2015	6/7	86%	Busy
3	Truong Cong Gioi	Member of the Board	Re-appointed on 23/04/2015	7/7	100%	
4	Pham Sy Hung	Member of the Board	The Board appoints on 01/08/2016	7/7	100%	
5	Nguyen Quang Quyen	Member of the Board	Appointed on 20/04/2017	3/7	43%	Appointed on 20/04/2017
6	Nguyen Huu Tam	Member of the Independent Board	Appointed on 23/04/2015	7/7	100%	
7	Nguyen Huu Phuong	Member of the Independent Board	Re-appointed on 23/04/2015	7/7	100%	

TITLES HELD BY THE BOARD OF THE COMPANY AT OTHER COMPANIES

(Please see at section for introduction of the Board's members, page 23)

Personnel changes in the Board in 2017

On 20/04/2017, at the Annual General Meeting in 2017, shareholders agreed to elect additionally Mr. Nguyen Quang Quyen as a member of the Board with 100% votes.



Mr. Nguyen Quang Quyen (in the middle) and members of the Board, term 2015 – 2020



CORPORATE GOVERNANCE REPORT

CONTENT OF THE RESOLUTION OF THE BOARD OF DIRECTORS IN 2017

The Board of Directors has held seven meetings in 2017. At these meetings, the Board of Directors has identified the weather risks, timely guided and evaluated the business results of each quarter, strictly control of expenses,

regular repair process of A Luoi hydropower plan. From there, it can come up with synchronous solutions and help the company overfulfil the production and business plans.

Resolution no.: 01/2017/NQ-CHP-HDQT dated 18/01/2017

1. The Board of Directors agreed to submit to the General Meeting of Shareholders the results of business, production and construction investment in 2016 for approval.

2. The Board of Directors agreed to submit to the General Meeting of Shareholders the after-tax profit distribution plan in 2016 and expected the dividend level in 2017.

3. The Board of Directors agreed to allow the Company to continue researching Cu Jut solar power plant project, Dak Nong Province with a capacity of 50MW. The Company continues to monitor and register investment in solar power plant project in Ninh Thuan province.

4. Unify the policy of developing the Cu Jut solar power plant project, Dak Nong province under the clean development mechanism (CDM).

5. Agree to amend the Management Rules of Central Hydropower Joint Stock Company.

6. Agree to allow the Company to

investment in refurbishment and new construction of a number of items at the management area of production of A Luoi Hydropower Plant.

7. Approve the labor-salary plan for 2017.

8. Approve the plans of selection of contractors and packages for production in 2017.

9. Unify the policy and allow the Company to buy a land lot at the central of Da Nang City to move the Company's office out Da Nang Industrial Park according to Notice no.: 363/TB-VPCP dated 04/11/2016 of the Government's Office.

10. Agree to allow the Company to hire consultants for geological and hydrogeological mapping around sloping roofs of factory to supplement research documents, determining the cause of rising groundwater level during the rainy season.



Resolution no.: 02/2017/NQ-CHP-HDQT dated 08/03/2017

1. Approve and adjust targets and plans for 2017 (it increases compared with targets and plans approved by the Board of Directors at the first meeting of the Board of Directors in 2017).

2. Agree the plan to deal with the phenomenon of underground water level continue to rise at the slope of A Luoi hydropower plant.

Resolution no.: 03/2017/NQ-CHP-HDQT dated 19/04/2017

1. Agree the executive program of the Annual General Meeting of Shareholders in 2017.

2. The number of candidates for the Board of Directors by nomination and candidacy at the end of the time limit for receiving record of nomination and candidacy is still insufficient, so the Board of Directors agreed to nominate Mr. Nguyen Quang Quyen –member of the Board of Directors, term III (2015 - 2020) at the Annual General Meeting of Shareholders in 2017.

3. Approve the plan of selecting

3. Assign the Company's General Director to find the location to build headquarter to serve the production and business of the company in Da Nang.

4. Approve the salary fund to be implemented in 2016 of the Company

5. Organize the Annual General Meeting of Shareholders in 2017 and agree on the content submitted to the Annual General Meeting of Shareholders in 2017.

contractors to set up investment project for Cu Jut solar power plant project, DakNong province if Annual general meeting of shareholders in 2017 approves the project investment.

4. Approve the plan for selection of contractor, package no. 11/2017/XL-AL, construction of warehouse in Hong Ha, A Luoi Hydropower Plant.

5. Adjust the decision on approving the policy on investment in planning, embellishing and building a number of items at the management area of production of A Luoi Hydropower Plant.



CORPORATE GOVERNANCE REPORT



Resolution no.: 04/2017/NQ-CHP-HDQT dated 13/07/2017

1. Approve reports on results of production and business, construction investment in the first 6 months of 2017 and the plan for the last 6 months of 2017.
2. Agree to amend the operational regulations of the Central Hydropower Joint Stock Company's Board of Directors.
3. Approve the report on the preparation of investment in Cu Jut solar power plant project.
4. Approve the report on the lawsuit filed by Construction Joint Stock Company 47 on adjusting the price of the volume part, violation of contract progress.



Resolution no.: 05/2017/NQ-CHP-HDQT dated 19/10/2017

1. Approve reports on results of production and business, construction investment in the first 9 months of 2017 and the expected plan for the last 3 months of 2017.
2. The Board of Directors assigns the company to prepare a statement on adjustment of the development strategy of EVNCHP from 2015 to 2020 with vision 2030 and submit the Board for consideration and decision before submitting to the Annual General Meeting of Shareholders for approval.
3. For the preparation of investment in Cu Jut solar power plant project, the company has detailed reports on risks, opportunities, investment challenges and proposes

5. Agree and approve the plan of selection of contractors, packages for production - A Luoi Hydropower Plant.

6. Agree that the Company may prepare bidding documents, evaluate bids, negotiate EPC contract for Cu Jut solar power plant project and hire domestic or foreign experts to inspect.

7. Approve the implementation of the policy of Thua Thien Hue Province's People's Committee in supporting forestry land for affected households to implement A Luoi Hydropower Plant Project.

8. Agree and approve the supplement of operation expenditure plan in 2017.

solutions to submit to the Board.

4. About the capital plan for Cu Jut Solar Power Project:
 - 4.1. The Board of Directors agrees to elect Mr. Nguyen Quang Quyen – Member of the Board as member of Finance - risk management subcommittee to check the financial plan for the project.
 - 4.2. The Board of Directors assigns Finance - risk management subcommittee to check the capital plan for Cu Jut Solar Power Project and submits it to the Board.

5. The Board of Directors assigns the Company to prepare for the appeal proceedings of the Construction Joint Stock Company 47

6. Approve the report on the processes and results of lowering the ground water level on the side slope of A Luoi Hydropower Plant.

7. Agree the cost support plan to change the occupation for affected households due to land recovery for implementation of A Luoi Hydropower Project.

8. Agree and approve the plan of selection of contractors, packages for production and business in 2018.

9. Agree and approve the plan of selection of contractor, package no.: 01/2018/PTV-AL:

Insurance for A Luoi Hydropower Plant in 2018.

10. Agree and approve the plan of selection of contractor, package to set up the methods of detection and treatment of bomb, explosive materials and verify the basic design, Cu Jut solar power plant project.

11. The Board of Director assigns the Company to amend and supplement the Company's regulations, rules to comply with applicable regulations on management.



Resolution no.: 06/2017/NQ-CHP-HDQT dated 22/11/2017

Resolution on the treatment of underground water phenomenon on the main roof of A Luoi Hydropower Plant.



Resolution no.: 07/2017/NQ-CHP-HDQT dated 13/12/2017

1. Agree and approve the construction investment project - Cu Jut solar power plant, Dak Nong province.
2. Assign the Company to complete the plan of contractor selection of Cu Jut solar power plant project and submit to the Board of Directors for approval.
3. Agree to establish Project Management Unit of Cu Jut solar power plant project.
4. Agree and approve the capital plan of Cu Jut solar power plant project.

5. Agree the list of personnel participating in the bidding expert team for packages of the Cu Jut solar power plant project under the decision authority of the Board or Chairman of the Board.

6. Agree to amend the Operation Rules of the Central Hydropower Joint Stock Company's Board.

7. Agree with the policy of supporting damages for the affected cases in the storm no.: 12 in 2017 at the proposal of the district party committee and People's Committee of A Luoi district.



ACTIVITIES OF BOARD OF DIRECTORS

SUPERVISORY ACTIVITIES OF THE BOARD OF DIRECTORS FOR EXECUTIVE COMMITTEE

In 2017, the Board of Directors supervised the activities of General Director and the Board of General Directors in implementing the resolutions of the Annual General Meeting of Shareholders and resolutions of the Board of Directors:

The Board of Directors must closely coordinate with the Supervisory Board to understand the company's business situation so that there will be practical recommendations to support the General Director and the Board of General Directors to fulfill their responsibilities. The Board of Directors and Supervisory Board assess the feasibility of action plans and recommendations, thereby

recommending more practical measures when needed.

The Board of Directors issues resolutions after regular and required meetings to approve the quarterly business results. The Board of Directors, according to its authority, provides strategic guidance and reviews the market situation and overall economic situation to assist in reviewing business plans for the subsequent quarter. The Board of Directors regularly exchanges with General Director and Board of General Directors to oversee the implementation of the plan and adjustments as necessary to help achieve CHP's strategic goals.

ACTIVITIES EVALUATION OF GENERAL DIRECTOR AND BOARD OF GENERAL DIRECTORS

“The Board of Directors highly appreciates the leadership and management capabilities of General Director and members of the Company's board of directors. In 2017, the board of directors successfully completed its assigned tasks, ran the company effectively, saved costs, followed the law and was trusted by employees in the company. Have good relationship with partners as well as local authorities.”

Through the mechanism of periodical inspection, supervision and reporting on the business results, the daily operation of the Company and unexpected reports as required, the Board of Directors assessed that General Director and

Board of General Directors has exercised the rights and duties assigned in accordance with the current law, the Company's charter and resolutions of the Annual General Meeting of Shareholders.

ACTIVITIES OF MEMBERS OF INDEPENDENT BOARD OF DIRECTORS

At present, the structure of the Board of Directors of the CHP is 02 members of Independent Board of Directors to ensure the balance between executive and non-executive members, of which at least one third of the Board's members are independent members. Compliance with these rules helps the Board to make

decisions in an objective and independent way. Most non-executive members of the board of directors are members in subcommittee under the board of directors. Therefore, in addition to the general duties of the Board, these members also undertake the tasks assigned at their subcommittee.



Members of independent board of Directors of EVNCHP

ACTIVITIES EVALUATION OF THE BOARD OF DIRECTORS

With a sense of responsibility before the shareholders, workers in the Company and related parties. The Board of Directors has directed the Executive Committee of the Company in a close and timely manner to complete the business and production plans. In 2017, the Board of Directors amended and supplemented the Company's management regulations in accordance with the Enterprises Law, Securities Law, and took advantage of the best international practices on

management in line with the conditions of Vietnam. The results show that in the past year, the Board of Directors has operated in accordance with the laws, and bring the best possible effect to the Company. Perform well the contents under the authority of the Board of Directors on management, supervision, strategy, risk management, personnel, salary and bonus.

PLANS AND DIRECTIONS OF THE BOARD OF DIRECTORS.

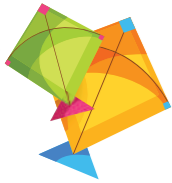
The Board of Directors maintains regular and extraordinary meetings in order to promptly direct and supervise the activities of the Board of Directors, ensuring that the Company's operations comply with the laws, the Charter and internal regulations of the company.

The Board of Directors will improve the efficiency and operation method in accordance with the new practice, ensure the good performance of the Board's functions, develop clear and transparent operating regulations to facilitate the management and operation. At the same time, strengthen supervision and management of the activities of the Board of General Directors, management staffs in the implementation of resolutions of

the Annual General Meeting of Shareholders/Board of Directors to ensure all effective activities of the Company.

Promote the development and raise the value of the Company on the basis of sustainable development through participation in the development of plans and strategic orientations for the Company's development in the 2017-2020 period.

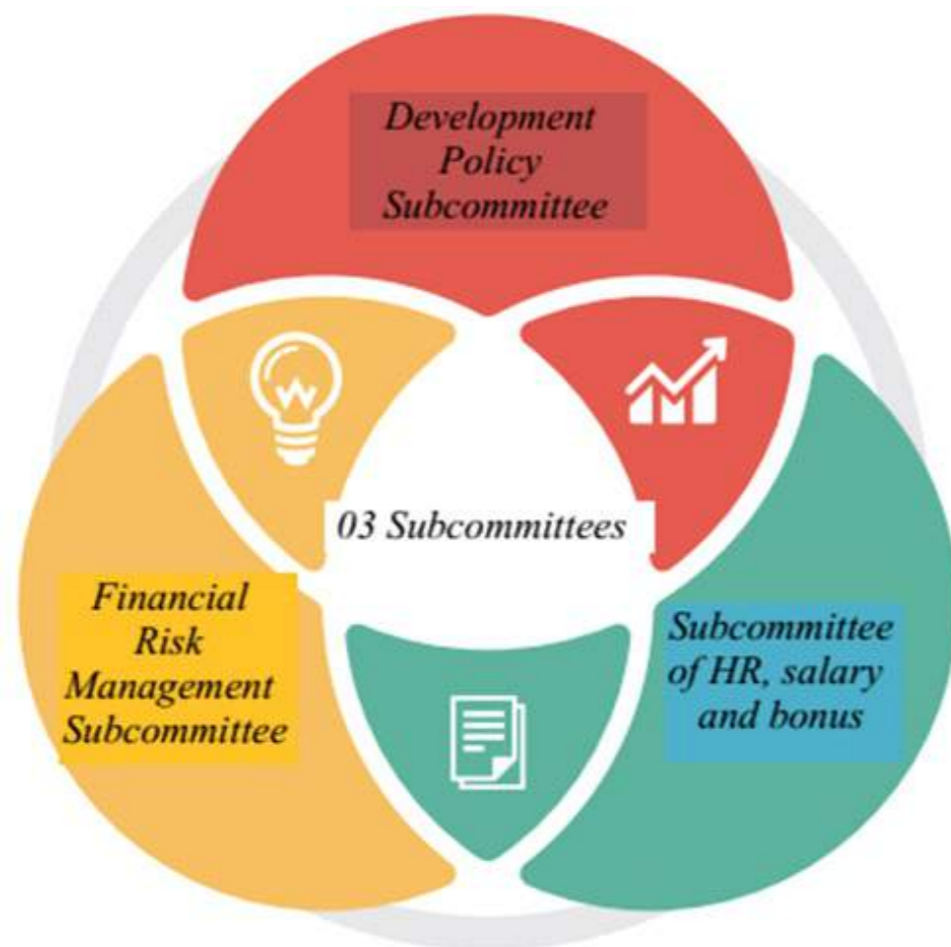
Enhance the corporate management as well as the responsibilities of risk management and control in financial management, accounting and auditing, corporate risk management by enhancing the capacity of sub-committees belonging to the Board of Directors.



ACTIVITIES OF SUB-COMMITTEES BELONGING TO BOARD OF DIRECTORS

Currently, members of the Board of Directors of the CHP ensures the balance between executive and non-executive members, of which at least one-third of the Board's members are independent members. Compliance with these rules helps the Board to make decisions in an objective and independent manner. Most non-executive members of the board of directors are members of sub-committees belonging to the Board. Therefore, in addition to the general duties of the Board, these members also undertake the tasks assigned at their sub-committee.

SUB-COMMITTEES BELONGING TO BOARD OF DIRECTORS



DEVELOPMENT POLICY SUBCOMMITTEE



Personnel structure as of 31/12/2017

1	Mr. PHAM SY HUNG	Member of the Board	Head of Subcommittee
2	Mr. HO QUOC VIET	Member of the Board	Member

Personnel changes during the year

Mr. Le Kim Hung did not take on the position of head of development policy subcommittee from 30/7/2016 according to retirement regime.

Exonerate Mr. Nguyen Danh Duyen – member of development policy member from 29/9/2016 because EVN HANOI has withdrawn the entire capital at the Central Hydropower Joint Stock Company.

Mr. Pham Sy Hung was appointed to replace Mr. Le Kim Hung by the Board from 01/08/2016 and was approved by the Annual General Meeting of Shareholders and held the position of Head of Development Policy Subcommittee since 20/04/2017.

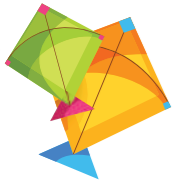
Tasks of the Development Policy Subcommittee

- Research and verify the short-term and long-term production and business development plans of the Company
- Define annual objectives and tasks based on the strategic objectives approved by the Annual General Meeting of Shareholders.
- Verify the investment and construction plans of the Company.

Activities of Development Policy Subcommittee in 2017

In 2017, the Development Policy Subcommittee held two meetings, carried out the functions and duties assigned by the Annual General Meeting of Shareholders, to study and verify the Company's business and production plan for 2017; investigate the investment and construction plans of the Cu Jut Solar power plant project in Dak Nong province.

The subcommittee has oversight activities for the implementation of the strategy for the period 2017-2020 of the General Director and Executive Board. Thereby, there are policy recommendations on sustainable development along with the key contents that need the Board of Director's to approve related to relevant parties, new project investment fields and orientation of sustainable development plan of the Company.



ACTIVITIES OF SUB-COMMITTEES BELONGING TO BOARD OF DIRECTORS (continued)



FINANCIAL RISK MANAGEMENT SUBCOMMITTEE

Personnel structure as of 31/12/2017

1	Mr. NGUYEN HUU TAM	Member of Independent Board of Directors	Head
2	Mr. NGUYEN HUU PHUONG	Member of Independent Board of Directors	Member

Personnel changes during the year: None

Tasks of the Financial Risk Management Subcommittee

- Study short-term and long-term financial strategies of the Company.
- Verify the annual budget and long-term plans of the Company.
- Propose types of shares to be issued and total number of shares issued by each type.
- Offer to issue convertible bonds and warrants that allow holders to buy shares at a predetermined price.
- Propose the offer price of bonds, shares and convertible securities in case authorized by the Annual General Meeting of Shareholders.
- Verify and propose the annual dividend rate and determine the advance dividend

Activities of the Financial Risk Management Subcommittee in 2017

In 2017, the Risk Management Subcommittee has conducted three meetings to review and evaluate the Company's management. In particular, the Risk Management Subcommittee has had direct discussions with the Board of Directors to discuss and guide the implementation of key risk management for the Company to improve the Company's performance before the risks, to ensure the completion of plan in 2017 approved by the Annual General Meeting of Shareholders



SUBCOMMITTEE OF HR, SALARY AND BONUS

Personnel structure as of 31/12/2017

1	Mr. NGUYEN HUU PHUONG	Member of Independent Board of Director	Head
2	Mr. NGUYEN QUANG QUYEN	Member of the Board	Member

Personnel changes during the year

From 20/04/2017, Mr. Nguyen Quang Quyen was agreed to elect additionally by the Board as member of Subcommittee of HR, Salary and Bonus

Tasks of the Subcommittee of HR, Salary and Bonus

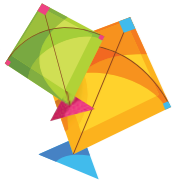
Verify and report to the Board about the appointment and exoneration of the General Director and managers of the company at the request of the executive General Director and decide their salary. The exoneration mentioned above must not be contrary to the contractual rights (if any).

Check the regimes, salary and bonus policies of the Company.

Activities of the Subcommittee of HR, Salary and Bonus in 2017

In 2017, the Subcommittee of HR, Salary and Bonus held four meetings with the main contents:

- Consider the proposal of Mr. Nguyen Quang Quyen to be a member of the Board of Directors for term 2015-2020;
- Check the company's management and salary distribution regulations;
- Submit to the Board of Directors to consider and make decisions on the work related to bonus program for management staffs in the long term associated with achieving and exceeding the business plan. At the same time, the Subcommittee also reviewed and evaluated the performance of the General Director, Executive Board in 2017 and proposed to commend the General Director, Executive Board based on the performance of 2017 for approval by the Board.



REPORT OF THE SUPERVISORY BOARD

Personnel structure as of 31/12/2017

In 2017, the Supervisory Board has no changes in personnel, including 3 members as follows:

No.	Member of the Board	Title	Start date as member of the Board	Number of meetings in 2017	Ratio
1.	Mr. TRINH QUANG VIET	Head of Supervisory Board	Appointed on 31/03/2016	2/2	100%
2.	Mr. NGUYEN VAN DANH	Member of Supervisory Board	Appointed on 31/03/2016	2/2	100%
3.	Mr. PHAM VIET THIEN	Member of the Board of Directors	Appointed on 31/03/2016	2/2	100%

ACTIVITIES OF SUPERVISORY BOARD IN 2017

In 2017, the Supervisory Board held two meetings with the full participation of members. The content of meetings is to review and evaluate the implementation of the Company's Resolution. Besides, in addition to the official meetings, the Supervisory Board regularly informs and exchanges with each other so that the members can supervise the operation of the Company;

The Supervisory Board has participated in all meetings to capture business status, investment status and gave comments, and made recommendations to the Board of Directors and Board of General Directors within the scope of its responsibilities and powers;

Inspect and supervise the implementation of the Annual General Meeting of Shareholders' resolutions, the Board of Directors' resolutions, the Charter of the Company and documents of the Board of Directors.

Monitor the implementation of the company's business and production plan in 2017.

Appraise the quarterly financial statement data, the 6-month financial statements, review the income statement, supervise the compliance with the accounting standards and the current financial accounting regime in the accounting work.

Control the compliance with regulations on disclosure of information of the Company in accordance with the law.



EVALUATION OF THE BOARD OF DIRECTOR'S PERFORMANCE

The Supervisory Board found that the Board of Directors had performed well their functions, duties and powers. Seriously implement the contents that approved by the Annual General Meeting of Shareholders in Resolution No. 01/2017/NQ-CHP-HDCD on 20/04/2017;

The Board of Directors held quarterly meetings in accordance with the law and the Charter of the Company, the Board's meetings has the number of members attending the meeting in accordance with the regulations and people work with their responsibility, the decisions are discussed in a democratic and straightforward manner and approved by members, the contents of meetings are recorded in minutes and fully archived at the Company;

The issues of the Board of Directors approved during the meeting were issued by resolutions and decisions. Resolutions and Decisions of the Board of Directors issued in the right order and power and in line with the legal basis in accordance with the laws and regulations of the Company;

The Board of Directors has guided and promptly directed the Board of Directors in implementing the resolutions of the Annual General Meeting of Shareholders and the business, production and investment activities of the Company; Thanks to the flexible and creative policies of the Board of Directors, the planned targets such as revenue, profits, dividends ... have been overfulfilled, this is a remarkable achievement of the Board of Directors.

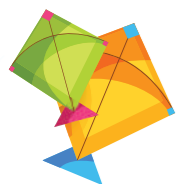


EVALUATION OF THE SUPERVISORY BOARD'S PERFORMANCE

The Board of Directors has focused and promoted all resources to fulfill successfully the business and production tasks assigned by the Annual General Meeting of Shareholders and the Board of Directors, at the same time, they have always complied with the laws and the general policies of the Company.

Weekly meetings between the Board of Directors and functional departments have been well implemented, it helped to detect promptly difficult issues and recommend effective solutions;

Through the inspection and supervision, the Supervisory Board evaluated that the management activities of the Board of Directors in 2017 has been implemented according to the scope of their responsibilities and powers and complied with the law and the Company's Charter, operating regulations of the Board of Directors; full implementation of the duties under the resolutions of the Board of Directors and resolutions of the Annual General Meeting of Shareholders in 2017.



ACTIVITIES OF THE SUPERVISORY BOARD

COORDINATION OF THE ACTIVITIES OF SUPERVISORY BOARD AND BOARD OF DIRECTORS, BOARD OF GENERAL DIRECTORS

In 2017, the Supervisory Board, the Board of Directors and the Board of General Directors have maintained close cooperation, regularly exchanged on the principle of mutual benefit of the Company, shareholders and strictly complied with the law, Company's Charter, internal regulations of the Company;
During the year, the Supervisory Board was invited by the Board of Directors,

Board of General Directors to attend all meetings and a number of other important meetings. The Board of Directors, Board of General Directors always create conditions for the Supervisory Board to fully perform its functions, tasks and powers;
All proposals and recommendations of the Supervisory Board are considered and directed the relevant units to strictly comply by the Board of Directors, Board of General Directors.

VERIFICATION OF FINANCIAL STATEMENTS IN 2017

The financial statements of the Company for the year 2017 are prepared in accordance with the existing Vietnamese Accounting Standards and Regimes and audited by AAC AUDITING AND ACCOUNTING COMPANY LIMITED which is approved by the State Securities Commission to audit for listed companies; After reviewing, the Supervisory Board completely agreed on the data in the audited financial statement of 2017. The

Supervisory Board determines that the financial data of the Company submitted to the Annual General Meeting of Shareholders is to show the truthfulness, clarity, reasonableness and fully reflect the current financial situation of the Company. The Supervisory Board has not found any serious problems in terms of key respects which may affect the fairness of the financial statements.

RESULTS OF SUPERVISION OF PRODUCTION AND BUSINESS ACTIVITIES AND CONSTRUCTION INVESTMENT

In 2017, the Company has had a successful year and achieved impressive results. In the end of 2017, the Company achieved 877 billion dong of sales, exceeding 134 percent of the plan (plan: 653 billion dong) and after tax profit of 410 billion dong, exceeding 185 percent of the plan (plan: 221 billion dong). At the same time, the operation of A Luoi hydropower plant has not been damaged to property and human safety;

About investment: In 2017, the company has actively implemented the steps to invest in solar power plants in Cu Jut district, Dak Nong province: application

for additional planning, investment license, approval of investment projects ... and it has achieved encouraging results; Through the supervision, the Supervisory Board assessed that the management and operation policy of business, production and investment activities in the past year of the Board of Directors, Board of General Directors has been done properly as well as the hard work of the company's staffs along with the support of the major shareholders, it helped Company accomplish the targets set since the beginning of the year.

SUPERVISORY RESULTS OF THE COMPANY'S FINANCIAL SITUATION

- The Supervisory Board assesses that the financial position of the Company in the fiscal year 2017 is effective and transparent, the details are as follows:
- Basic indicators of debt, loans, liquidity, efficiency of capital use are high.
- Result of the output of electricity production, revenue exceeded the plan, profit after tax achieved good growth.

A number of financial indicators as at 31/12/2017

No.	Items	Unit	In 2016	In 2017
1	Property structure			
	Long-term assets/Total assets	%	84.5	78.74
	Short-term assets/Total assets	%	15.5	21.26
2	Capital source structure			
	Liability/Total capital source	%	45.84	39.50
	Owner's Equity/Total capital source	%	54.15	60.50
	Liability/Owner's Equity	Time	0.85	0.65
3	Solvency			
	Quick solvency	Time	1.59	2.39
	Solvency of short-term debt	Time	1.62	2.42
4	Effectiveness			
	Profit after tax rate/Total assets	%	8.13	13.26
	Profit after tax rate/Owner's Equity	%	15.64	23.12

From above results, the Supervisory Board assesses that the financial position of the Company is very good, the Board of Directors has managed and balanced the cash flow effectively, ensured the capital adequacy, reasonable expenses in accordance with regulations, ensured the source of repayment of bank's loans and production activities, investment capital of shareholders is also preserved and developed.



ACTIVITIES OF THE SUPERVISORY BOARD (continued)

COST CONTROL

The Company strictly controlled production costs, management costs through the development and application of system of consumption norms, cost norms, strict implementation of payment issues, frequent propagation and mobilization of laborers to raise their sense of thrift practice and waste combat.

IMPLEMENTATION OF RESOLUTION OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS IN 2017

The Company has made full provision of funds including: Development Investment Fund, Charter Capital Supplementary Fund, Bonus and Benefit Fund, Bonus Fund of Executive Board in accordance with the data approved by the Annual General Meeting of Shareholders in 2017.

According to the resolution of the Annual General Meeting of Shareholders in 2017, the dividend payout ratio in 2016 is 16%, equivalent to 201.6 billion Vietnam dong. In 2016, the Company paid 197 billion Vietnam dong. The remaining dividends will continue to be paid in the future.

RECOMMENDATION FOR AUDITING UNIT SELECTION IN 2018

In recent years, AAC Auditing and Accounting Company Limited has audited the annual financial statements of the Central Hydropower Joint Stock Company. AAC Auditing and Accounting Company Limited has made suggestions and advice to help the finance and accounting works of the Company improve and comply with the current regulations of the State, contributing to the transparency of financial statements of the company, create the trust of investors and enhance the company's brand in the market. The Supervisory Board recognizes that this is a good performer of the audit work. From the above contents, the Supervisory Board would like to submit the Annual General Meeting of Shareholders 2018 to consider to appoint AAC Auditing and Accounting Company Limited as an auditing unit for the financial statement in 2017 of the Central Hydropower Joint Stock Company.

After being approved by the Annual General Meeting of Shareholders in 2018, the Company negotiates to sign the contract with the auditing unit. In case of failing to sign the contract with AAC Auditing and Accounting Company Limited, the Supervisory Board would like to submit to the Annual General Meeting of Shareholders to authorize the Board of Directors to actively select another auditor within the list of auditing companies announced by the State Securities Commission on the basis of meeting the requirements and ensuring benefits for the Company.



Members of Supervisory Board is reviewing the performance of EVNCHP in 2017

SUPERVISION AND INSPECTION PLAN IN 2018 OF THE SUPERVISORY BOARD

- Closely cooperate with Board of Directors and Board of General Directors in developing and implementing the Resolutions of the Annual General Meeting of Shareholders and the Board of Directors to ensure compliance with the law and the Company's Charter in order to meet the business objectives of the Company.
- Continue performing the tasks of inspecting and supervising the operation and business management according to the functions, tasks and provisions of law.
- Review and verify quarterly, semi-annual and annual financial statements.
- Strengthen close coordination among members of the Supervisory Board.
- Monitor the implementation of new investment projects.



SALARY, BONUS & REMUNERATION OF THE BOARD OF DIRECTORS – SUPERVISORY BOARD

In order to enhance the responsibility and ensure the interests of the members of the Board of Directors and the Supervisory Board in carrying out the functions and tasks entrusted by the Annual General Meeting of Shareholders, the Board of Directors shall submit the remuneration payment plan and the operating expenses of the Board of Directors and the Supervisory Board (including the salary paid for the position of the Head of the Supervisory Board) in 2017, specifically as follows:

- Operating expenses, remuneration of the Board of Directors, salary & remuneration of the Supervisory Board in 2017 is 4.1 billion Vietnam dong (equivalent to 1% of profit before corporate income tax)
- The specific payment levels shall be decided by the Board of Directors based on the annual operation plan and the level of fulfillment of each member's tasks. Remuneration of each member of the Board of Directors & Supervisory Board will be reported at the next Annual General Meeting.

Name of Members	Title	Remuneration	Remarks
BOARD OF DIRECTORS			
Pham Ngoc Le	Chairman of the Board	180,000,000	
Truong Cong Gioi	Member of the Board – General Director	120,000,000	
Pham Sy Hung	Member of the Board	120,000,000	Appointed on 01/8/2016
Ho Quoc Viet	Member of the Board	120,000,000	
Nguyen Quang Quyen	Member of the Board	80,000,000	Appointed on 20/04/2017
Nguyen Huu Tam	Member of the Independent Board of Directors	120,000,000	
Nguyen Huu Phuong	Member of the Independent Board of Directors	120,000,000	
SUPERVISORY BOARD			
Trinh Quang Viet	Head of Full-time Supervisory Board	429,780,000	Working full time at the company
Nguyen Van Danh	Member of Supervisory Board	72,000,000	
Pham Viet Thien	Member of Supervisory Board	72,000,000	
Total:		1,433,780,000	

“ISO 9001: 2015 standard was born on time, it meets the tremendous changes in technology, business diversification and global trade. Acceptance by EVNCHP is a sound strategic decision that improves performance and improves quality”

RISK MANAGEMENT ACTIVITIES

No.	Name of risk	Description	Control measures
1	Risk of strategy implementation plan	Develop short -term strategies that are not in line with the long-term strategic orientation (2015-2020) approved by the Annual General Meeting of Shareholders.	The Board of Directors, the Risk Management Subcommittee and the Supervisory Board regularly inspect EVNCHP's short -term business plans for the year so that solutions can be implemented in line with the Company's orientation.
2	Environmental risk	The project affects the flora, wildlife, natural forest area , etc.	EVNCHP strictly prohibits deforestation, wildlife hunting, fishing by electricity and chemicals around A Luoi reservoir area, develops a plan for alternative reforestation and raise the small fish annually.
3	Weather risk	Long drought, rainfall decreases in the rainy season, it makes the volume of water in the reservoir is lower than the design capacity, greatly affects the power output of the factory.	Frequently measure, monitor water flow in the lake. From there, it is possible to make a reasonable offer plan on the electricity market in order to make the most of the water source.
4	Risk of alternative energy sources	The demand for alternative energy sources such as wind power or solar power is increasing.	Because of the high production costs, these new sources of energy have not yet threatened the existence of hydropower plants. The company is researching to invest in renewable energy projects in line with the general development direction of the industry.
5	Risk of exclusive power distribution	The decision of changing the price range from EVN will also affect the company's production and turnover.	Train to develop human resources and build the infrastructure to enter the competitive wholesale market, scheduled for 2019



RISK MANAGEMENT REPORT (continued)

6	Social risk	<ul style="list-style-type: none">- Investment in the project affected migration and resettlement for local people.- Fire, labor safety.- Dam safety, affecting the downstream area	<ul style="list-style-type: none">- Develop compensation and investment plans for resettlement sites, rehabilitate livelihoods for local people.- Develop labor safety procedures, fire prevention.- Develop Vietnam standards for construction of hydrological works, regularly monitor dam safety.
7	Human risk	Not arrange key personnel, important position in the company during the certain period	Develop orientations for training and develop the inherited human resources
8	Risk of VTTB supply	Interruption risk which is not enough VTTB for large maintenance process...	Inventory management, plan to buy VTTB in a reasonable way and save.
9	Operational risk	Operation of equipment in case of breakdown and malfunction, etc.	Develop technical management measures such as the maintenance and repairing plan of equipment, preparing spare parts to ensure the continuous and uninterrupted work.
10	Financial risk	<ul style="list-style-type: none">- The effect of fluctuations in interest rates on short-term deposits and signed loans	Regularly analyze the competition in the market to make decisions on interest rates that are beneficial to the Company's purpose but at the same time control risk at acceptable levels.
11	Exchange rate risk	Exchange rate fluctuations affect the cost of purchasing imported materials thereby increasing EVNCHP's operating costs	The company purchased raw materials from domestic suppliers to serve the production and business activities, so the exchange rate risk did not significantly affect EVNCHP.
12	Legal risk	The legal system of our country has many overlapping, inadequate and unclear regulations.	Regularly monitor and update new laws, comply with the regulations and policies of the State.
13	Other risks	Unforeseen risks such as earthquakes, fires, wars, epidemics ... affect the operation of the Company.	The company has purchased the material insurances for the A Luoi plant and projects which is preparing to deploy.

“The success of an organization, largely depends on taking risks and how to manage risk effectively.”

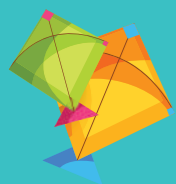
KẾ HOẠCH QUẢN TRỊ RỦI RO



Năm 2018, mục tiêu lớn nhất là xây dựng hệ thống quản lý rủi ro hiệu quả cùng với hệ thống quản lý chất lượng của Công ty phù hợp với tiêu chuẩn ISO 9001:2015. Qua đó có thể hoạch định được các hành động giải quyết rủi ro tại các cấp, bộ phận

chức năng và các quá trình cần thiết của hệ thống quản lý chất lượng. Tiếp tục xây dựng các chỉ số cảnh báo rủi ro, giám sát liên tục để đảm bảo phát hiện các rủi ro kịp thời, từ đó đưa ra các biện pháp xử lý hiệu quả.





REFORMATION, APPLICATION OF GOOD PRACTICES IN CORPORATE MANAGEMENT IN 2017

MANAGEMENT PRINCIPLES AT EVNCHP

In order to evaluate and improve the legal framework in corporate management. In 2017, policy of the Board of Directors adopted on applying the good corporate management practices, EVNCHP has attempted to follow and apply according to the guidelines of the OECD's Corporate management principles, contributing to ensuring the benefits to shareholders

and stakeholders. In 2017, the Company amended and supplemented its Charter to comply with the provisions of Corporate Law in 2014 and Decree no.: 71/2017/ND-CP with effective date from 01 August 2017 and will be submitted to the Annual General Meeting of Shareholders for approval at its annual meeting in 2018.

ENSURE THE PROPER MANAGEMENT STRUCTURE

ASSOCIATED WITH EFFECTIVE PERFORMANCE OF THE BOARD & SUPERVISORY BOARD

ENSURE BENEFITS OF SHAREHOLDERS AND STAKEHOLDERS

ENSURE EQUAL TREATMENT BETWEEN SHAREHOLDERS

PUBLISH CLEARLY THE EVNCHP'S ACTIVITIES

01

02

03

04

05

01-02

ENSURE THE PROPER MANAGEMENT STRUCTURE

ASSOCIATED WITH EFFECTIVE PERFORMANCE OF THE BOARD & SUPERVISORY BOARD

Recognize the importance of corporate management, in 2017 EVNCHP amended the BOD's operating regulations, which clearly stated the regime of assignment, decentralization of responsibilities and working procedures of the BOD to implement powers and responsibilities of the Board as stipulated in the Corporate Law. All contents are announced to the shareholders and investors through the Company's website <http://chp.vn/quan-he-co-dong>

The role of Chairman of the Board and General Director is clearly separated, at EVNCHP, Chairman of the Board does not participate in the Board of General Directors of the company. The functions and duties of the Board are clearly separated from the Executive Board of EVNCHP, in which the Board issues decisions, plans and strategies and delegates to the Executive Board to execute and control the activities of the Leadership in accordance with the direction of the Board.

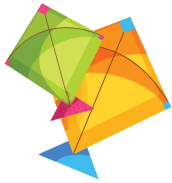
EVNCHP currently has seven members of the Board of Directors (guaranteed by Clause 1 of Article 150 of the Corporate Law in 2014) and holds no more than five positions at the same time at other listed companies. One of them is a member of the Board who participates in running the Company and holds the position of General Director. EVNCHP ensures two members of independent board of director (non-executive) in accordance with good regulation and practice on numbers and percentage of member of independent board

of directors. Members of independent board of directors work in a responsible and transparent manner, regularly provide independent and objective assessments as well as constructive feedback that will help EVNCHP create new opportunities in production and investment in new projects.

EVNCHP has set up three subcommittees to support activities for the Board, including: the Development Policy Subcommittee, Subcommittee of HR, salary and bonus and the Financial risk management subcommittee (*activities of the subcommittees shall be expressed in details at Management Report at page 107*)

The Supervisory Board of EVNCHP includes 03 members approved by the Annual General Meeting of Shareholders in 2016. One of them is the head of the Supervisory Board, who is responsible for evaluating and supervising activities of the Board of Directors and EVNCHP's Executive Board, ensuring that the Company's operations are transparent and clear for the benefit of shareholders as well as stakeholders (*activities of the Supervisory Board are described in detail on page 113*)

In 2017, EVNCHP has issued a risk management process, which is the basis for the Board of Directors and the Executive Board to give management activities and properly implement decisions to ensure optimal benefits for shareholders and stakeholders.



REFORMATION, APPLICATION OF GOOD PRACTICES IN CORPORATE MANAGEMENT IN 2017 (Cont.)

03. ENSURE BENEFITS OF SHAREHOLDERS AND STAKEHOLDERS

At EVNCHP, the rights of shareholders are specified in Article 12 of the Company Charter. These rights include the right to vote on the appointment, dismissal or removal of members of the Board of Directors, the right to approve the amendment, supplementation of the company charter and the change of charter capital, approve the annual financial

statements and access to company's information, company's activities. And most importantly, the right to distribute part of the company's profits through dividends received annually. EVNCHP has officially generated electricity in June 2012, resulting in revenue, profit and dividend payment for shareholders:

No.	Year	Percentage	Remarks
1	2013	8%	Cash
2	2014	14%	9% in cash and 5% in shares
3	2015	16%	Cash
4	2016	16%	Cash
5	2017	26%	It is expected that it has 16% in cash and 10% in shares

At the Annual General Meeting of Shareholders in 2017, the dividend rate in 2016 of 16%/par value has been passed (1,600/par value) with the total amount of 201.5 billion VND. The closing date is 25/05/2017, payment date is 01/06/2017.

In 2018, the Board of Directors will submit to the Annual General Meeting of Shareholders the dividend rate in 2017 for approval and the expected rate is 26%, of which 16% in cash and 10% in shares, equivalent to total amount of 327.6 billion VND. EVNCHP has advanced cash dividend of 10%/par value in 2017: closing date: 30/01/2018; payment date:

08/02/2018. EVNCHP will continue to pay the rest to shareholders as soon as approved by the Annual General Meeting of Shareholders in 2018.

On 20 April 2007, Central Hydropower Joint Stock Company held the Annual General Meeting of Shareholders in accordance with the law to ensure maximum rights and interests for shareholders. The invitation letter is sent to all shareholders through post office in the form of registered mail and according to the list of shareholders provided by the Vietnam Securities Depository (VSD) according to the key date on 27/3/2017.



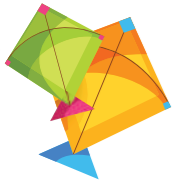
+ All documents of the Annual General Meeting of Shareholders are posted on the website of EVNCHP:

<http://chp.vn/quan-he-co-dong>

+ Contents of Meeting Minutes, minutes of counting of votes, resolution of the Annual General Meeting of Shareholders 2016 was announced to the Stock Exchange of Ho Chi Minh City, State Securities Commission and posted on the website of EVNCHP:

<http://chp.vn/quan-he-co-dong> after 24 hours (24) from ending the Meeting.

+ Shareholders vote on the issues at the Meeting by "voting card" according to each voting (agree/disagree/no opinion). The content of the resolution is approved by the Annual General Meeting of Shareholders as follows: please see the address



REFORMATION, APPLICATION OF GOOD PRACTICES IN CORPORATE MANAGEMENT IN 2017 (Cont.)

04. ENSURE EQUAL TREATMENT BETWEEN SHAREHOLDERS

In order to ensure fair and equitable treatment among shareholders, the charter of operation of the company must be approved by 65% of the shareholders attending the meeting and must comply with the provisions of Corporate Law, Securities Law and other regulations of the State. EVNCHP has developed corporate management regulations that are in line with corporate management regulations applicable to public companies and are committed to compliance with these regulations as well as those in the corporate management framework.

Company Charter, Corporate Management Regulation, Annual Report, quarterly, semiannual and annual financial statements, disclosure of information in accordance with Circular no.: 155/TT-BTC published by EVNCHP on means of: the State Securities Commission, Ho Chi Minh City Stock Exchange and EVNCHP's website to help all shareholders receive the information quickly, accurately and timely in accordance with the regulations.

According to the EVNCHP's Regulations and Procedures for Disclosure of Information, insiders and related persons, when conducting stock transactions, must disclose information to avoid the use of internal information to buy/sell securities as follows:

- At least 3 business days prior to the transaction date, insiders and related persons must make transaction announcement and information disclosure.
- After completing the transaction, within 3

working days, insiders and related persons must make transaction report and disclose information.

In 2017, insiders and related persons conduct the transaction of CHP shares as follows: *Please see Management Report on page 94*

EVNCHP encourages shareholders to nominate and elect members of the Board of Directors, to propose matters for inclusion in the agenda and to communicate directly with the company in order to improve the quality of corporate management (Article 12 of the Company Charter).

Under the Corporate Management Regulations and the Company Charter, there is a clear regulation on "Responsibility to be honest and avoid conflicts of interest of members of the Board of Directors, Supervisory Board, Board of General Directors, Managers of the Company " in Article 41 of the Charter of Central Hydropower Joint Stock Company and Article 29 of the Regulations on Corporate Management as follows:

"Members of the Board of Directors, members of the Supervisory Board, General Director and managers are obliged to notify the Board of Directors all interests that may conflict with the interests of EVNCHP that they may be entitled to receive through economic entities, transactions or other individuals. The above persons must not use the information that is not allowed to publish by the Company or disclose to other persons to carry out related transactions.



05. PUBLISH CLEARLY THE EVNCHP'S ACTIVITIES

In 2017, EVNCHP provided full and accurate information on strategy, business operation of the company, complied with regulations on disclosure of information, ensured the timely disclosure of information according to regulations to contribute to bring a transparent image in the eyes of investors, shareholders and other stakeholders:

Information on the monthly, quarterly electricity output and other activities of the Company is updated continuously on the website: www.chp.vn

- Publish the quarterly financial statements, management reports, other

information in accordance with regulations of the State Securities Commission and the Ho Chi Minh City Stock Exchange.

- Annual Report is in Top 30 of Best Annual Report for 2017: Provide full and detailed information on the company's business and development strategies, shareholder information, ownership structure. Provide shareholders with activities related to environmental and social works as well as training strategy for human resource development of EVNCHP in the following years.

SUSTAINABLE DEVELOPMENT REPORT 2017

“SUSTAINABLE DEVELOPMENT IS A PROCESS THAT REQUIRES CONSTANT AND CONTINUOUS EFFORT IN MANY WAYS. THIS REPORT REFERS ONLY THE ISSUES MOST CONCERNED ABOUT BY STAKEHOLDERS, THE KEY AREAS OF THE ECONOMIC, ENVIRONMENTAL AND SOCIAL CATEGORIES, ETC.”

Sustainable development has become a global trend and this is also an important strategic goal that Vietnam is pursuing. To implement the objective of sustainable development and implementation of international commitments, the Government of Vietnam has issued a strategic orientation for sustainable development in the period of 2011 - 2020 in accordance with Decision no.: 432/QĐ-TTg dated 12/04/2012. By September 2012, the Government has approved the "National Strategy for Green Growth" affirming the vision, strategic goals and comprehensive definition of tasks to be undertaken in all relevant areas. For the Central Hydropower Joint Stock Company, besides the production and business tasks, the company focuses on developing all aspects of the company in a sustainable manner, step by step training and developing human resources, building corporate culture, implementing regulations on environmental protection and developing the investment in renewable energy resources.



HUMAN RESOURCE DEVELOPMENT

Central Hydropower Joint Stock Company stated that "Human resource development" is not a one-year topic, but a process with specific objectives for: arranging and rearranging labor, building a model of scientific labor organization; building policies on reasonable remuneration, paying salary based on labor productivity, creating a friendly and creative working environment, attracting and retaining talented people and high-quality human resources.



Structure of human resources by sex and age

Sex and age	In 2015		In 2016		In 2017		2017/2015		2017/2016	
	Qty (person)	Structure (%)	Qty (person)	Structure (%)	Qty (person)	Structure (%)	Increase/Decrease	Percentage (%)	Increase/Decrease	Percentage (%)
Total	118	100	117	100	117	100	-1	-0.8	0	0.0
Sex										
Male	104	88.89	104	88.89	104	88.89	0	0.0	0	0.0
Female	13	11.11	13	11.11	13	11.11	0	0.0	0	0.0
Age										
<=30	28	23.93	17	23.93	13	23.93	-15	-53.6	-4	-23.5
31 - 40	65	54.7	74	54.7	76	54.7	11	16.9	2	2.7
41 - 50	19	16.24	20	16.24	20	16.24	1	5.3	0	0.0

“EVNCHP WELL IMPLEMENTS THE DEMOCRATIC REGULATION WITH THE AIM OF ESTABLISHING A HARMONIOUS AND STABLE RELATIONSHIP BETWEEN MANAGERS AND WORKERS.”



COLLECTIVE LABOR AGREEMENT

All employees working in the company are signed a labor contract. Depending on the job and employee, there will be a labor contract with indefinite term or definite term. All employees who have signed an official labor contract are entitled to join the collective labor agreement and join the union. In EVNCHP, democratic regulations, collective labor agreements are well implemented in accordance with regulations and are signed annually at laborers' conferences. All rights of women are guaranteed equal, democratic and fair. The company applies the following regulations to female employees of the company: Fully implement the maternity leave and child raising regime in accordance with the labor law; ensure maternal health and have enough laborer so that when the pregnant woman is not healthy enough, the company can arrange suitable work, monthly antenatal examination; Women who raise child under 12 months of age may come late or go home from work early about 30 minutes, in addition to the annual health check, women can be tested and advised related to women diseases to prevent diseases effectively.

Structure of human resources by level

Level	In 2015		In 2016		In 2017		2017/2015		2017/2016	
	Qty (person)	Percentage (%)	Qty (person)	Percentage (%)	Qty (person)	Percentage (%)	Increase/Decrease	Percentage (%)	Increase/Decrease	Percentage (%)
Postgraduate	7	5.9	8	6.8	8	6.8	1	14.3	0	0.0
University	74	62.7	72	61.5	73	62.4	-1	1.4	1	1.4
College, Technical staffs	28	23.7	28	23.9	27	23.1	-1	3.6	-1	-3.6
Intermediate, Elementary	9	7.6	9	7.7	9	7.7	0	0.0	0	0.0
Total	118	100	117	100	117	100	-1	0.8	0	0.0

HUMAN RESOURCE DEVELOPMENT (CONTINUED)

DIALOG WITH EMPLOYEES



Employees' recommendations and opinions are recorded and answered in the meetings of relevant departments.

All employees are treated equally and enjoy adequate protection of the Company against all discrimination in employment or occupation. EVNCHP guarantees that all employees work under labor contracts in accordance with the laws of Vietnam, no child labor and forced labor in any form.

In order to do that, there should be a working environment that nurtures and promotes the solidarity and development of all employees, where codes of conduct, professional training policies, professional ethics and cultural characteristics of EVNCHP will be the foundations.

ACTIVITIES TO ENSURE EMPLOYEE BENEFITS

We commit to the provision of a professional and dynamic working environment, modern equipment and favorable conditions to all employees to maximize their creativity and breakthroughs to serve the common goal of the Company.

Criteria	2017	2016
Salary	49.175.988.720	40.482.115.562
Social insurance, Health insurance, Trade union dues, and Unemployment insurance	3.676.483.628	3.363.432.194

The salary and insurance amounts have increased over the years, demonstrating EVNCHP's commitment to ensuring maximum benefits for employees.



EVNCHP's after-tax profit has grown steadily over the years, helping to secure benefits for employees on salary, performance allowances and other welfare benefits which facilitate employees to put all their mind to their work and be loyal with the Company, contributing to the sustainable development of EVNCHP.

EMPLOYEE BENEFITS



With favorable business performance in 2016-2017, the Company has increased averagely 12% of employee's income for all employees. In addition to the monthly income, the Company also attaches importance to the extraordinary rewards to individuals and groups with outstanding achievements to encourage and excite them to work. The welfare policy is fully committed by the Company. Annually, the Company organizes leisured tours for all employees, performs the periodic health care policy at a reputable and quality hospital and offers additional income support for pregnancy and illness and gifts on holidays. At the same time, EVNCHP also has its trade union, youth union and Party organization that are

ready to assist employees when necessary. All employees working for the Company are under labor contracts. Depending on types of work and employees, the labor contract will be an indefinite-term or a fixed-term labor contract. Policies for employees are implemented in compliance with the Labor Code and other State regulations. The Company's working hours are 08 hours per day. The employer commits to the provisions of rewards and incentives and create a safe, comfortable and beneficial working environment for employees. Employees, on the other hand, shall comply with the Company's working regulations, internal rules and collective labor agreement.

HUMAN RESOURCE DEVELOPMENT (CONTINUED)

2. SALARY POLICY

The Company's salary policy is built in line with the industry. The salary distribution to employees is based on the principles: to ensure that employees receive full benefits as stipulated by the State and to pay per performance, duties, nature of the work, level of technical expertise, seniority and contribution to the accomplishment of the objectives and

missions of the Company. Salary is pay per performance and position. Attach the salary distribution to the reasonable management and use of labor in departments on the basis of existing human resource management to organize production and business to the highest efficiency.



3. REWARDS

To motivate and encourage employees in the Company to be active in their work, promote initiatives and improve techniques and work efficiency, the Company offers extraordinary commendation to collectives and individuals who have successfully completed their assigned work or have technical/ management improving

initiatives that bring practical effects to the overall performance of the Company. At the end of each financial year, based on the business income, the Company develops a bonus policy based on the level of accomplishment of individual targets in the monthly evaluation. This bonus will be specified in details and fair for each level of employees.

4. HEALTH CARE AND SAFETY FOR EMPLOYEES

“ANNUALLY, ALONG WITH THE PRODUCTION PLAN, THE COMPANY DEVELOPS A LABOR PROTECTION PLAN WITH MEASURES TO ENSURE LABOR SAFETY AND HEALTH FOR EMPLOYEES.”

HEALTH CARE

EVNCHP employees are entitled to the following benefits packages: annual health check, accident insurance, and health insurance. The Company's health care program has been strengthened over the years; in addition to the health insurance policy in accordance with the Labor Code, HSC also ensures that all employees receive annual health checks at reputable hospitals.



EVNCHP organized the 2017 Annual Electrical Safety and Fire Fighting Contest

FIRE SAFETY

- + Develop and issue regulations on fire prevention and fighting, install adequate number of signboards and instructions in all positions. Inspect and commission fire pumps and inspect fire extinguishers periodically with monthly inspection records and make proposals if necessary.
- + Provide spare fire pumps, improve fire hoses and equip fire extinguishers for warehouses and inspect the fire safety.
- + Train the on-site fire fighting unit, educate employees on fire prevention and fighting, instruct everyone to use the fire extinguishers of all kinds placed at the fire-extinguishing places and develop maps of escape plans and emergency exits in case of incidents.

HUMAN RESOURCE DEVELOPMENT (CONTINUED)

MEASURES TO PREVENT OCCUPATIONAL ACCIDENTS AND DISEASES IMPLEMENTED IN 2017

In the past year, the Company did not suffer any occupational accident or disease

Statistical results for 2017	Unit	Year 2017
Occupational accidents:		
Total number of occupational accidents	case	None
Total number of occupational accident victims	person	None
Occupational diseases		
Total number of persons suffering from occupational diseases as of 31 Dec 2017		None

MEASURES TO PREVENT OCCUPATIONAL ACCIDENTS OF EVNCHP



Huynh Mai (Chief Accountant) presented gifts to employees who are in hardship



General Director presented flowers and gifts to employees for their birthday

Shield and alert hazardous areas, ventilate work areas with high temperature, fully illuminate work areas, give prior to the use of natural light, inspect, repair and maintain machinery and equipment strictly in accordance with the recommendations of the manufacturer and the Company's plans.

Organize periodical health checks and occupational health exams for early detection and timely treatment.

Fulfill the material support to employees working in hazardous and toxic working conditions.

Arrange medicine cabinets and specialized medical staff at work areas to provide the best possible health care for employees.

PERSONAL PROTECTIVE EQUIPMENT



EVNCHP always provides full labor protection equipment for employees, keep track by monthly records, organize cross-check among departments, and report in details to related levels to raise the awareness of safety in the whole Company. Depending on the working position and duties, employees are provided with appropriate personal protective equipment to help them minimize the risks caused by working conditions and environment such as heat, noise, dust, toxic gases and other hazardous working

MEASURES FOR PROPAGATION AND TRAINING



EVNCHP organized the 2017 Occupational Safety and Health Officer Contest

- Invite the functional units to train, exchange and talk about occupational safety and health.
- Organize internal training courses on safety for employees, especially factory workers.
- Organize basic first aid training for the first aid team of the Company. Print and post posters and banners to propagandize about occupational safety and health

ORGANIZING WORK FOR SAFETY



- Organize the Company's occupational safety and health officer network efficiently.
- Excise reasonable work and rest time. Determine the working time and follow the rules on working shifts at the factory.

HUMAN RESOURCE DEVELOPMENT (CONTINUED)

5. IMPROVING TRAINING CAPACITY

IN 2017, EVNCHP CONTINUED TO PROMOTE THE TRAINING AND DEVELOPMENT OF HUMAN RESOURCES

A summary report on training

No.	Criteria	Year 2015		Year 2016		Year 2017	
		Planned	Completed	Planned	Completed	Planned	Completed
1	Training attendees	204	218	340	381	223	501
2	Training cost (thousand VND)	513,364	350,320	603,988	868,252	878,291	582,571
3	Ratio (%) of actual attendees to expected attendees		107%		89%		225%
4	Ratio (%) of actual training cost to expected training cost		68%		144%		66%

In light of EVNCHP's 2017 theme of “Human resource quality improvement”, EVNCHP continued to implement the urgent contents to ensure the labor force quality, increase labor productivity and ensure the production and business efficiency of the Company. Specifically, the Company will regularly implement the arrangement of labor, simplify the organizational structure, create professional working environment, assign work specifically without overlap and matching employee's trained skills for them to be dynamic and make the most of themselves, and carry out the training and retraining plans for these employees to have sufficient skills in the assigned tasks. The Company sent its employees to attend professional training courses such as

Occupational safety training course, new tax policy training course organized by Da Nang Department of Taxation, training on internal Trade union accounting, Workshop on the dissemination of Decree No. 71/2017/ND-CP on corporate governance applicable to public companies, etc. In addition, EVNCHP also creates favorable conditions for employees to attend professional training courses. In 2017, there were more than 500 attendees in professional skill and practice training courses. The total cost of training courses in 2017 was over VND 582 million

Summary of training cost for 2017

No.	Training courses	Person	Cost	Amount	Notes
I	Long-term training			135,571,200	
	Second degree - Electricity	4	10,500,000	42,000,000	
	Professional level test	14	6,201,600	86,822,400	8% of the basic salary
	Training for chief operator	1	6,748,800	6,748,800	
II	Short-term training			342,000,001	
	Training to update the new ISO tasks	Entire Company	40,000,000	40,000,000	
	Procurement training	5	2,000,000	10,000,000	
	Advanced English conversation training	Company leadership	60,000,000	60,000,000	
	Training on Investment Management in Construction (update of new regulations of the law)	11	1,500,000	16,500,000	
	Training for Director of Human Resources	1	12,500,000	12,500,000	
	Training on Labor Code	3	1,500,000	4,500,000	
	Training on salary	1	1,500,001	1,500,001	
	Advanced welding skill training	Workers and mechanical engineers in repair workshop	20,000,000	20,000,000	
	Training on the Schneider's SCADA control system for the repair workshop	Repair workshop	20,000,000	20,000,000	
	Training on automated administration system - Linux system	Repair and operation workshops	20,000,000	20,000,000	
	Advanced production management training	2	1,500,000	3,000,000	
	Occupational health and safety training for employees working in the Factory	Factory	9,000,000	9,000,000	
	Advanced training in electricity trading	Electricity Market	20,000,000	20,000,000	
	Corporate Culture Training	Entire Company	40,000,000	40,000,000	
	Corporate Risk Management	Company leadership and department managers	35,000,000	35,000,000	
	Other professional training	Entire Company	20,000,000	20,000,000	
	Cost of materials for training		10,000,000	10,000,000	
III	Training by visits to other units to gain experiences			105,000,000	
	Visits to units in the Electricity industry on professional work (Major repair budgeting and management)	15	7,000,000	105,000,000	Expected: 03 visits, 05 persons/ visit
	Total			582,571,201	

“ FOCUS ON HUMAN RESOURCES DEVELOPMENT - AN IMPORTANT STRATEGY IN THE DEVELOPMENT OF EVNCHP IN 2018. ”

SOME SOLUTIONS TO IMPROVE HUMAN RESOURCES IN 2018

1. Enhancing the management staff quality management staff; continuously improving the organizational structure and efficiency of EVNCHP; innovating the recruitment and labor input quality, etc.
2. Renovating the personnel work, especially in the staff appointment; raising leadership's and employees' awareness of investment in human resource development; intensifying the inspection and evaluation of the quality of investment in human resource development; strengthening and supplementing the Company's trainer team.
3. Focusing on human resource training and development to equip sufficient knowledge and skills for the leadership; training specialized technical knowledge necessary for the Company's production and business activities; detecting and developing policy promptly to encourage talented and moral individuals.
4. Developing long-term human resource training and development plans for 3-5 years.
5. Developing the professional standards for each position in the Company for logical ways of work, applying information technology and advanced experience to organize the work in the most effective and time-saving way and ensure the best human health in the work process.
6. Developing a new system of labor norms as a basis for identifying the labor demand in replacement of the old norms which are no longer appropriate for the current situation of the Company; arranging and redistributing the human resources in a rational and effective manner



ENVIRONMENTAL PROTECTION ACTIVITIES



“ BESIDES ECONOMIC DEVELOPMENT ORIENTATION,
EFFECTIVE BUSINESS SOLUTIONS, AND IMPROVEMENT
OF PRODUCTION CAPACITY, EVNCHP IS ALWAYS AWARE
OF THE IMPORTANCE OF ENVIRONMENTAL
PROTECTION, SUSTAINABLE DEVELOPMENT AS WELL AS
THE REALIZATION OF ITS GREEN DEVELOPMENT
STRATEGY. ”



COMPLIANCE WITH ENVIRONMENTAL REGULATIONS

The Company always strictly observes the provisions of the law on environmental protection and its commitments to the environmental protection. EVNCHP was highly appreciated by the environmental protection agencies in the inspection of environmental protection at the Company in 2017.

In 2017, the Company was not penalized for failure to comply with laws and regulations on environment.

The total amount of money fined due to non-compliance with laws and regulations on environment: VND 0.

ENVIRONMENTAL PROTECTION ACTIVITIES IN 2017

POLLUTION PREVENTION ACTIVITIES



EVNCHP deposited fish seeds to A Luoi reservoir

EVNCHP implemented strict environmental control in 2017: The Company has contracted with the competent consultants to survey the reservoir's surface water and aquatic systems (every 3 months) for control and preventive actions and development of measures to minimize any adverse change in water quality that harms the environment in the hydropower reservoir basin. At the same time, the working environment observation was also implemented for noise, vibration and electromagnetic field in A Luoi hydropower plant area for control and development of mitigation measures to protect the employees' health.

The Company performed the observation and reported to the provincial Department of Natural Resources and Environment in accordance with the regulations. The Company reported on fishes in the reservoir and rivers by species and number of individuals (each 3 year) to Thua Thien Hue province Department of Natural Resources and Environment.

Maintaining environmental flow: The Company adheres to the regulations specified in the Surface Water Use License to maintain the environmental flow at the downstream of the dam in accordance with regulations.

WORKING ENVIRONMENT DEVELOPMENT AND IMPROVEMENT



The Company is applying KaiZen and 5S in the whole Company to improve its green, clean and beautiful working environment. The inspection and evaluation is conducted monthly to continuously improve the work for a better working environment. In addition, the Company spends 30 minutes every Tuesday for all EVNCHP employees to perform general cleaning of the work area, which gradually becomes a good culture of EVNCHP.

MEASURES FOR NOISE AND VIBRATION REDUCTION

Generated mainly by operation of machinery and equipment in the production area of A Luoi Hydroelectric Plant.

Mitigation measures: Equip noise-canceling ear plugs for workers to work in noisy environment, ensure safety standards and periodic replacement to minimize the impact of noise. Periodically inspect and maintain machinery and equipment and measure the working environment. In addition, the Company offers material support to employees working in conditions affected by noise.



WASTE TREATMENT

The organization also actively paid attention to the protection of the surrounding environment, especially to the improvement of the employees' sense of responsibility for and business culture and industrial style in waste collection, classification and treatment to step-by-step protect the employees' health and ensure the production safety.

NON-HAZARDOUS WASTE

Non-hazardous solid waste is mainly from daily waste (including waste from offices, canteens, factory cleaning, bonsai cleaning, etc.). This waste is gathered at the daily waste gathering area and collected daily by the management unit of An Don industrial park.

For daily wastes in A Luoi Hydropower Plant, EVNCHP has signed a contract with Thua Thien Hue Environmental Company to collect periodically (each 5 days) in accordance with regulations.

HAZARDOUS WASTE

Due to the specific characteristics of the electricity industry, these wastes are mainly discharged in the operation management activities, including waste from insulation oil, battery, equipment containing asbestos, rag for cleaning oil, fluorescent lamp, electrical equipment, electronic components

In order to actively carry out the classification and storage of hazardous wastes incurred initially during the operation, EVNCHP has built hazardous waste storage facilities; classify, arrange and put at the places in accordance with storage requirements of each group of waste. Electrical equipment containing oil, such as transformers, air conditioners, computers ... are recovered and repaired, managed and handed over to the Company. Other hazardous wastes such as batteries, lead storage batteries, print cartridges, broken computer components, neon lamps, fluorescent lamps, plastic waste bags, grease-wipes are Packaged and stored in concentrated hazardous waste storage.

The company contracted with Hanoi Urban Environment One Member Company Limited - Central Branch to handle according to regulations. The volume of hazardous wastes processed in 2017 is 5,223 kg, the total cost of hazardous waste treatment is about 0.09 billion VND,

Exhaust gas: Mainly arising from the backup generator, so the amount of exhaust gas generated is negligible

HOẠT ĐỘNG BẢO VỆ MÔI TRƯỜNG RỪNG

“Forests are the most important element of biological resources, having a strong influence on the environment. Forest protection is the focus of environmental protection in general. Therefore, EVNCHP has focused on protecting existing forests and developing new plantation forest, contributing significantly to environmental protection and climate change in A Luoi - Thua Thien Hue.”

1. AFFORESTATION FOR ENVIRONMENTAL PROTECTION



Forest Protection and Care Conference was held at the EVNCHP Office

Starting from 2015, the company has planned and completed the new 72.86 hectares of forest in the A Luoi hydropower plant area in Hong Ha commune.

In 2016, EVNCHP continued planting more than 75.26 ha of forest in the semi-submerged land area of A Luoi reservoir in Hong Thuong, Hong Thai, Hong Quang and Son Thuy communes; to recover the affected forest area in the project, improve the environment and prevent erosion in the reservoir area.

In 2017, EVNCHP cared for more than 148 hectares of plantation forest to protect environment in the A Luoi Hydropower Project. To care for 8.7 hectares of rubber forest in Hong Ha commune for forest protection and development.

2. PAYMENT FOR FOREST ENVIRONMENTAL SERVICES

The company proactively submits full document and timely pays for forest environmental services in accordance with the contract to the Forest Protection and Development Fund as stipulated in Decree 99/2010 / ND-CP dated 24 September 2010, accumulated from 2012 to present, EVNCHP has paid more than 74 billion

Paying for forest environmental services

is not only beneficial for households living in areas where hydropower projects are in place, but also for better protection of protected forests in the basin of hydropower plants, store water sources to produce electricity. Payment for forest environmental services is contributing to the conservation of forest resources, clean water, and better environment; improve the quality of life.

NATURAL RESOURCES SAVING

MANAGEMENT OF RAW MATERIALS

The characteristic of the hydropower plant is to use the water column height (potential energy of water) to produce electricity so the main material is the water source. After being used to generate electricity, water is returned to nature.

During the operation of EVNCHP, there is a source of equipment and materials for maintenance and repair work at A Luoi Hydropower Plant. The use of materials and equipment is managed by the company in a cost effective way to bring the highest profit. Specifically: Use double-sided paper for

internal documents of the Company. To strictly control the

quantity of supplies and stationery used for the workshops and sections and at the same time monitor the actual use to ensure that the materials are used for the right purposes and thriftily. To mobilize materials saving policies for each staff member, each stage of production. Calling laborers not to waste and equip them with the knowledge of practicing thrift and improving their skills

Water resources are a key component of the living environment, deciding the success of socio-economic development plans and strategies.

The risk of water shortage, especially fresh water and clean water, is a major threat to human survival. Realizing that importance, EVNCHP always strives to use water efficiently and reasonably to avoid wastefulness.

Tài nguyên nước là thành phần chủ yếu của môi trường sống, quyết định sự thành công trong công trong các chiến lược, quy hoạch phát triển kinh tế - xã hội. Nguy cơ thiếu nước đặc biệt là nước ngọt và nước sạch là một hiểm họa lớn với sự tồn vong của con người. Nhận thấy được tầm quan trọng đó, EVNCHP luôn cố gắng nỗ lực sử dụng nguồn nước hiệu quả, hợp lý tránh lãng phí thất thoát nguồn tài nguyên nước.

EFFICIENT WATER RESOURCE USE

The water used at the Company is the clean water source provided by Da Nang City Water Supply and Sewerage Company. Water supply for staffs of A Luoi hydropower plant mainly used in daily activities such as cooking, sanitation ... from Thua Thien Hue Water Supply and Drainage Company. Water used for electricity generation is supplied from the A Sap River basin.

A Luoi Hydropower Plant does not consume the water used for electricity generation but discharge back to the nature, supplying water for production and aquaculture,

The rate of recycling water and re-use of EVNCHP: 0%

ENERGY SOURCES USE

The energy consumed directly at EVNCHP is mainly electricity used in the factory and regular activities at the EVNCHP office.

Indirect energy source: None

POWER SAVING SOLUTIONS OF EVNCHP

In 2017, EVNCHP issued regulations on the use of electrical equipment at the Agency to force employees in the agency to have the sense, duty and responsibility to save, ensuring the power savings in the long term.



EFFICIENT ENERGY SOURCES USE

1. AT THE COMPANY' OFFICE

The electrical equipment in the departments when no one working in the room must cut off all electricity; Air conditioners are used only in the summer and set at 25°C - 27°C and must be disconnected when no occupants or out of working hours; Photocopiers, printers are only used for the work of company, not for personal use; not use the refrigerator in the office; When renovating or equipping new ones, they must use equipment with high energy efficiency as prescribed or electric equipment with energy saving labels.

2. AT A LUOI HYDROPOWER PLANT

The main power source for A Luoi Hydropower Plant is the self-produced electricity produced by the plant. Continuing to implement the policy of saving electricity in the year, A Luoi Hydropower plant has cut public lighting in unnecessary, less important places in the construction area. Replacing all low-efficient light bulbs, replacing all high-pressure lights with 55W energy saving light bulbs at the water - receiving gate. The output of electricity self-consumption was 0.7% lower than the same period last year, which also reflected the efforts of EVNCHP for the policy of saving electricity.

A Luoi Hydropower Plant	Total electricity output (kWh)	Total commercial electricity output (kWh)	Electricity Self-consumption (%)
2015	655,670	651,838	0,73
2016	634,635	630,381	0,73
2017	877,536	871,598	0,7

POWER SAVING SOLUTION 2018

Research new standards, regulations and techniques related to efficient and saving use of electricity for wide application in the whole Company; Conduct surveys, elaborate plans on upgrading, renovating or replacing equipment in the direction of saving electricity by themselves, reducing losses; Review and segregate all the unnecessary or less important sources of electricity; Prepare, supplement or adjust the processes, regulations and instructions for operation of power units

and auxiliary equipment related to power saving. Production workshops conducted statistics and analysis of Additional charge data of self-use, loss, and refer to the technical documentation and instructions of the manufacturer to compare between actual operation and calculation; On that basis, plan economic and efficient operation of plant clusters, auxiliary equipment and organize monthly monitoring and reporting.

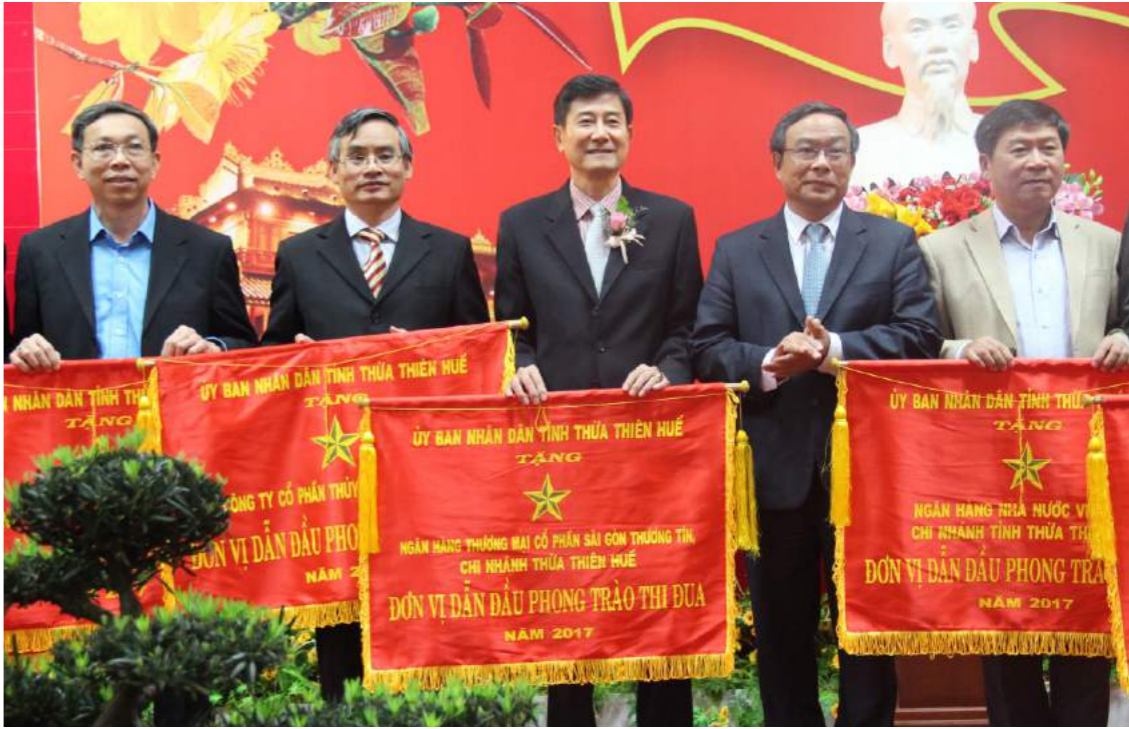
SOCIAL AND COMMUNITY ACTIVITIES

199 BILLION VIETNAMESE DONG

PAID INTO THE STATE BUDGET IN 2017

Central Hydropower Company has set its objectives right from the first days of its establishment to strictly comply with the provisions of the law, in which, paying special attention to the obligations for the state budget. Accumulated results from the period of power generation until the

end of December 2017, the Company contributed VND 674 billion to the State budget, in which, VND 199 billion is paid only in 2017. The value of the state budget payment has always accounted for a large proportion of total local budget collection in the past years.



Mr. Truong Cong Gioi (the second person in the left) receives the emulation flag awarded by Thua Thien Hue province People's Committee

With the results of production and business in 2017, Central Hydropower Joint Stock Company (EVNCHP) was awarded the emulation flag in 2017 by Chairman of Thua Thien Hue province People's Committee according to the regulation Decision No. 3112/QD-UBND dated 29/12/2017. Therefore, EVNCHP was the top unit of the competition of business group 02 in 2017. This is a great recognition of provincial leaders to mobilize the Company' staff to strive better in the plan of production- business 2018.

ACTIVITIES OF GREEN CAPITAL MARKET:In 2017, there was no activities of the Company realting to the Green Capital.

RESPONSIBILITY FOR THE LOCAL COMMUNITY

Responsibility for the community is a consistent policy throughout since the establishment of EVNCHP. The social activities implementation is build good culture in the leaders and staffs of the company, educates the people about the good life, useful life and sharing with everyone in the social community through many policies, annual activities such as:



Serve Vietnamese heroic mother Tran Thi Phong in Nong Son district, Quang Nam province, support 1,000,000 VND /monthand each quarter, coordinate with the compnmay and Youth to visit and give present to the mother.



The company has built 05 gratitude houses for the people of the communes of A Luoi district each house is more than VND 70 million. Build of 03 gratitude houses for people of Xa Sap village in Ka Lum district - Xe Kong province- Laosis nearly VND 100 million.



On the occasion of the annual festival, the Company has presented gifts to the people of the resettlement area of A Luoi Hydropower Project with more than 200 gifts, appeal all employees to contribute one salary day of each person to build a collective kitchen for Hong Thuong Kindergarten School and support 03 sets of computers for the Hong Thuong Primary School



The Company supportes VND 936 million to build a primary school and friendship house forXe Sap village in Ka Lum district - Xe Kong province-Laos.



EVNCHP present gifts for people ofXe Sap village - Laos



People of Xe Sap village - Ka Lum district - Xe Kong province -Laos



Contributed VND 11,700,000 to support the poor districts according to the Resolution 30a;
Contributed VND 5,265,000to support the staff's family of electricity sector having occupational accidents;
Contributed VND 51,630,000to support for building a new countryside;
Contributed VND 11,700,000 to support for compatriots affected by the Storm no. 12
Supported VND 86,000,000 to build rural roads for Son Thuy commune, A Luoi district, Thua Thien Hue province.
Supported Fund for Poor people in An Hai Bac Ward, Son Tra District, Da Nang City, Da Nang City Disabled Children Rescue Center, Son Tra Blind Association, Son Tra District Charity and Children's Rights Protection, Da Nang City Charity and Children's Rights Protection, Da Nang City Orphans and Disabled People Rescue Association, Journey of love connection program organized by Department of Labor-invalid and Social affair, Gratitude Fund of Hong Ha Commune and Thua Thien Hue Province Study Encouragement Association with a total amount of VND 35,000,000.



Mission of EVNCHP visit and incensed at Hang Duong cemetery - Con Dao



Promote the spirit of ready face to difficulties, volunteering, solidarity of youth EVNCHP, evening on 01/9/2017, Youth Union of Company joined with EVNCPC to organize music night "Sharing the love" and present gift for the 170 unfortunate lives at Da Nang Social Protection Center



EVNCHP build the gratitude houses for people of Xe Sap village, Ka Lum district, Xe Kong province - Laos



EVNCHP appeals the staffs of the company to support for building 01 collective kitchen for Hong Thuong Kindergarten School and support 03 sets of computers for Primary School

Actively participated in the movement launched by the local, organize friendly matches and cultural and artistic exchanges inside and outside the sector. Created a useful and healthy playground for employees and close relationships with local units and agencies.



EVNCHP continues to cooperate with local authorities of communes, A Luoi district public security, Nham Border Guard Post. Periodically or irregularly patrolling, controlling and propagating the reservoir areas, protecting plantation forests in replacement of submerged areas of reservoirs and factory areas for people in project areas so that they can be treated suitably.



EVNCHP youths participate in the blood donation program in response to the 3rdEVNCPC Pink Weekin 2017 organized by EVNCPC Youth Union in association with Da Nang City Red Cross Association, Da Nang General Hospital.



More than 10 years of close-knit with capital sponsor unit (VDB Hue) for A Luoi Plant



As one of the units always actively participate in the activities of the event Earth Hour, this year, EVNCHP continued to create a spill in all employees and companies in the social community. With many effective propaganda activities, such as carrying hanging banners, pennon, organizing propaganda campaigns for saving electricity; turning off the lights at the stadium, decorate, advertise, signboard ... at the headquarters of the units, and mobilize people and businesses to do the same during the event; Encouraging employees to actively respond and propagate and encourage people around to turn off lights and other unnecessary equipment at the time of the event from 20:30 to 21:30 on Saturday, March 25, 2017



EVNCHP supports VND 86.000.000 and employee to build the road more than 10 years of close-knit with capital sponsor unit (VDB Hue) for A Luoi Plant, rural transportation for Son Thuy commune, A Luoi district, Thua Thien Hue province.



**CENTRAL HYDROPOWER
JOINT STOCK COMPANY**

Financial statements

For the fiscal year ended 31/12/2017

CONTENTS

Page

Report of the Management Board	1 - 3
Independent Auditors' Report	4
Financial statements	
• Balance sheet	5 - 6
• Income statement	7
• Statement of cash flows	8
• Notes to the financial statements	9 - 27

REPORT OF THE MANAGEMENT BOARD

The Management Board of Central Hydropower Joint Stock Company presents this report together with the audited financial statements for the fiscal year ended 31/12/2017.

Overview

Central Hydropower Joint Stock Company (herein after referred to as "the Company") is established on the basis of the Contract No. 5852CP/DL2-DL3-XLD1-DLHN/2004 dated 30/11/2004 among 4 entities: Electricity Company No. 2 (now being Southern Power Corporation, contributing 30% of charter capital), Electricity Company No. 3 (now being Central Power Corporation, contributing 30% of charter capital), Hanoi Electricity Company (now being Hanoi Power Corporation, contributing 20% of charter capital), Power Construction Company No.1 (contributing 20% of charter capital). Until 24/11/2005, the Shareholders' General Meeting approved Power Construction Company No.1 to withdraw from the foundership under the Resolution No. 01/2005-CP/DHDCDSL and approved Vietnam Electricity to become a founding shareholder as from 18/03/2006 under the Resolution No. 01/2006-CP/DHDCDSL (contributing 20% of charter capital). The Company is an independent accounting entity, operating in accordance with the Business Registration Certificate No. 3203000503 dated 13/12/2004 by the Department of Planning and Investment of Danang City (this Business Registration Certificate has been amended with the new number of 0400477830), the Enterprise Law, its Charter and other relevant regulations. Since the establishment date, the Business Registration Certificate has been amended 6 times (on 28/9/2005, 14/3/2007, 05/05/2008, 02/06/2015, 09/07/2015 and 28/04/2017).

The Company was approved to list its common shares on Ho Chi Minh Stock Exchange under the Decision No. 330/QD-SGDHCM dated 10/08/2016 by the General Director of Ho Chi Minh Stock Exchange with the code CHP. Official trading date of the shares was 29/09/2016.

Charter capital as per the Business Registration Certificate: VND1,259,995,110,000.

Paid-up capital as at 31/12/2017: VND1,259,995,110,000.

Head office

- Address: Danang Industrial Zone, An Hai Bac Ward, Son Tra District, Danang City, Vietnam
- Phone number: + 84 236 3959110
- Fax number: + 84 236 3935960
- Website: www.chp.vn

Principal activities

- Generating, transmitting and distributing electricity. Detail: Investing in construction of hydropower projects; generating and trading electricity;
- Management consultancy activities. Detail: Providing consultancy on construction of electricity projects; Providing consultancy on management of hydropower projects;
- Construction of other civil engineering projects. Detail: Contracting to construct hydropower works, hydraulic works, electricity transmission lines and transformer stations; Construction of traffic works; Dredging lake bed;
- Construction of buildings. Detail: Construction of civil and industrial works;
- Architectural and engineering activities and related technical consultancy. Detail: Providing consultancy and design services of power grid, lighting system; Providing supervision service for underground works and for equipment installation of power projects; Management, operation and maintenance services for electricity plants and industrial works;

REPORT OF THE MANAGEMENT BOARD (cont'd)

- Exploitation of stone, sand, gravel and clay. Detail: Exploiting and trading construction materials (Location: Outside the city);
- Marine aquaculture. Detail: aquaculture;
- Afforestation and other forestry activities. Detail: Afforestation;
- Real estate activities with owned or leased properties. Detail: Investing in, constructing, trading and leasing houses;
- Short-term accommodation activities. Detail: accommodation service for tourists;
- Restaurants and mobile food service activities. Detail: Restaurant business;
- Travel agency activities. Detail: Travel services;
- Other amusement and recreation activities n.e.c. Detail: Operating amusement and recreation facility;
- Vocational education. Detail: Vocational training on repair and operation of hydropower plants, transformer stations.

Employees

As at 31/12/2017, the Company had a staff of 124, comprising 117 regular employees and 7 temporary employees joining compulsory social insurance. Of which, the number of managing officers is 4.

Members of the Board of Directors, Board of Supervisors, Management Board and Chief Accountant during the fiscal year and up to the reporting date are as follows:

Board of Directors

- | | | |
|--------------------------|--------------------|---------------------------|
| • Mr. Pham Ngoc Le | Chairman | Reappointed on 23/04/2015 |
| • Mr. Truong Cong Gioi | Member | Reappointed on 23/04/2015 |
| • Mr. Ho Quoc Viet | Member | Appointed on 23/04/2015 |
| • Mr. Pham Sy Hung | Member | Appointed on 01/08/2016 |
| • Mr. Nguyen Quang Quyen | Member | Appointed on 20/04/2017 |
| • Mr. Nguyen Huu Phuong | Independent member | Appointed on 23/04/2015 |
| • Mr. Nguyen Huu Tam | Independent member | Appointed on 23/04/2015 |

Board of Supervisors

- | | | |
|------------------------|------------------|-------------------------|
| • Mr. Trinh Quang Viet | Chief Supervisor | Appointed on 31/03/2016 |
| • Mr. Pham Viet Thien | Supervisor | Appointed on 31/03/2016 |
| • Mr. Nguyen Van Danh | Supervisor | Appointed on 31/03/2016 |

Management Board and Chief Accountant

- | | | |
|------------------------|-------------------------|---------------------------|
| • Mr. Truong Cong Gioi | General Director | Reappointed on 01/12/2014 |
| • Mr. Lam Uyen | Deputy General Director | Reappointed on 01/12/2014 |
| • Mr. Le Quy Anh Tuan | Deputy General Director | Reappointed on 01/02/2018 |
| • Mr. Huynh Mai | Chief Accountant | Reappointed on 01/12/2014 |

REPORT OF THE MANAGEMENT BOARD (cont'd)

Independent auditor

These financial statements have been audited by AAC Auditing and Accounting Company Ltd (Head office: Lot 78-80, April 30th Street, Hai Chau District, Danang City; Tel: (84) 236.3655886; Fax: (84) 236.3655887; Website: www.aac.com.vn; Email: aac@dng.vnn.vn).

Responsibility of Management Board in preparation and presentation of the financial statements

The Management Board of the Company is responsible for true and fair preparation and presentation of these financial statements on the basis of:

- Complying with the Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and other relevant regulations;
- Selecting suitable accounting policies and then applying them consistently;
- Making judgments and estimates that are reasonable and prudent;
- Preparing the financial statements on the going concern basis;
- Responsibility for such internal control as the Management Board determines is necessary to enable the preparation and presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Members of the Management Board of the Company hereby confirm that the accompanying financial statements including the balance sheet, the income statement, the statement of cash flows and the notes to the financial statements give a true and fair view of the financial position of the Company as at 31/12/2017 and the result of its operations and its cash flows for the fiscal year then ended in accordance with the Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and the statutory requirements relevant to preparation and presentation of the financial statements.

On behalf of the Management Board



Trương Công Gioi
General Director

Danang City, 20 March 2018



AAC AUDITING AND ACCOUNTING CO., LTD

AN INDEPENDENT MEMBER OF PRIMEGLOBAL
AUDITING ACCOUNTING AND FINANCE SPECIALITY

Head Office: Lot 78 - 80, April 30th Street, Hai Chau District, Da Nang City

Tel: +84 (236) 3 655 886; Fax: +84 (236) 3 655 887; Email: aac@dng.vnn.vn; Website: <http://www.aac.com.vn>

No. 333/2018/BCKT-AAC

INDEPENDENT AUDITORS' REPORT

To: The Shareholders, Board of Directors and Management Board
Central Hydropower Joint Stock Company

We have audited the accompanying financial statements of Central Hydropower Joint Stock Company (herein after referred to as "the Company") as prepared on 08/03/2018 and set out on pages 5 to 27, which comprise the balance sheet as at 31/12/2017, the income statement, statement of cash flows, and notes to the financial statements for the year then ended.

Responsibility of the Company's Management Board

The Management Board of the Company is responsible for true and fair preparation and fair presentation of these financial statements in accordance with the Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and the statutory requirements relevant to preparation and presentation of the financial statements, and for such internal control as the Management Board determines is necessary to enable the preparation and presentation of the financial statements that are free from any material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Vietnamese Standards on Auditing. Those standards require that we comply with the standards and ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from any material misstatement or not.

The audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors have considered internal control of the Company relevant to true and fair preparation and presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. The audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management Board, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31/12/2017 and the results of its operations and its cash flows for the fiscal year then ended in accordance with the Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and the statutory requirements relevant to preparation and presentation of the financial statements.



Trần Thị Thu Hiền – Deputy General Director
Audit Practicing Registration Certificate
No. 0753-2018-010-1
Danang City, 20 March 2018

Trương Văn Minh – Auditor
Audit Practicing Registration Certificate
No. 2952-2014-010-1

BALANCE SHEET

As at 31/12/2017

Form B 01 - DN

Issued under Circular No. 200/2014/TT-BTC
dated 22/12/2014 by the Ministry of Finance

ASSETS	Code	Note	31/12/2017 VND	01/01/2017 VND
A. CURRENT ASSETS	100		660,217,613,773	478,050,749,243
I. Cash and cash equivalents	110	5	501,318,675,404	194,158,296,828
1. Cash	111		21,755,172,820	772,500,788
2. Cash equivalents	112		479,563,502,584	193,385,796,040
II. Short-term financial investments	120		26,500,000,000	-
1. Trading securities	121		-	-
2. Held-to-maturity investments	123	6	26,500,000,000	-
III. Short-term receivables	130		123,148,081,040	276,167,744,916
1. Short-term trade receivables	131	7	118,291,992,076	273,971,870,613
2. Short-term prepayments to suppliers	132		2,357,540,661	1,164,114,981
3. Other short-term receivables	136	8	2,605,890,783	1,219,101,802
4. Provision for short-term doubtful receivables	137		(107,342,480)	(187,342,480)
IV. Inventories	140	9	9,084,279,807	7,717,139,062
1. Inventories	141		9,084,279,807	7,717,139,062
2. Provision for decline in value of inventories	149		-	-
V. Other short-term assets	150		166,577,522	7,568,437
1. Short-term prepaid expenses	151	10.a	159,009,085	-
2. Taxes and amounts recoverable from the State	153		7,568,437	7,568,437
B. NON-CURRENT ASSETS	200		2,445,313,487,448	2,605,712,164,535
I. Long-term receivables	210		-	-
II. Fixed assets	220		2,392,968,282,381	2,547,404,590,587
1. Tangible fixed assets	221	11	2,392,832,554,861	2,547,347,923,915
- Cost	222		3,267,010,278,954	3,268,764,157,885
- Accumulated depreciation	223		(874,177,724,093)	(721,416,233,970)
2. Intangible fixed assets	227	12	135,727,520	56,666,672
- Cost	228		236,739,674	125,000,000
- Accumulated amortization	229		(101,012,154)	(68,333,328)
III. Investment properties	230		-	-
IV. Long-term assets in progress	240		2,689,767,772	6,353,777,723
1. Long-term work in process	241		-	-
2. Construction in progress	242	13	2,689,767,772	6,353,777,723
V. Long-term financial investments	250		-	-
VI. Other long-term assets	260		49,655,437,295	51,953,796,225
1. Long-term prepaid expenses	261	10.b	19,040,102,383	19,877,265,110
2. Long-term equipment, supplies and spare parts	263		30,615,334,912	32,076,531,115
TOTAL ASSETS	270		3,105,531,101,221	3,083,762,913,778

BALANCE SHEET (cont'd)

As at 31/12/2017

RESOURCES	Code	Note	31/12/2017 VND	01/01/2017 VND
C. LIABILITIES	300		1,226,633,811,914	1,413,600,489,341
I. Current liabilities	310		272,810,321,580	295,976,999,007
1. Short-term trade payables	311	14	29,258,309,951	51,156,985,052
2. Taxes and amounts payable to the State Budget	313	15	41,897,243,701	33,246,580,783
3. Payables to employees	314		15,506,274,765	11,169,723,638
4. Other short-term payables	319	16	21,126,818,375	20,527,629,425
5. Short-term loans and finance lease obligations	320	17.a	163,800,000,000	163,800,000,000
6. Reward and welfare fund	322		1,221,674,788	16,076,080,109
II. Non-current liabilities	330		953,823,490,334	1,117,623,490,334
1. Other long-term payables	337		-	-
2. Long-term loans and finance lease obligations	338	17.b	953,823,490,334	1,117,623,490,334
D. EQUITY	400		1,878,897,289,307	1,670,162,424,437
I. Owners' equity	410		1,878,897,289,307	1,670,162,424,437
1. Share capital	411	18	1,259,995,110,000	1,259,995,110,000
- Common shares with voting right	411a		1,259,995,110,000	1,259,995,110,000
- Preferred shares	411b		-	-
2. Share premium	412	18	(265,296,519)	(265,296,519)
3. Development investment fund	418	18	66,037,897,353	91,815,377,718
4. Other equity funds	420	18	33,018,948,676	45,907,688,858
5. Undistributed profit after tax	421	18	520,110,629,797	272,709,544,380
- Undistributed profit up to prior year-end	421a		109,776,547,327	65,700,827,446
- Undistributed profit this year	421b		410,334,082,470	207,008,716,934
II. Budget sources and other funds	430		-	-
TOTAL RESOURCES	440		3,105,531,101,221	3,083,762,913,778



Trương Công Gioi
General Director
Danang City, 8 March 2018


Huynh Mai
Chief Accountant


Hoàng Thị Thanh Hiền
Preparer

INCOME STATEMENT

For the fiscal year ended 31/12/2017

Form B 02 - DN

Issued under Circular No. 200/2014/TT-BTC
dated 22/12/2014 by the Ministry of Finance

ITEMS	Code	Note	Year 2017 VND	Year 2016 VND
1. Revenue from sales and service provision	01	19	860,533,949,341	649,689,421,049
2. Deductions	02		-	-
3. Net revenue from sales and service provision	10		860,533,949,341	649,689,421,049
4. Cost of goods sold	11	20	295,644,307,968	252,622,786,161
5. Gross profit from sales and service provision	20		<u>564,889,641,373</u>	<u>397,066,634,888</u>
6. Financial income	21	21	16,954,197,082	9,799,747,092
7. Financial expenses	22	22	98,614,486,660	111,394,831,692
Including : Interest expense	23		98,614,486,660	111,394,831,692
8. Selling expenses	25		-	-
9. General and corporate administration expenses	26	23	45,444,036,333	37,727,566,842
10. Net operating profit	30		<u>437,785,315,462</u>	<u>257,743,983,446</u>
11. Other income	31	24	344,530,636	46,351,200
12. Other expenses	32	25	5,733,380,552	15,531,001
13. Other profit	40		<u>(5,388,849,916)</u>	<u>30,820,199</u>
14. Accounting profit before tax	50		<u>432,396,465,546</u>	<u>257,774,803,645</u>
15. Current corporate income tax expense	51	26	22,062,383,076	-
16. Deferred corporate income tax expense	52		-	-
17. Profit after corporate income tax	60		<u>410,334,082,470</u>	<u>257,774,803,645</u>
18. Basic earnings per share	70	27	3,257	1,950
19. Diluted earnings per share	71	27	3,257	1,950



Trương Công Giới
General Director

Danang City, 8 March 2018

Huynh Mai
Chief Accountant

Hoàng Thị Thanh Hiền
Preparer

STATEMENT OF CASH FLOWS

For the fiscal year ended 31/12/2017

Form B 03 - DN

Issued under Circular No. 200/2014/TT-BTC
dated 22/12/2014 by the Ministry of Finance

ITEMS	Code	Note	Year 2017 VND	Year 2016 VND
I. Cash flows from operating activities				
1. Profit before tax	01		432,396,465,546	257,774,803,645
2. Adjustments for				
- Depreciation of fixed assets and investment properties	02	11.12	152,794,168,949	153,360,303,628
- Provisions	03		(80,000,000)	-
- Profits/(losses) from investing activities	05	21	(16,953,840,682)	(9,799,747,092)
- Interest expense	06	22	98,614,486,660	111,394,831,692
3. Operating profit before changes in working capital	08		666,771,280,473	512,730,191,873
- Decrease/(increase) in receivables	09		154,563,610,976	(65,085,353,778)
- Decrease/(increase) in inventories	10	9	94,055,458	11,832,376,294
- Increase/(decrease) in payables (excluding loan interest, income tax payable)	11		5,381,048,235	11,664,821,827
- Decrease/(increase) in prepaid expenses	12	10	678,153,642	(8,792,850,390)
- Loan interest paid	14	22	(98,614,486,660)	(111,394,831,692)
- Corporate income tax paid	15	15	(14,269,993,116)	-
- Other receipts from operating activities	16		124,000,000	55,000,000
- Other payments for operating activities	17		(14,978,405,321)	(13,834,729,800)
Net cash flows provided by operating activities	20		699,749,263,687	337,174,624,334
II. Cash flows from investing activities				
1. Purchases of fixed assets and other long-term assets	21	11,12,13	(17,961,070,193)	(43,663,542,493)
2. Cash paid for loans, acquisition of debt instruments from other entities	23	6	(26,500,000,000)	(900,000,000)
3. Recovery of loans, resales of debt instruments	24		-	900,000,000
4. Dividends, profit and interest received	27	8.21	15,489,893,582	9,538,526,694
Net cash flows used in investing activities	30		(28,971,176,611)	(34,125,015,799)
III. Cash flows from financing activities				
1. Repayment of loan principals	34	17	(163,800,000,000)	(163,800,000,000)
2. Dividends, profit paid to owners	36	16,18.c	(199,817,708,500)	(195,708,856,700)
Net cash flows used in financing activities	40		(363,617,708,500)	(359,508,856,700)
Net cash flows for the period	50		307,160,378,576	(56,459,248,165)
Cash and cash equivalents at beginning of the period	60	5	194,158,296,828	250,617,544,993
Impacts of exchange rate fluctuations	61		-	-
Cash and cash equivalents at end of the period	70	5	501,318,675,404	194,158,296,828



Trương Công Gioi
General Director

Danang City, 8 March 2018

Huynh Mai
Chief Accountant

Hoang Thi Thanh Hien
Preparer

NOTES TO THE FINANCIAL STATEMENTS

(These notes form part of and should be read in conjunction with the accompanying financial statements)

Form B 09 - DN

Issued under Circular No. 200/2014/TT - BTC
dated 22/12/2014 by the Ministry of Finance

1. Nature of operations

1.1. Overview

Central Hydropower Joint Stock Company (herein after referred to as "the Company") is established on the basis of the Contract No. 5852CP/DL2-DL3-XLD1-DLHN/2004 dated 30/11/2004 among 4 entities: Electricity Company No. 2 (now being Southern Power Corporation, contributing 30% of charter capital), Electricity Company No. 3 (now being Central Power Corporation, contributing 30% of charter capital), Hanoi Electricity Company (now being Hanoi Power Corporation, contributing 20% of charter capital), Power Construction Company No.1 (contributing 20% of charter capital). Until 24/11/2005, the Shareholders' General Meeting approved Power Construction Company No.1 to withdraw from the foundership under the Resolution No. 01/2005-CP/DHDCDSL and approved Vietnam Electricity to become a founding shareholder as from 18/03/2006 under the Resolution No. 01/2006-CP/DHDCDSL (contributing 20% of charter capital). The Company is an independent accounting entity, operating in accordance with the Business Registration Certificate No. 3203000503 dated 13/12/2004 by the Department of Planning and Investment of Danang City (this Business Registration Certificate has been amended with the new number of 0400477830), the Enterprise Law, its Charter and other relevant regulations. Since the establishment date, the Business Registration Certificate has been amended 6 times (on 28/9/2005, 14/3/2007, 05/05/2008, 02/06/2015, 09/07/2015 and 28/04/2017).

1.2. Principal business activity: Generating and trading electricity.

1.3. Business activities

- Generating, transmitting and distributing electricity. Detail: Investing in construction of hydropower projects; generating and trading electricity;
- Management consultancy activities. Detail: Providing consultancy on construction of electricity projects; Providing consultancy on management of hydropower projects;
- Construction of other civil engineering projects. Detail: Contracting to construct hydropower works, hydraulic works, electricity transmission lines and transformer stations; Construction of traffic works; Dredging lake bed;
- Construction of buildings. Detail: Construction of civil and industrial works;
- Architectural and engineering activities and related technical consultancy. Detail: Providing consultancy and design services of power grid, lighting system; Providing supervision service for underground works and for equipment installation of power projects; Management, operation and maintenance services for electricity plants and industrial works;
- Exploitation of stone, sand, gravel and clay. Detail: Exploiting and trading construction materials (Location: Outside the city);
- Marine aquaculture. Detail: aquaculture;
- Afforestation and other forestry activities. Detail: Afforestation;
- Real estate activities with owned or leased properties. Detail: Investing in, constructing, trading and leasing houses;
- Short-term accommodation activities. Detail: accommodation service for tourists;
- Restaurants and mobile food service activities. Detail: Restaurant business;
- Travel agency activities. Detail: Travel services;

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form part of and should be read in conjunction with the accompanying financial statements)

- Other amusement and recreation activities n.e.c. Detail: Operating amusement and recreation facility;
- Vocational education. Detail: Vocational training on repair and operation of hydropower plants, transformer stations.

1.4. Enterprise structure

The Company has 1 branch. It is the A Luoi Hydropower Plant.

2. Accounting period, currency used in accounting

The Company's annual accounting period starts on 1 January and ends on 31 December.

Currency unit used for accounting records and presented in the financial statements is Vietnam Dong (VND).

3. Applied accounting standards and system

The Company adopts the Vietnamese Corporate Accounting System, which is guided in the Circular No. 200/2014/TT-BTC dated 22/12/2014 and the Vietnamese Accounting Standards promulgated by the Ministry of Finance.

4. Summary of significant accounting policies

4.1 Exchange rate differences

Transactions denominated in foreign currency are translated into VND using the actual exchange rate announced by the commercial bank where the Company anticipates to conduct transactions on the date of the transactions.

At the balance sheet date, monetary items denominated in foreign currency which are classified as assets are revaluated using the purchasing exchange rate and monetary items denominated in foreign currency which are classified as liabilities are revaluated using the selling exchange rate of the commercial bank where the Company regularly conducts transactions. For foreign currency deposited in bank, the exchange rate upon revaluation is the purchase exchange rate of the bank where the Company opens foreign currency accounts.

Exchange rate differences are treated in accordance with the provisions of Vietnamese Accounting Standards No. 10 "Impacts of exchange rate fluctuations". Accordingly, foreign exchange differences arising during the period and exchange rate differences resulting from revaluating the closing balances of monetary items denominated in foreign currencies are recorded in the income statement of the period.

4.2 Cash and cash equivalents

Cash includes cash on hand and cash in bank.

All short-term investments which are collectible or mature of 3 months or less as from purchasing date, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value at reporting date shall be recognized as cash equivalents.

4.3 Held-to-maturity investments

Held-to-maturity investments are term deposits (including treasury bills, promissory notes) and held-to-maturity loans to earn profits periodically and other held-to-maturity investments.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form part of and should be read in conjunction with the accompanying financial statements)

Held-to-maturity investments are recorded at book value upon revaluation. Provision for loss of held-to-maturity investments shall be recorded as a decrease directly in the book value of investments.

In case where held-to-maturity investments are monetary items denominated in foreign currencies, they are revaluated using the buying rate of the commercial bank where the Company regularly conducts transactions at the time of the financial statements.

4.4 Receivables

Receivables include trade receivables and other receivables:

- Trade receivables are trade-related amounts arising from trading activities between the Company and its customers;
- Other receivables include non-trade amounts which are not related to trading activities, intra-company transactions.

Receivables are recorded at cost less provision for doubtful receivables. Provision for doubtful receivables is made at the balance sheet date for receivables, which have been overdue for 6 months or which have not been overdue but the debtor is in the state of insolvency, winding up, missing or running away, etc. Provision is made as guided by Circular No. 228/2009/TT-BTC dated 7/12/2009 of the Ministry of Finance.

4.5 Inventories

Inventories are stated at the lower of cost and net realizable value.

Cost of the inventories is calculated using the weighted average method and accounted by the perpetual method. Cost of the materials, raw materials comprises costs of purchase, costs of processing and any directly attributable costs of bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price less the estimated costs of completing the inventories and the estimated costs needed for their consumption.

Provision for decline in value of inventories is made when the net realizable value of inventories is less than cost. The provision is made in accordance with Circular No. 228/2009/TT-BTC dated 7/12/2009 by the Ministry of Finance.

4.6 Tangible fixed assets

Initial cost

Tangible fixed assets are stated at initial cost less accumulated depreciation.

The initial cost of tangible fixed assets comprises their purchase price and all the costs incurred by the Company to acquire those assets as of the time of putting such assets into the ready-for-use state. The costs incurred after the initial recognition of tangible fixed asset shall be recorded as increase in their initial cost if these costs are certain to augment future economic benefits obtained from the use of those assets. Those incurred costs which fail to meet this requirement must be recognized as expenses in the period.

Depreciation

Depreciation of tangible fixed assets is calculated in accordance with the straight-line method based on their estimated useful lives. Depreciation period is in conformity with the Circular No. 45/2013/TT-BTC dated 25/4/ 2013 by the Ministry of Finance. Details are as follows:

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form part of and should be read in conjunction with the accompanying financial statements)

<u>Kinds of assets</u>	<u>Depreciation period (years)</u>
Buildings, architectures	10 - 30
Machinery, equipment	6 - 20
Motor vehicles	8 - 10
Office equipment	4 - 6
Other fixed assets	5

4.7 Intangible fixed assets

Initial cost

Intangible fixed assets are stated at initial cost less accumulated amortization.

The initial cost of intangible fixed assets comprises all the costs incurred by the Company to acquire those assets as of the time of putting such assets into intended use.

Intangible fixed assets are amortized in accordance with the straight-line method based on their estimated useful lives. Amortization period is in conformity with the Circular No. 45/2013/TT-BTC dated 25/4/2013 by the Ministry of Finance.

<u>Kind of asset</u>	<u>Amortization period (years)</u>
Computer software	5

4.8 Prepaid expenses

Prepaid expenses are reported as short-term and long-term prepaid expenses. These are expenditures that have been incurred but related to operation results of business and production of many accounting periods. The Company's primary prepayments are as follows:

- Tools and instruments being put into use are amortized in accordance with the straight-line method for a period from 1 year to 3 years.
- Land rental is amortized on a straight-line basis over the land rent term of 39 years.
- Other prepaid expenses: the Company selects appropriate method and criteria of allocation over the period in which economic benefits are expected to be received based on the nature and extent of the prepaid expenses.

4.9 Payables

Payables include trade payables and other payables:

- Trade payables are trade-related amounts, arising from trading activities between the company and its suppliers.
- Other payables are non-trade amounts, which are not related to trading activities, intra-company transactions.

Payables are recognized at cost and classified as short-term and long-term payables based on the remaining terms at the balance sheet date.

Payables are monitored by the Company according to their creditors, principal terms, remaining terms and currencies.

4.10 Loans and finance lease liabilities

Loans and finance lease liabilities are reflected at cost and classified into current liabilities and long-term liabilities based on the remaining terms at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form part of and should be read in conjunction with the accompanying financial statements)

The Company monitors loans and finance lease liabilities according to their creditors, loan agreements, principal terms, remaining terms and currencies.

Borrowing costs

Borrowing costs comprise interest and other costs that the Company incurs directly in connection with the borrowing of funds. Borrowing costs are recognized as expenses in the period in which they are incurred, except to the extent that they qualify the conditions to be capitalized in accordance with Accounting Standard "Borrowing costs".

Borrowing costs associated with a particular borrowing for only purpose of investment, construction or formation of a specific asset of the Company shall be capitalized as part of the initial cost of that asset. For general borrowing funds, the borrowing costs eligible for capitalization in the period shall be determined according to the capitalization rate for weighted average accumulated costs incurred to the investment in construction or production of such asset.

Capitalisation of borrowing costs shall be suspended during extended periods in which it suspends active development of a qualifying asset, except to the extent that the suspension is necessary. Capitalization shall be ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are completed.

4.11 Owners' equity

Share capital represents the amount of capital actually contributed by the shareholders.

Share premium

Share premium reflects the difference between the issue price and par value of the shares issued, costs directly related to the issuance of shares; difference between the re-issue price and book value, costs directly related to the re-issuance of treasury shares; the capital component of convertible bonds as they fall due.

Distribution of profit

Profit after corporate income tax is appropriated to funds and distributed to shareholders as provided for by the Company's Charter or a resolution of the General Meeting of Shareholders.

The dividends to be paid to the shareholders shall not exceed the undistributed profit after tax and with consideration of non-monetary items in undistributed post-tax profits that may affect cash flow and ability to pay dividends.

4.12 Revenue recognition

- Revenue from sales of electricity is recognized on the basis of the documents confirming the power output generated to the national power grid.
- Revenue from sales and service provision is recognized when it is probable that the Company will obtain economic benefits and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:
 - ✓ Revenue from the sale of goods is recognized in the income statement when the significant risks and ownership of goods have been transferred to the buyer and there is no significant certainty that can change decision of the both sides on selling price and possibility of return of goods;
 - ✓ Revenue from service provision is recognized when the services have been completed. In case that the services are provided in many accounting periods, the determination of revenue in each period is done on the basis of the service completion rate as of the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form part of and should be read in conjunction with the accompanying financial statements)

- Revenue from financing activities is recognized when revenue is determined with relative certainty and it is possible to obtain economic benefits from the transactions.
 - ✓ Interests are recognized on the basis of the actual term and interest rates;
 - ✓ Dividends and profits shared are recognized when the Company has the rights to receive dividends or profit from the capital contribution. Stock dividends are not recognized as financial revenue. Dividends received in the period before investment date shall be recorded as a decrease in value of investment
- Other income is the income derived out of Company's scope of business and production recognized when it can be measured reliably and it is probable that the Company will obtain economic benefits.

4.13 Cost of goods sold

Cost of products, goods sold and services rendered shall be recognized in the correct accounting period in accordance with the income matching principle and conservatism principle.

Costs of inventories and services rendered which are incurred in excess of the ordinary level shall be charged out to cost of goods sold in the period, not to the production cost of goods and services.

4.14 Financial expenses

Financial expenses reflect expenses or losses related to financial investment activities. Financial expenses incurred during the period at the Company are interest expenses.

4.15 Administration expenses

Administration expenses recognized are expenses actually incurred related to the overall administration of the Company.

4.16 Current corporate income tax expense

Current income tax is the tax amount calculated based on the taxable income during the period at the tax rates applied as of the balance sheet date. Taxable income is different from accounting profit due to the adjustments of temporary differences between tax and accounting figures as well as those of non-taxable or non-deductible income and expenses.

4.17 Financial instruments

Initial recognition

Financial assets

A financial asset is recognized initially at original cost plus transaction costs directly attributable to the acquisition of that financial asset. The Company's financial assets include cash on hand, short-term deposits, financial investments, trade receivables and other receivables.

Financial liabilities

A financial liability is recognized initially at original cost plus transaction costs directly attributable to the issuance of such liability. The Company's financial liabilities include loans, trade payables and other payables.

Subsequent measurement

Currently, there is no requirement for subsequent measurement of financial instruments after initial recognition.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form part of and should be read in conjunction with the accompanying financial statements)

4.18 Tax rates and fees paid to budget applied by the Company

- Value Added Tax (VAT): VAT rate for trading electricity is 10%.
- Corporate Income Tax (CIT):
 - ✓ Income from sales of commercial electricity generated by the A Luoi Hydropower Plant in Thua Thien Hue Province is subject to a CIT rate of 10% for 15 years as from commencement of operation (from 2012 to 2026). The Company is entitled to CIT exemption for 4 years as from the time taxable income is derived and 50% reduction of tax amounts payable for the following 9 years. Since the Company's first year of earning taxable income was 2013, it is entitled to CIT exemption from 2013 to 2016 and 50% reduction of tax amounts payable from 2017 to 2025;
 - ✓ Other business activities: CIT rate is applicable as regulated by current regulations.
- Land rent is exempted for 15 years as from completing the construction and putting project into operation (from 2012 to 2026);
- Goods imported to form fixed assets of the Project are exempted from import duty.
- Other taxes, fees and charges are paid in accordance with relevant regulations.

4.19 Related parties

Parties are considered to be related if one party has the ability (directly or indirectly) to control the other party or exercise significant influence over the other party in making financial or operational decisions.

Currency: VND

5. Cash and cash equivalents

	31/12/2017	01/01/2017
Cash on hand	59,812,000	156,346,000
Cash in bank	21,695,360,820	616,154,788
Bank deposits within 3 months	479,563,502,584	193,385,796,040
Total	501,318,675,404	194,158,296,828

6. Held-to-maturity investments

	31/12/2017	01/01/2017
Bank deposits with term ranging from over 3 months to 12 months	26,500,000,000	-
Total	26,500,000,000	-

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form part of and should be read in conjunction with the accompanying financial statements)

7. Short-term trade receivables

	31/12/2017	01/01/2017
Electric Power Trading Company (related party)	118,219,507,509	273,819,386,046
Mai Linh Energy Joint Stock Company	72,484,567	152,484,567
Total	118,291,992,076	273,971,870,613

8. Other short-term receivables

	31/12/2017		01/01/2017	
	Amount	Provision	Amount	Provision
Accrued interest	2,007,886,169	-	543,939,069	-
Advances	578,703,913	-	675,162,733	-
Other receivables	19,300,701	-	-	-
Total	2,605,890,783	-	1,219,101,802	-

9. Inventories

	31/12/2017		01/01/2017	
	Cost	Provision	Cost	Provision
Materials	8,985,665,573	-	7,531,073,662	-
Tools, instruments	98,614,234	-	186,065,400	-
Total	9,084,279,807	-	7,717,139,062	-

No inventories are pledged, mortgaged as security for debts as at 31/12/2017.

10. Prepaid expenses

a. Short-term

	31/12/2017	01/01/2017
Tools, instruments cost awaiting allocation	159,009,085	-
Total	159,009,085	-

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form part of and should be read in conjunction with the accompanying financial statements)

b. Long-term

	31/12/2017	01/01/2017
Tools, instruments cost awaiting allocation	258,568,730	1,168,479,059
Overhaul costs of fixed assets	15,908,355,599	16,043,946,824
Land rent cost at An Don Industrial Zone (i)	1,102,951,971	1,145,509,599
Costs of afforestation for environment protection	1,770,226,083	1,519,329,628
Total	19,040,102,383	19,877,265,110

- (i) This is the expenses for renting the land lot of 4,000 m2 in Danang Industrial Zone, Son Tra District, Danang City from 14/7/2005 to 21/9/2043 (39 years) to build working office under the Contract No. 44/HD-TLD signed on 14/07/2005 with Massda Land Co., Ltd.

11. Tangible fixed assets

	Buildings, architectures VND	Machinery equipment VND	Motor vehicles VND	Office equipment VND	Other fixed assets VND	Total VND
Cost						
Opening balance	1,812,339,810,730	1,449,451,488,636	6,034,998,057	813,718,990	124,141,472	3,268,764,157,885
New purchases	-	1,810,106,455	382,104,296	83,470,909	-	2,275,681,660
Self-construction	3,409,432,052	-	-	-	-	3,409,432,052
Adjustment for finalization	(5,643,207,469)	(1,795,785,174)	-	-	-	(7,438,992,643)
Decreases	-	-	-	-	-	-
Closing balance	<u>1,810,106,035,313</u>	<u>1,449,465,809,917</u>	<u>6,417,102,353</u>	<u>897,189,899</u>	<u>124,141,472</u>	<u>3,267,010,278,954</u>
Depreciation						
Opening balance	289,914,310,581	426,211,402,446	4,693,279,062	528,688,759	68,553,122	721,416,233,970
Charge for the year	64,881,125,670	87,284,060,830	459,522,743	111,952,604	24,828,276	152,761,490,123
Decrease in the year	-	-	-	-	-	-
Closing balance	<u>354,795,436,251</u>	<u>513,495,463,276</u>	<u>5,152,801,805</u>	<u>640,641,363</u>	<u>93,381,398</u>	<u>874,177,724,093</u>
Net book value						
Opening balance	1,522,425,500,149	1,023,240,086,190	1,341,718,995	285,030,231	55,588,350	2,547,347,923,915
Closing balance	<u>1,455,310,599,062</u>	<u>935,970,346,641</u>	<u>1,264,300,548</u>	<u>256,548,536</u>	<u>30,760,074</u>	<u>2,392,832,554,861</u>

Cost of tangible fixed assets fully depreciated but still in active use as at 31/12/2017 is VND3,317,225,341.

Net book value of tangible fixed assets which are pledged, mortgaged for loans as at 31/12/2017 is VND2,375,107,189,574.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form part of and should be read in conjunction with the accompanying financial statements)

12. Intangible fixed assets

	Computer software VND	Other intangible fixed assets VND	Total VND
Cost			
Opening balance	125,000,000	-	125,000,000
Additions	76,739,674	35,000,000	111,739,674
Decrease in the year	-	-	-
Closing balance	201,739,674	35,000,000	236,739,674
Amortization			
Opening balance	68,333,328	-	68,333,328
Charge for the year	28,789,938	3,888,888	32,678,826
Decrease in the year	-	-	-
Closing balance	97,123,266	3,888,888	101,012,154
Net book value			
Opening balance	56,666,672	-	56,666,672
Closing balance	104,616,408	31,111,112	135,727,520

Cost of intangible fixed assets fully amortized but still in active use as at 31/12/2017 is VND45,000,000.

13. Construction in progress

	31/12/2017	01/01/2017
Cu Jut Solar Power Plant	2,025,542,656	-
Dak Dring 2 Hydropower Plant	-	4,488,345,321
A Luoi Hydropower Plant	340,071,478	1,661,889,436
Overhaul costs of fixed assets	76,153,638	203,542,966
Acquisition of fixed assets	248,000,000	-
Total	2,689,767,772	6,353,777,723

14. Short-term trade payables

	31/12/2017	01/01/2017
Cavico Vietnam Co., Ltd.	23,550,499,779	43,442,920,363
Others	5,707,810,172	7,714,064,689
Total	29,258,309,951	51,156,985,052

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form part of and should be read in conjunction with the accompanying financial statements)

15. Taxes and amounts payable to the State Budget

	Opening balance	Amount to be paid	Actual amount paid	Closing balance
Value-added tax	12,698,879,549	82,766,043,088	85,133,497,342	10,331,425,295
Corporate income tax	-	22,062,383,076	14,269,993,116	7,792,389,960
Personal income tax	589,526,845	7,865,927,003	7,443,569,557	1,011,884,291
Natural resources tax	10,306,488,759	71,201,549,472	72,532,466,069	8,975,572,162
Other taxes	9,651,685,630	21,566,845,933	17,432,559,570	13,785,971,993
Total	33,246,580,783	205,462,748,572	196,812,085,654	41,897,243,701

The Company's tax returns are subject to inspection of tax authority. The tax amounts presented in the financial statements may be changed under decision of the tax authority.

16. Other short-term payables

	31/12/2017	01/01/2017
Trade union fees	50,959,200	29,779,203
Other payables	21,075,859,175	20,497,850,222
- Dividends payable	18,192,823,000	16,411,313,900
- Other payables	2,883,036,175	4,086,536,322
Total	21,126,818,375	20,527,629,425

17. Loans and finance lease liabilities

a. Short-term

	Opening balance	Increase in the year	Decrease in the year	Closing balance
Current portion of long-term loans				
- The Vietnam Development Bank - Thua Thien Hue - Quang Tri Branch	112,800,000,000	112,800,000,000	112,800,000,000	112,800,000,000
- Agribank - Sai Gon Branch	51,000,000,000	51,000,000,000	51,000,000,000	51,000,000,000
Total	163,800,000,000	163,800,000,000	163,800,000,000	163,800,000,000

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form part of and should be read in conjunction with the accompanying financial statements)

b. Long-term

	Opening balance	Increase in the year	Decrease in the year	Closing balance
The Vietnam Development Bank - Thua Thien Hue - Quang Tri Branch (*)	1,025,423,490,334	-	112,800,000,000	912,623,490,334
Agribank - Sai Gon Branch (**)	256,000,000,000	-	51,000,000,000	205,000,000,000
Total	1,281,423,490,334	-	163,800,000,000	1,117,623,490,334
Of which				
- Portion of long-term loans due within 1 year	163,800,000,000			163,800,000,000
Long-term loans and finance lease obligations	1,117,623,490,334			953,823,490,334

(*) Borrowing long-term loan from the Vietnam Development Bank – Thua Thien Hue Branch under the Investment Credit Agreement No. 06/2008/HDTDDT-NHPT dated 15/9/2008 to invest in the A Luoi Hydropower Project. Accordingly, the total loan is VND1,656,091,000,000 and is secured by assets formed after investment of the A Luoi Hydropower Project in A Luoi District, Thua Thien Hue Province. The maximum borrowing term is 144 months as from the first drawdown date (25/12/2008). The interest rates are various according to each construction item: 6.9% per annum, 8.4% per annum and 11.4% per annum and adjusted in accordance with the investment credit rate of the State at different time. Overdue interest rate is 150% of due interest rate. The loan principal payable as at 31/12/2017 is VND912,623,490,334.

(**) Borrowing long-term loan from Agribank – Sai Gon Branch under the Investment Credit Agreement No. 1600-LAV-200800752 dated 30/9/2008 to invest in construction, purchasing machinery and equipment, covering site preparation costs and other expenses related to the A Luoi Hydropower Project in Thua Thien Hue Province. Accordingly, the total loan is VND367,000,000,000 and is secured by assets formed after investment of the A Luoi Hydropower Project in A Luoi District, Thua Thien Hue Province. The maximum borrowing term is 144 months as from the first drawdown date. The interest rate is the basic rate plus 2.5% per annum. Overdue interest rate is 150% of due interest rate. The loan principal payable as at 31/12/2017 is VND205,000,000,000.

18. Owners' equity

a. Statement of changes in owners' equity

	Paid-in capital	Share premium	Development investment fund	Other equity funds	Undistributed profit after tax
As at 01/01/2016	1,259,995,110,000	(265,296,519)	66,037,897,353	33,018,948,676	267,300,045,046
Increase in the year	-	-	25,777,480,365	12,888,740,182	257,774,803,645
Decrease in the year	-	-	-	-	252,365,304,311
As at 31/12/2016	1,259,995,110,000	(265,296,519)	91,815,377,718	45,907,688,858	272,709,544,380
As at 01/01/2017	1,259,995,110,000	(265,296,519)	91,815,377,718	45,907,688,858	272,709,544,380
Increase in the year	-	-	(25,777,480,365)	(12,888,740,182)	410,334,082,470
Decrease in the year	-	-	-	-	162,932,997,053
As at 31/12/2017	1,259,995,110,000	(265,296,519)	66,037,897,353	33,018,948,676	520,110,629,797

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form part of and should be read in conjunction with the accompanying financial statements)

b. Shares

	31/12/2017 Shares	01/01/2017 Shares
Number of shares authorised to be issued	125,999,511	125,999,511
Number of shares issued to the public	125,999,511	125,999,511
- Common shares	125,999,511	125,999,511
- Preferred shares (classified as owners' equity)	-	-
Number of shares bought back (treasury shares)	-	-
- Common shares	-	-
- Preferred shares (classified as owners' equity)	-	-
Number of outstanding shares	125,999,511	125,999,511
- Common shares	125,999,511	125,999,511
- Preferred shares (classified as owners' equity)	-	-
Par value : VND10,000 each		

c. Undistributed profit after tax

	Year 2017	Year 2016
Profit brought forward	272,709,544,380	267,300,045,046
Profit after corporate income tax - current year	410,334,082,470	257,774,803,645
Distribution of profit	162,932,997,053	252,365,304,311
Distribution of preceding year profit (*)	162,932,997,053	201,599,217,600
- Cash dividends	201,599,217,600	201,599,217,600
- Adjustment to reserve fund supplementing charter capital	(12,888,740,182)	-
- Adjustment to development investment fund	(25,777,480,365)	-
Temporary distribution of current year profit	-	50,766,086,711
- For reserve fund supplementing charter capital	-	12,888,740,182
- For development investment fund	-	25,777,480,365
- For reward and welfare fund	-	11,599,866,164
- For reward fund of executive officers	-	500,000,000
Undistributed profit after tax	<u>520,110,629,797</u>	<u>272,709,544,380</u>

(*)The Company distributed the profit and paid dividends for the year 2016 in accordance with the Resolution of 2017 Annual General Meeting of Shareholders No. 01/2017/NQ-EVNCHP-DHCD dated 20/04/2017.

19. Revenue from sales and service provision

	Year 2017	Year 2016
Sales of electricity	860,070,269,079	649,689,421,049
Service revenue	463,680,262	-
Total	<u>860,533,949,341</u>	<u>649,689,421,049</u>

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form part of and should be read in conjunction with the accompanying financial statements)

20. Cost of goods sold

	Year 2017	Year 2016
Cost of electricity sold	295,473,025,644	252,622,786,161
Cost of services rendered	171,282,324	-
Total	295,644,307,968	252,622,786,161

21. Financial income

	Year 2017	Year 2016
Deposit interest	16,953,840,682	9,799,747,092
Gain on exchange rate differences	356,400	-
Total	16,954,197,082	9,799,747,092

22. Financial expenses

	Year 2017	Year 2016
Loan interest	98,614,486,660	111,394,831,692
Total	98,614,486,660	111,394,831,692

23. Administration expenses

	Year 2017	Year 2016
Salary expenses	28,618,114,213	24,417,464,556
Depreciation and amortization	343,883,662	425,588,389
External service expenses	3,402,551,975	2,846,240,568
Other expenses	13,079,486,483	10,038,273,329
Total	45,444,036,333	37,727,566,842

24. Other income

	Year 2017	Year 2016
Income from selling bidding dossiers for supply of fixed assets and spare parts	62,500,000	39,500,000
Other income	282,030,636	6,851,200
Total	344,530,636	46,351,200

NOTES TO THE FINANCIAL STATEMENTS (cont'd)*(These notes form part of and should be read in conjunction with the accompanying financial statements)***25. Other expenses**

	Year 2017	Year 2016
Evaluation expenses of bidding packages	65,768,545	15,531,001
Costs of Dakdrinh 2 Hydropower Plant	5,018,462,148	-
Other expenses	649,149,859	-
Total	5,733,380,552	15,531,001

26. Current corporate income tax expense

	Year 2017	Year 2016
Accounting profit before tax	432,396,465,546	257,774,803,645
- From principal activities	432,104,067,608	257,774,803,645
- From other activities	292,397,938	-
Adjustments to taxable income	7,974,002,148	840,000,000
- Increasing adjustments	7,974,002,148	840,000,000
+ Remuneration of non-executive members of Director Board and Supervisor Board	2,836,920,000	840,000,000
+ Unqualified expenses	5,137,082,148	-
- Decreasing adjustments	-	-
Total taxable income	440,370,467,694	258,614,803,645
- Taxable income from principal activities	440,078,069,756	258,614,803,645
- Taxable income from other activities	292,397,938	-
Current corporate income tax expense	22,062,383,076	-
<i>In which:</i>		
- Current period income tax expense	22,062,383,076	-
- Adjusting prior period income tax expenses to current period income tax expense	-	-

27. Basic, diluted earnings per share

	Year 2017	Year 2016
Profit after corporate income tax	410,334,082,470	257,774,803,645
Adjustments increasing or decreasing profit after tax	-	(12,099,866,164)
- Increase	-	-
- Decrease (Rewards and welfare fund)	-	12,099,866,164
Profit/Loss attributable to common shareholders	410,334,082,470	245,674,937,481
Average number of common shares outstanding in year	125,999,511	125,999,511
Basic, diluted earnings per share (@)	3,257	1,950

(@) Basic, diluted earnings per share for the year 2017 is computed on the basis of profit after tax before deducting the amounts appropriated to reward and welfare fund (since neither the Resolution of General Shareholders' Meeting nor the Company's Charter specifies an appropriation rate of reward and welfare fund). Based on the business results at the end of the year, the Board of Directors will propose a specific rate for appropriating reward and welfare fund and submit it to the General Shareholders' Meeting for approval.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form part of and should be read in conjunction with the accompanying financial statements)

28. Operating expenses by element

	Year 2017	Year 2016
Materials expenses	4,118,654,215	6,056,682,512
Labor costs	52,852,472,348	43,845,547,756
Depreciation and amortization	152,794,168,949	153,360,303,628
External service expenses	6,130,286,479	4,364,208,751
Other cash expenses	125,272,762,310	82,723,610,356
Total	341,168,344,301	290,350,353,003

29. Segment reporting

According to Vietnamese Accounting Standard No. 28 and the relevant guidelines, the Company is required to have segment reporting. Accordingly, a business segment is a distinguishable component of the Company that is engaged in providing related products or service (business segment) or providing goods or services in a specific economic environment (segment by geographical area) and that is subject to risks and returns that are different from those of other business segment. The Management Board assesses that the Company is engaged in a sole business segment that is manufacturing electricity, and the main geographical segment is A Luoi District, Thua Thien Hue Province, Vietnam.

30. Risk management

Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance.

Financial risk management

Financial risk includes market risk (comprising interest rate risk and price risk), credit risk and liquidity risk.

Market risk management: The Company's activities mainly face risks when there are high fluctuations in interest rate and commodity prices.

Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument fluctuates when market rates fluctuate. The Company's interest rate risks mainly derive from short-term deposits and signed loans. To minimize these risks, the Company analyses the market competition situation to make decision on interest rates which benefit the Company's purposes but still controls the risks at an acceptable level, estimates the impact of interest costs to its periodic business results as well as makes analysis and projection to select appropriate time to repay the loans. The Company's Management Board acknowledges that uncontrollable risks arising from fluctuations of interest rates are insignificant.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form part of and should be read in conjunction with the accompanying financial statements)

Commodity price risk management

The Company purchases material from domestic suppliers to serve its operation, thus it faces the risk of changes in material buying prices. However, materials expenses make up a small portion in the total product cost, therefore, the Company acknowledges that risks arising from fluctuations of commodity prices are insignificant.

Credit risk management

Credit risk at the Company mainly relates to trade receivables and bank deposits. The Company principle activity is manufacturing electricity in Vietnam, and its sole customer is Electric Power Trading Company, directly belonging to Vietnam Electricity Corporation. The Management Board acknowledges that the Company has no significant risks with the customer.

The Company's short-term deposits are mainly at big and reputable banks (Vietnam Development Bank – Hue City Branch, Agribank – Sai Gon Branch, An Binh Commercial Joint Stock Bank - Danang Branch and Agribank - Danang Branch).

Therefore, the Management Board assesses that the Company's credit risk is at low level.

Liquidity risk management

To ensure the availability of funds to meet present and future financial obligations, the Company manages liquidity risk by regularly monitoring and maintaining sufficient cash reserve, optimizing idle cash flows, making use of credit from customers and counterparties, controlling maturing liabilities in relative to maturing assets and revenue resources can be generated within that period.

The Company's aggregate financial liabilities are categorized in accordance with their maturity as follows:

31/12/2017	Within 1 year	Over 1 year	Total
Trade payables	29,258,309,951	-	29,258,309,951
Accrued expenses	-	-	-
Loans and finance lease obligations	163,800,000,000	953,823,490,334	1,117,623,490,334
Other payables	21,075,859,175	-	21,075,859,175
Total	214,134,169,126	953,823,490,334	1,167,957,659,460
01/01/2017	Within 1 year	Over 1 year	Total
Trade payables	51,156,985,052	-	51,156,985,052
Accrued expenses	-	-	-
Loans and finance lease obligations	163,800,000,000	1,117,623,490,334	1,281,423,490,334
Other payables	20,497,850,222	-	20,497,850,222
Total	235,454,835,274	1,117,623,490,334	1,353,078,325,608

NOTES TO THE FINANCIAL STATEMENTS (cont'd)*(These notes form part of and should be read in conjunction with the accompanying financial statements)*

The Company's available financial assets are presented on a net asset basis as follows:

31/12/2017	Within 1 year	Over 1 year	Total
Cash and cash equivalents	501,318,675,404	-	501,318,675,404
Held-to-maturity investments	26,500,000,000	-	26,500,000,000
Trade receivables	118,219,507,509	-	118,219,507,509
Other receivables	2,027,186,870	-	2,027,186,870
Total	648,065,369,783	-	648,065,369,783

01/01/2017	Within 1 year	Over 1 year	Total
Cash and cash equivalents	194,158,296,828	-	194,158,296,828
Held-to-maturity investments	-	-	-
Trade receivables	273,819,386,046	-	273,819,386,046
Other receivables	543,939,069	-	543,939,069
Total	468,521,621,943	-	468,521,621,943

31. Related party information**a. Related parties**

Related parties	Relationship
Central Power Corporation	Investing Company
Electric Power Trading Company - Vietnam Electricity Corporation	Parent Company of investor

b. The Company's major transactions with related parties in the year:

	Transactions	Year 2017	Year 2016
Electric Power Trading Company	Selling electricity	860,070,269,079	649,689,421,049

c. Remunerations of key management officers

		Year 2017	Year 2016
Management Board	Salaries	2,611,501,101	2,273,414,017
Board of Directors	Remunerations	2,257,790,000	960,000,000
Board of Supervisors	Remunerations	1,107,040,000	520,335,000

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form part of and should be read in conjunction with the accompanying financial statements)

32. Significant events after balance sheet date

The Company announced that the date to finalize the list of shareholders entitled to phase 1 of dividends payment at the rate of 10% was 30/01/2018. Besides, there have been no significant events occurring after the balance sheet date which would require adjustments or disclosures to be made in the financial statements.

33. Corresponding figures

Corresponding figures were taken from the financial statements for the year ended 31/12/2016 which had been audited by AAC.



Trương Công Gioi
General Director

Danang City, 8 March 2018

Huỳnh Mai
Chief Accountant

Hoàng Thị Thanh Hiền
Preparer