



ANNUAL REPORT 2020

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 2

www.pecc2.com



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A core strength of PECC2 is the extensive experience, technological solutions and qualified workforce that we offer in power consultancy sector in Vietnam. PECC2 continues to maintain its proactive stance on new opportunities, wise investment, novel technical methods, management philosophy and restructuring plan for the purpose of high-quality products and services, clear competitive advantage and sustainable development of the Company.

VISION

PECC2 is a leading brand in the regional power consulting industry with highly qualified human resources and a modern management system. Aiming at becoming a fully digitized company in the energy sector, we never stop to grow in scale and to enlarge our field of operations.

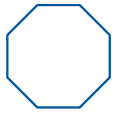
MISSION

- To provide customers with excellent services and products by regional and international standards;
- To cooperate effectively with reliable partners and to continuously raise the Company's values, shareholders' benefits and employees' income;
- To continuously improve production and management processes as well as to adopt cutting-edge technologies to respond to challenges of ever-increasing competition;
- To provide training and support to enhance staff performance; to design an efficient compensation system in an effort to retain and develop the Company's human resources;
- To preserve and increase benefits to the community and society as a whole.

CORE VALUES

Dedication – Passion - Innovation





MESSAGE FROM THE CHAIRMAN

Dear Shareholders, dear clients, dear partners,

In the past 2020, in addition to the sacred celebration of the 35th anniversary of establishment, Power Engineering Consulting Joint Stock Company 2 (PECC2) also faced many difficulties, challenges and fluctuations. In particular, the Covid-19 pandemic outbreak, consecutive natural disasters, storms and floods had a great impact on our production processes, business activities and construction projects.

Despite those disturbances, PECC2 still evinces a spectacular ability to overcome the 2020 challenges by successfully achieving its goals. Indeed, PECC2 was able to achieve its goals thanks to the close attention and vigorous support from Central and Local Authorities, from Vietnam Electricity (EVN), and especially thanks to our proactive and careful preparation that started many years ago plus the efforts and the solidarity of all PECC2 members.

The efficiency of PECC2's unique strategy is constantly promoted and reaffirmed, based on three main business fields: Power Engineering Consultancy, Business (EPC General Contractor, Mechanical processing and Equipment manufacturing, Power plant Operation Management) and Investment. In 2020, the Power Plant Operation Management Services, though newly developed, have reached the 1300MW milestone in terms of power sources operation, and the other business fields have also continued to follow a favorable development path.

In a context characterized by numerous fluctuations and challenges within the economy and the power industry, understanding the paramount importance of digital transformation, PECC2 will make comprehensive changes in management as well as in business operations, integrating them with digital transformation, creating a digital culture and environment, providing clients and partners with digital experiences and highest quality products and services, persistently striving to become a digitized company in energy sector by 2025.

The theme **"Establish a digital platform - Develop BIM services - Raise PECC2's value"** for 2021 embodies PECC2's goals, action plans and expectations for the upcoming journey. By this message, I would like to express my sincere gratitude and my best wishes to our dear Shareholders, partners and clients of our Company. I also would like to sincerely thank PECC2's employees for their efforts during the past years. Power Engineering Consulting Joint Stock Company 2 has and shall always strive to grow stronger in return for your support!

NGUYEN CHON HUNG
Chairman

01

GENERAL INFORMATION

- 07** Overview
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OVERVIEW

- Vietnamese name : **CÔNG TY CỔ PHẦN TƯ VẤN XÂY DỰNG ĐIỆN 2**
- English name : POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 2
- Abbreviation : **PECC2**
- Business registration : No. 0300420157 issued by Department of Planning and certificate Investment of HCMC on the 29th October, 2007 at first, followed by the 17th revision on 02 March, 2021
- Charter capital (2020): 360.149.520.000 VNĐ
(Three hundred sixty billion one hundred forty nine million and five hundred twenty thousand Vietnamese Dongs)
- Address : 32 Ngo Thoi Nhiem street, Vo Thi Sau ward, district 3, HCMC
- Tel : (84-28) 2221 6468
- Fax : (84-28) 2221 0408
- Email : info@pecc2.com
- Website : <http://www.pecc2.com>
- Ticker symbol : TV2



KEY MILESTONES

1981

The then-Ministry of Electricity sent a group of engineers and workers to the South Vietnam to design and construct Tri An Hydropower Plant - the first power project in the South Vietnam after reunification.

**01-07
1985**

Power Investigation and Design Company 2 (PIDC2) was established, directly under the then - Ministry of Electricity.

**11-01
1999**

The Company was renamed to Power Engineering Consulting Company 2 (PECC2) in accordance with Decision No. 02/1999/QD-BCN of the then - Ministry of Industry.

**01-11
2007**

The Company became Power Engineering Consulting Joint Stock Company 2, in which Vietnam Electricity (EVN) took a 51.26% ownership stake.

**13-10
2009**

PECC2 officially listed its shares on the Hanoi Stock Exchange.

**18-05
2017**

PECC2 opened its representative office in Myanmar.

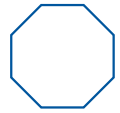
**06-06
2019**









PECC2 transferred its listing to the Ho Chi Minh City Stock Exchange.

**02
2021**

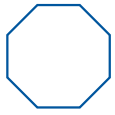
Inauguration of our new PECC2 Innovation Hub.

ACHIEVEMENTS AND AWARDS



2005	Third Class Independence Medal	
2010	Second Class Independence Medal	
2015 2020	First Class Independence Medal	
2010 2017 2020	4 Vietnam Construction Quality Award presented by the Ministry of Construction in collaboration with the Ministry of Transport, Ministry of Agriculture & Rural Development, Ministry of Science & Technology to five construction projects.	
2014 2018 2019 2020	3 Golden Cup for business performance assessment program awarded to firms - with highest business efficiency in the consultancy sector and many other certificates of merit and emulation flags awarded by the government, ministries, local authorities as well as labor medals to its affiliates and staff members.	
2018	One of 200 businesses with a revenue under 1 billion USD according to Forbes Asia's 200 Best Under A Billion 2018	
2020	TOP 50 best listed companies on the Vietnamese Stock Market in 2020 according to Forbes	
2020	TOP 100 Representative Businesses of Ho Chi Minh City	

Constantly honored in the Top 300 of Vietnam's 1000 Biggest Corporate Taxpayers.



BUSINESS FIELDS AND LOCATIONS

A. BUSINESS FIELDS



CONSULTING

Investigation, construction supervision, planning, design and management of power source and network projects; Technological Advancements Research and Application to power source and network projects.



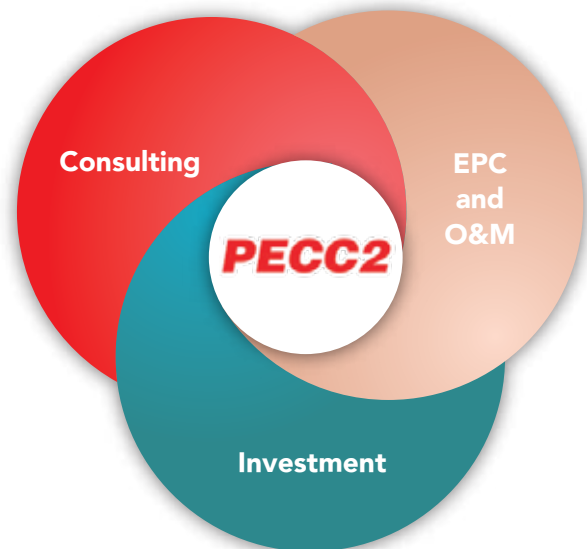
EPC AND O&M

EPC contract execution and mechanical manufacture for energy projects; Design and manufacture of BOP in power plants; Power Plant Management & Operation.



INVESTMENT

Investment in power plant project development for the purpose of clean and renewable energy such as small hydropower plants, solar energy, wind energy and gas-fired power plants.



POWER ENGINEERING CONSULTING

• Thermal power consulting

- Design works for pre-feasibility studies of thermal power projects, Feasibility studies / Investment Project Report (Basic design), Technical design, Total cost estimate ; Design verification;
- Pre-feasibility study, Feasibility study, Technical design - Total cost estimate, Bidding consulting, Supervision consulting, Project management consulting (PMC), Verification consulting.
- EPC/3D Design for Thermal, Renewable Energy & Infrastructure Projects, setting up conversion, rehabilitation, and upgrading plans.
- Socio-ecological surveys, EIA, ESIA and reports.

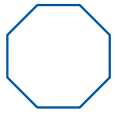
- **Power grid consulting**

- Consulting, design and verification for the design documents of transmission and distribution lines and transformer stations up to 500kV in the following phases: Planning; Pre-feasibility Study Report; Feasibility Study Report Construction Investment; Technical design - Total cost estimate; Preparation of construction drawings, Bidding Documents, Evaluation of Bidding Documents; Author supervision;
- Environmental impact assessment report, compensation and resettlement planning; Environmental management plan... at the request of the lending institutions ;
- Cooperate with foreign consultants to design power line and substation projects, including submarine cable lines, GIS substations;
- Supervise the construction of domestic and foreign transmission lines and substations ;
- EPC main contractor ;
- Project management consulting for transmission lines and substation projects ;
- Participate in building construction regulations and research in related issues.

- **Hydropower consulting**

- Hydropower development planning along rivers and river system ;
- Establish reservoir operation procedures for independent and inter-reservoir hydropower projects in hydropower ladder system; Set up maintenance procedures for hydropower projects;

- Investigate and prepare environmental impact assessment reports, prepare compensation plans, land clearance and resettlement assistance for hydropower projects;
- Design and construction of small to large-scale pumped-storage hydropower projects, including preparation of pre-feasibility study report, Technical design feasibility study report, Total cost estimate, construction drawing and author supervision;
- Preparation of Bidding Documents and Evaluation of Bidding Documents for Construction and Equipment Procurement packages;
- Design, expansion, refurbishment and upgrade of hydroelectricity works and modernisation of technological equipment for hydroelectric plants;
- Construction supervision consulting and equipment installation; Consulting and management of hydropower projects;
- Hydropower projects design verification;
- Dam safety inspection report preparation; Construction quality inspection and testing services, concrete, structure, construction materials mechanical resistance testing;
- Calculation and development plans for flood prevention downstream of works, additional dam failure scenarios consideration;



BUSINESS FIELDS AND LOCATIONS (CONTINUED)

• Land investigation

- Topographical, geological and hydrogeological surveys, engineering geology and hydrogeology;
- Construction quality inspection and mechanical strength testing services for concrete, roller compacted concrete (RCC), structures, building materials, various types of field and laboratory tests for various types of foundations, construction materials, roller compacted concrete (RCC);
- Industrial and civil works foundations consolidating and treating;
- Sounding out and exploitation of groundwater, refining water for domestic use;
- Probing and exploitation of construction materials;
- Measurement, drawing, preparation of topographic, cadastral maps and scales, setting up landmarks, making compensation and clearance plans for power works;
- Monitoring deformation of civil and industrial works;
- Measurement for seabed topographic maps with echo sounding equipment and RTK station;
- Monitoring and evaluation of lake beds and sea estuaries sedimentation;
- Supervision and construction consulting for industrial and civil works;
- Power source projects construction investment, Construction of medium and low voltage transmission lines (<35kV)
- Construction of grade 1, 2 and 3 hydrological

stations, water level measuring stations, flow measuring stations, etc.;

- Construction of minihydropower plants;
- Electric, industrial and civilian equipment and machinery trading.
- Construction and installation of solar power plants.

EPC AND O&M

• EPC services

THERMAL POWER PLANTS

Technical design for entire coal-fired thermal power plants, combined cycle gas thermal power plants, design and manufacturing of BOP items ...

In addition, PECC2 carries out procurement for the following items:

- Flue-gas desulfurization (FGD)
- Compressed Air System (CAS)
- Electrostatic precipitator (ESP)
- Coal Handling System (CHS)

EPC the following items:

- Cooling water drain pipes
- Chimneys
- Water and wastewater treatment system (WWTS & WTS)
- Supporting steel structure & other construction works ...

SUBSTATIONS & TRANSMISSION LINES

- EPC for projects of transmission lines, distribution yards, and substations with a voltage of 500/220 / 110kV to support the release of power and transmission capacity.

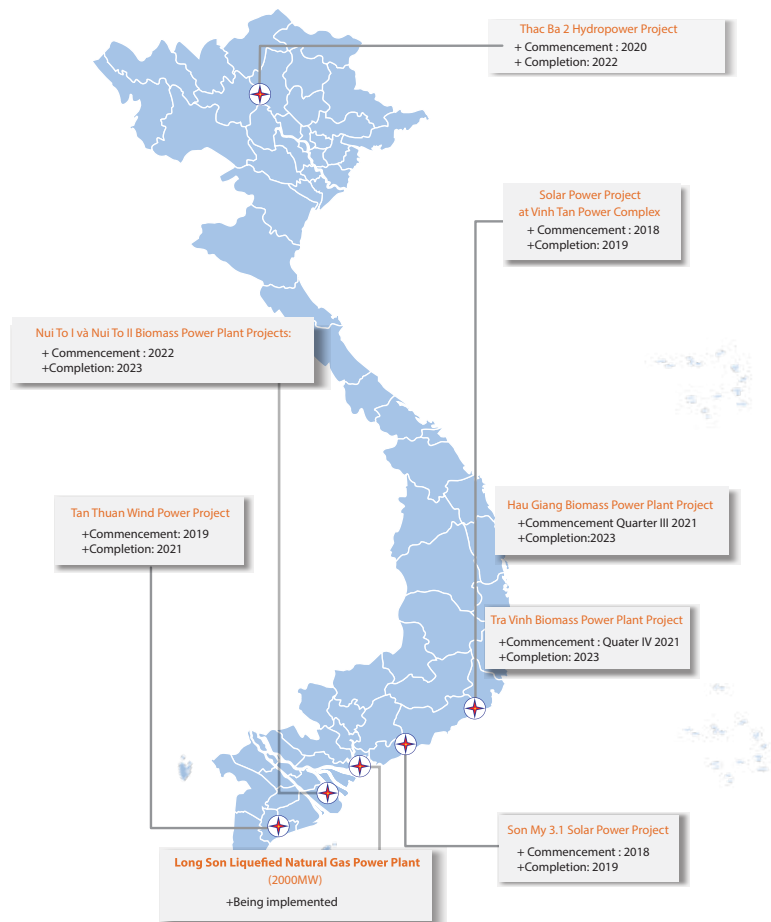
RENEWABLE ENERGY

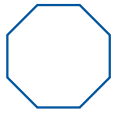
- EPC for solar power plant projects with large capacity and high efficiency.
- **Mechanical engineering**
 - Mechanical equipment manufacturing; Steel structures manufacturing for prefabricated houses and power plant systems;
 - Specialized electrical accessories and tools manufacturing;

INVESTMENT

Investment in construction of power source projects, development of renewable energy projects, biomass power plants.

- Electric poles of all kinds, telecommunication antenna poles processing and manufacturing;
- Hot dipped galvanized steel poles; electrical accessories and other products;
- Construction materials and equipment trading;
- Electric, industrial and civil machinery and equipment trading;
- Investment in construction of power source projects; Construction of power grid, telecommunications, industrial, civil, transport, irrigation, underground and infrastructure projects;
- Electrical, industrial and civil projects management;
- Construction of renewable energy projects.

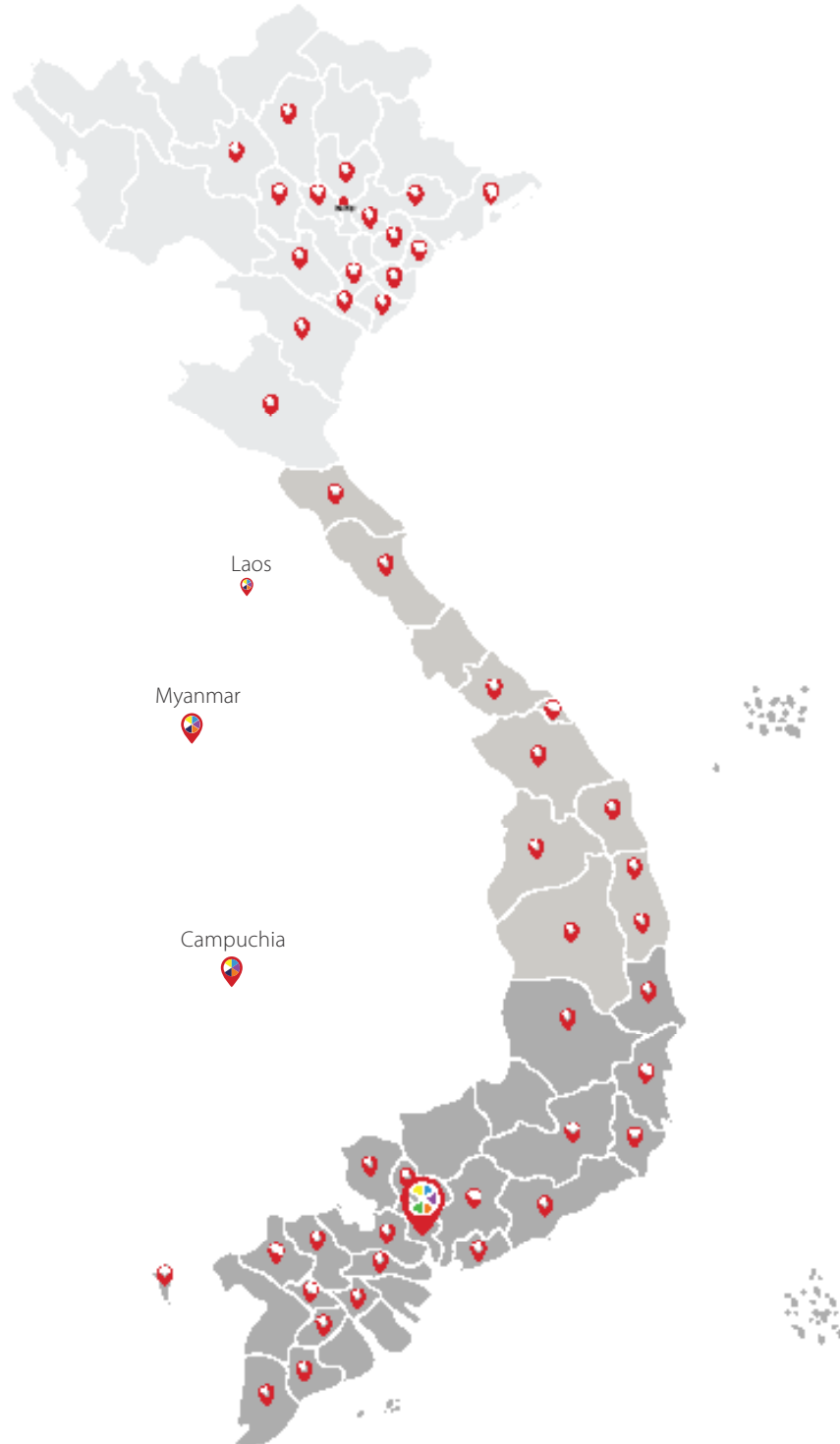




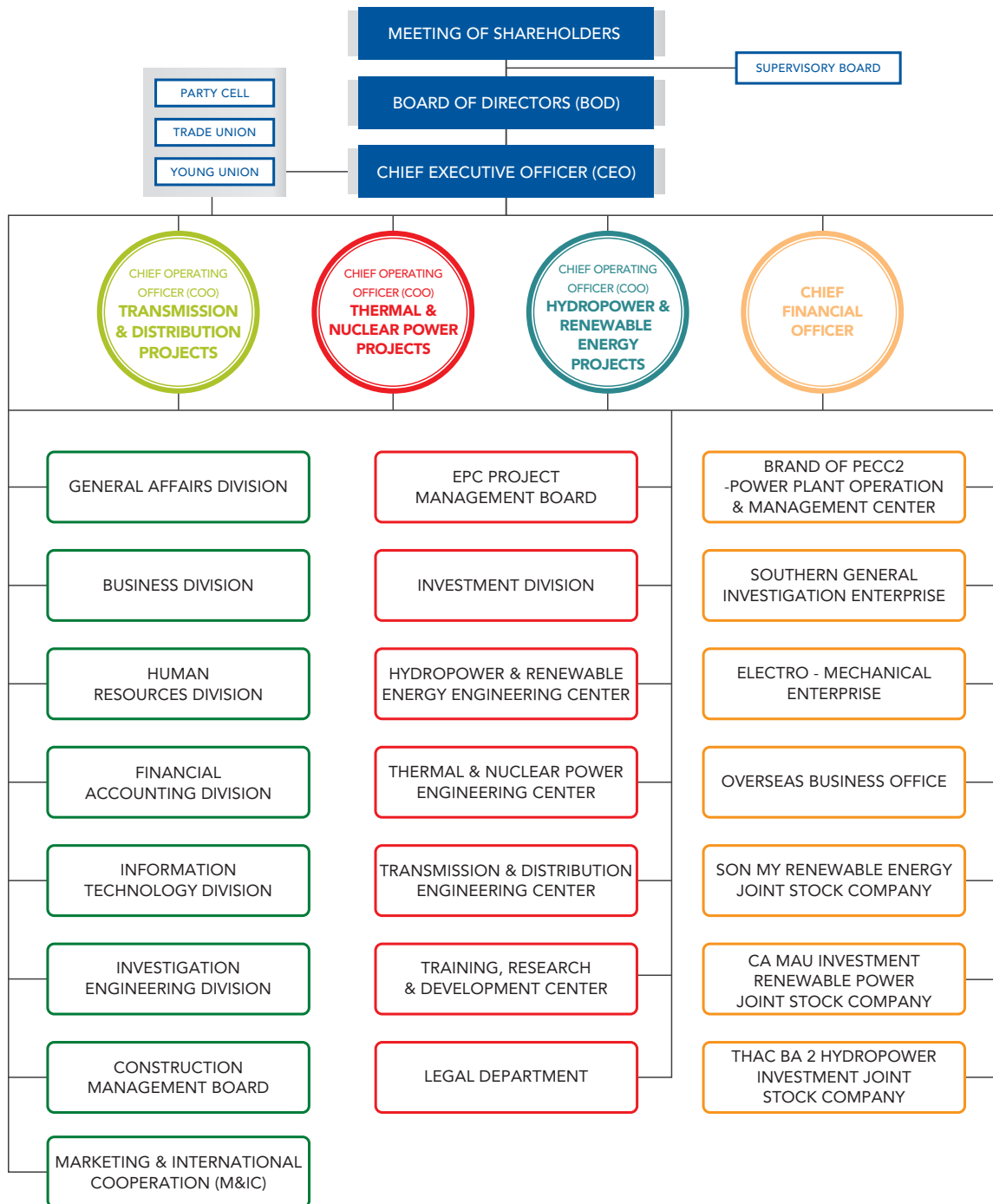
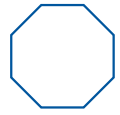
BUSINESS FIELDS AND LOCATIONS (CONTINUED)

B. LOCATIONS

PECC2 also establishes a strong international presence through a wide range of projects undertaken.



ORGANIZATION CHART



CORPORATE GOVERNANCE STRUCTURE

The Company devises a management structure of a joint stock company in strict compliance with legal regulations of the Government and the Company's Charter as follows:

- Shareholders' Committee (through Annual General Meeting)
- Board of Directors
- Supervisory Board
- Executive Committee supported by key functions/departments



CORPORATE DEVELOPMENT STRATEGY



1 Business outlook to continuously improve the organizational structure, management capacity to enhance labor productivity and competitiveness;

2 To expand business and investment activities, on the basis of consulting services as core activity, more professionally and effectively in order to raise the Company's added values;

3 Developing PECC2 into a fully digitized company, conducting all its activities and operations on an integrated digital platform;

4 Strengthen PECC2's competitive position thanks to its digital capabilities, bringing difference to clients and customers thanks to digital experiences, to diversified products and services with higher quality and higher added value.

GOALS TO 2025 VISION TO 2030

Developing PECC2 into a fully digitized company, conducting all its activities and operations on an integrated digital platform.

Training, applied scientific research and digital technology application research in design, production, construction, installation and testing, project management and operation management activities in the field of energy in order to constantly improve PECC2's human resources capabilities and efficiency.

Strengthen PECC2's competitive position thanks to its digital capabilities, bringing difference to clients and customers thanks to digital experiences, to diversified products and services with higher quality and higher added value.

Promote internal resources, expand connectivity, cooperation with domestic and foreign partners to invest in digital technology and new energy fields.

STRATEGIC DEVELOPMENT ORIENTATION IN VARIOUS FIELDS



CONSULTING

STRENGTHEN LEADERSHIP, OPTIMIZE THE USE OF RESOURCES, BUILD SHARED DATA INFRASTRUCTURE, STANDARDIZE BUSINESS PROCESSES, APPLY DIGITAL TECHNOLOGIES TO IMPROVE PRODUCTIVITY AND ENHANCE CUSTOMER EXPERIENCE.

BUILD THE CAPACITY TO APPLY DIGITAL TECHNOLOGY AND DEVELOP NEW SERVICES RELATED TO TOPOGRAPHIC SURVEY, GEOLOGY, MONITORING (SETTLEMENT, DEFORMATION), AND PROJECT QUALITY ASSESSMENT.



EPC AND O&M

STRENGTHEN PROJECT MANAGEMENT AND EPC MANAGEMENT CAPACITIES. FOCUS ON RISK MANAGEMENT TO ENSURE LONG-TERM BUSINESS PERFORMANCE. APPLY DIGITAL TECHNOLOGIES TO IMPROVE PROJECT MANAGEMENT AND EPC MANAGEMENT EFFICIENCY.

IMPROVE OUR MANUFACTURING CAPACITY, DEVELOP AND MANUFACTURE AUXILIARY EQUIPMENT, TECHNOLOGICAL EQUIPMENT FOR POWER PLANTS.

DEVELOPMENT AND PROVISION OF CONSTRUCTION SERVICES FOR RENEWABLE ENERGY PROJECTS.

DEVELOPMENT OF MANAGEMENT AND OPERATION SERVICES FOR ENERGY PROJECTS; BUILDING DATABASES, APPLY DIGITAL TECHNOLOGIES TO IMPROVE THE EFFICIENCY OF THE MANAGEMENT AND OPERATIONS AND EXPAND TECHNICAL SERVICES FOR POWER PLANTS.

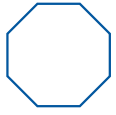


INVESTMENTS

CONTINUE TO MAKE INVESTMENTS IN RENEWABLE ENERGY SOURCES AND NEW ENERGIES. FOCUS ON RISK MANAGEMENT AND PORTFOLIO MANAGEMENT.

Strive to reach a revenue of 10,000 billion VND by 2025. Focus on developing six main business areas and industries as follows:

- Design and technical design;
- EPC management services;
- Survey and construction services;
- Electromechanical equipment manufacturing;
- High-tech service for power plants;
- Invest in renewable and new energies;



RISKS

The electricity sector was confronted with growing instability in terms of economic, political and social conditions. PECC2 therefore faced many difficulties and challenges to fulfill its objectives. In order to achieve its strategic objectives, the Company has paid extra attention to risk management activity.

Risk management is a process of dealing with risks in a systematic, scientific and comprehensive manner through identifying and evaluating risks, developing and implementing preventive plans, taking control measures to minimize losses caused to the Company once risks occur as well as financial provisions to compensate for such losses.

• CUSTOMER RISK

Major customers of the Company are prestigious state corporations in the field of energy project development. However, in the current period of socialization of investment in the field of Renewable Energy and related infrastructure projects, there have been investors who are private new entrants with different level of understanding of the energy sector, especially renewable energy projects. Among those investors, there are also some who might apply for the projects in order to transfer it later on, which poses high risks in liquidity when engaging in projects or providing technical advisory services. The binding provisions of the contract agreement are not restrictive enough to the Project Company(ies) that are the legal entities as just established "temporarily" for the purpose of project development and subsequent transfer.

• COMPETITIVENESS

The competition is not really fair between formal consulting firms and private companies in purchasing copyright software when such cost is not allowed to be depreciated in the cost estimate of the bidding package and the investors have not had sanctions against consultants using non-copyright software yet;



Formal consulting firms still have not had effective sanctions against experts who compromise with opponent private companies. As a result, such private companies are willing to bid with 30-40% lower price, causing market disruption.

• INDUSTRY RISK

The power sector faced with numerous challenges in project development such as: (i) Limited land fund; (ii) Cumbersome compensation and site clearance procedures, especially for areas with potential for development and also with increasing baseload demands (iii) disbursement of loans from credit institutions being tightened, even a lack of Government guarantee for energy projects; (iv) scarce primary energy sources; (v) overlapping and unclear guiding documents of the laws; (vi) failure of the electricity market to operate truly in line with market principles given the Government's tariff control for the purpose of social stabilization.



• HUMAN RESOURCE RISK

For the consultancy firms in general and energy consultants in Vietnam in particular, personnel risk and brain drain are among major threats. Leading service providers are entering the energy consulting market in Vietnam with huge advantages in human resources, hands-on experience in large projects and advanced technology. Therefore, the Company always attaches great importance to attracting and training staff to maintain high-quality human resources. As the first EPC



• INTERNAL RISK

In terms of internal risks, we identify the followings:

- Risk of management system's incompatibility with the development of the Company;
- Risk of employees' and leaders' lack of awareness of corporate culture in production, business and related community activities;
- Risk of information gap or inaccurate analysis which leads to misleading or ineffective implementation.

General Contractor for Power plants, managing the operation of rapidly developing renewable energy power plants, the Company will face increasingly critical personnel shortage and competition in developing new areas. Especially in 2019, the rapid development of solar power has led to a huge attraction of human resources in the field from the private sector, resulting in a large number of personnel shifting to competitors.

· FINANCIAL RISK

Financial risks of the Company include market risk (exchange rate risk, interest rate risk and price risk), credit risk, liquidity risk and capital risk.

Market risks: includes exchange rate risk, interest rate risk and price risk.

(1) Exchange rate risk: having influence from different directions due to characteristics of revenue type, funding structure (loan) and cash flow structure. The company is exposed to exchange rate risk of contracts transacted with currencies other than Vietnam Dong, and US dollar (USD) takes the most risks.

(2) Interest rate risk basically includes: interest rate fluctuations threaten increasing interest expenses for loan contracts of the Company or variable interest rates affect the current price of assets possessed by the Company.

(3) Price risk: occurs when the income is reduced because of the change in the output prices or the increase in input price.

Credit risk arises from the liquidity of partners, investors, suppliers that the Company incurs by expanding credit. Credit risk consists of two types: (1) Receivables from customers become uncertain; (2) the solvency of the Company's debts becomes uncertain.

Liquidity risk: Management of liquidity risk is required to ensure sufficient capital to meet the Company's current and future financial obligations. In order to limit liquidity risks, the Company regularly reviews current and future receivables and payables to ensure that the Company has sufficient reserves for cash and cash equivalents to meet short-term and long-term payment indicators.

· ACCOUNTS RECEIVABLE

The most significant risk to the Company is the debt from the projects that every project investor/sponsor is a customer of the Company. Companies may suffer from capital tie-up in projects when Investors fail to arrange funds or make late payments. In order to mitigate this type of risk, the Company regularly devises plan to work with Clients with a large proportion of capital appropriation, to discuss measures, including late payment penalties, to avoid capital tie-up.

· CYBER SECURITY RISK

It is the threat of disruption to management programs and databases, and attacks from cyber criminals for information. Along with the development of Industry 4.0, IT application in management, production and business operation is a pressing need whereas the infrastructure and management capacity still falls short of actual development pace and thus, adversely affecting information security.

· LIST PRICING RISK

PECC2 is listed on Ho Chi Minh City Stock Exchange, where internal and external factors such as production and business performance, information disclosure, market supply and demand for shares of the Company will lead to stock price fluctuations. Obviously, this may affect the Company's reputation, value, the sentiment of the Company's shareholders and customers.

· LEGAL AND REGULATORY RISK

In 2019, along with the expansion of company scale, PECC2 has also expanded its operating fields, participating in new business areas such as Power Plant Operation and Maintenance. Thus, the number of legal documents directly or indirectly affecting PECC2's business activities are also increasing, leading to the increasing level of legal risks and requiring the Company's ability to control legal risks. Besides, the number and content of current legal documents are very large and often change quickly, making it difficult to monitor, update and promptly propose legal risk prevention measures once such policies change.

Frequent cooperation with foreign partners and the expansion of international operations are also accompanied by other legal risks. In order to participate in the international "playing field", it is required that the Legal Department and related units should actively study and update the regular changes in the international treaty policies as well as regulations in

the host country.

Despite the recent achievements, Vietnam's legal system is still limited, especially in its consistency. For instance, when there are provisions related to the functions of many sectors, each sector will have different interpretations, leading to the situation of the same problem but with many different guiding documents.

In the current era of Industry 4.0, the biggest legal risk is not finding legal documents to apply, but being confused by the unclear, ambiguous and conflicting contents. Therefore, in the past year, PECC2's Board of Directors has increasingly focused on building and improving the expertise of the Legal Department, providing legal training courses to managers and employees to enhance the efficiency in preventing and dealing with legal risks that may occur in the operation of the Company, ensuring the rights and interests of the Company and Shareholders.

In order to minimize these risks, PECC2 has issued regulations on Information Disclosure. The Company and relevant individuals are responsible for full and timely implementation of disclosure regulations on the stock market. This will help investors access the Company's relevant information in an accurate, efficient and reliable manner so that investors can make proper investment decisions.

TO SUM UP, THE COMPANY MANAGED TO PROMPTLY IDENTIFY KEY RISKS AND CHANGES IN THE BUSINESS ENVIRONMENT; ACCURATELY ASSESS THEIR IMPACTS AND DEPLOY APPROPRIATE MEASURES TO ACCOMPLISH ITS STATED OBJECTIVES IN 2020

02

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OPERATIONAL PERFORMANCE

The energy market keeps experiencing particular difficulties in traditional power plant development, balancing the supply and demand along with economic growth, changes in legislation and policy, a renewable-energy boom in the context of slow investment in transmission and distribution system, etc. Obviously, PECC2 remains sensitive to available opportunities for market expansion, yet realistic demand for risk assessment processes to coordinate with “short-term” investors / project companies.

Significantly, PECC2 continues to meet almost all its 2020 targets, among which there are nearly 60 roof-top PV projects that have been put into operation, with a total capacity of about 60MWp, and the Gio Thanh 1,2 solar farms according to the established schedule.

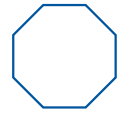
Below are the key indicators that can reflect the performance of the Company according to planning in 2020:

Unit: billion VND

Key Indicators	Planned	In 2020	% change
Total revenue	2.500	3.416,9	136,7%
Financial indicators			
Profit before tax	200	326,7	163,4%
Profit after tax	160	262,1	163,9%
Dividend (%)	Not less than 25%	Not less than 25%	



ISO MANAGEMENT SYSTEM



Recognizing the importance of improved consultancy service quality to better serve customer demands and sustainable development, PECC2 has developed and successfully applied the ISO 9001 quality management system since 2002.

To date, all processes and procedures have been compiled and applied by PECC2 to ensure quality management of all activities in connection with consultancy, survey and design, construction and erection for industry and civil works, mechanical product processing, which fully meet the requirements and standards on leadership’s responsibility, resource management, control of production processes, measurement, analysis and improvement. PECC2’s ISO 9001 quality management system is continuously upgraded/improved and is reviewed on an annual basis. Over the



15 years of operation, ISO 9001 system has proved to be effective in constantly improving PECC2’s product and service quality.

Since 2014, PECC2 has successfully built and operationalized the Environmental Management System 14001:2004 as certified by TUV NORD. In 2019, the two systems ISO 9001:2008 and ISO 14001:2004 are integrated and converted to ISO 9001:2015 and ISO 14001:2015 by Quacert’s certification, and then operationalized in all aspects of PECC2.



QUALITY POLICY: Desiring to star as a strong regional brand in energy consultancy, PECC2 undertakes to: “Constantly update and improve technology, enhance competitiveness in all areas of operation in order to prevent and minimize quality risks, ensure consistency of quality for all products, services and solutions that we provide, satisfy customer’s increasingly high demands”.

ENVIRONMENTAL POLICY: PECC2 undertakes: to be environmentally friendly in business activities, reduce consumption of natural resources and prevent pollution; ensure conformity to all requirements and other regulations on the environment; to constantly improve working environment, apply advanced and environmentally friendly technologies in production processes.



BOARD OF DIRECTORS

Mr. NGUYEN CHON HUNG
Chairman

Mr. VO VAN BINH
Member

Mr. TRAN QUANG LAM
Member

Mr. NGUYEN TRONG NAM
Member

Mr. TRUONG KHAC LEN
Independent Member



PECC2 INNOVATION HUB



EXECUTIVE COMMITTEE

Mr. VO VAN BINH
Chief Executive Officer

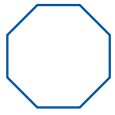
Ms. PHAM LIEN HAI
Chief Operating Officer

Mr. NGUYEN TRONG NAM
Chief Operating Officer

Mr. NGUYEN HAI PHU
Chief Operating Officer



Long Khanh Factory



HUMAN RESOURCE MANAGEMENT POLICY

Human Resource the most valuable assets

EMPLOYEES
IN TOTAL

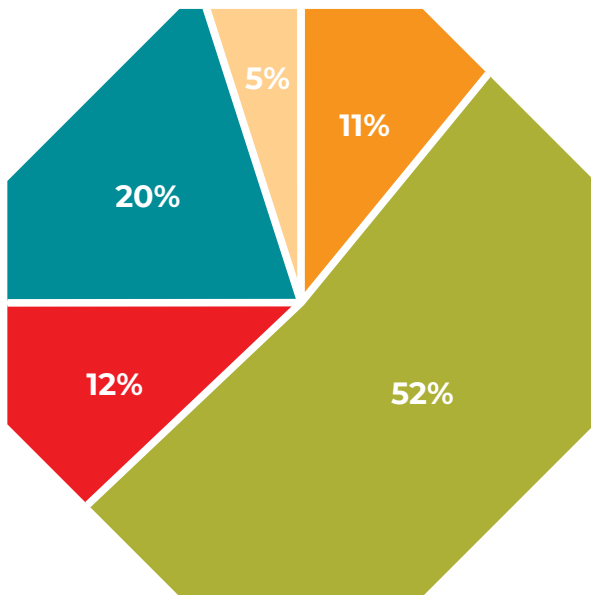
983

AS OF DECEMBER
2020

Treasuring people as the most valuable assets, PECC2 has considered training and investment in human resources the top priority in its development policy. The Company is constantly improving management methods, prioritizing the development of human resources, treating people well with respect, which is a key success factor behind the Company's sustainability.

○ In our recruitment policy, PECC2 adheres to the objectives, strategic requirements of business development strategy in each period and follows the annual plan. This embraces the principles of publicity, fairness and equal opportunity for all candidates and compliance with the Company's recruitment process.





-  Ph.D, Master: **100**
-  Engineers, Executives: **497**
-  Technicians: **174**
-  Skilled Workers: **167**
-  Others: **45**

○ To ensure employees’ comfort and long-term engagement with the Company, PECC2’s policy of labor welfare and remuneration is always advocated for continuous improvement. The Company designs salary and bonus policy suitable to each job position, competency and professional qualifications, which should both require equal recognition for the work the employees do and motivate them to increase capability as well as improve their productivity.

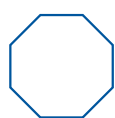
○ In addition to improving the quality of recruitment, human resource training and development is also PECC2’s top priority to build knowledge, professional skills, and other skills for staff to form a highly qualified multidisciplinary team which can actualize development requirements of PECC2.



PECC2'S CORPORATE CULTURE

We are committed to conducting our business to the highest standards and complying with all ethical principles and rules set out under PECC2’s Culture Handbook and Code of Conduct to which PECC2 employees, customers, partners, community and other stakeholders hold themselves, all cherishing our core values

“DEDICATION - PASSION - INNOVATION”



INVESTMENT PORTFOLIO

AFTER THE SUCCESSFUL 2019 INVESTMENTS IN SON MY 3.1, VINH TAN - PHASE 1 THERMAL POWER PROJECTS AND STARTING THE TAN THUAN WIND FARM; THE COMPANY CONTINUES TO SEEK AND INVEST IN A NUMBER OF NEW PROJECTS IN 2020, THE INVESTMENT SITUATION OF PROJECTS IS AS FOLLOWS:

1 INVESTMENT RESULTS

INVESTMENT VALUE AND DIVIDENDS RECEIVED

FROM EQUITY INVESTMENTS BY THE END OF 2020:

Unit: Million VND

No.	Name of the company	Ownership rate	Value of the Investment (initial capital contribution)	Dividends received in 2020			Total dividends received until now			Note
				In shares (value converted according to par value)	In cash	Total	In shares (value converted according to par value)	In cash	Total	
1	EVN International Joint Stock Company	0,45%	1.656		49	49		49	49	
2	Buon Don Hydropower Joint Stock Company	5,00%	16.750	3.546	2.235	5.781	13.259.98	10.866	24.126	
3	Son My Renewable Energy Joint Stock Company	25,00%	87.410		4.370	4.370		4.370	4.370	
4	Ca Mau Renewable Energy Joint Stock Company	25,00%	91.554							Under Construction
5	Thac Bac 2 Investment Hydropower Joint Stock Company	45,00%	5.400							under the compensation and land clearance
	Total		202.771	3.546	6.655	10.202	13.259.98	15.286	28.546	

INVESTING IN VINH TAN POWER CENTER SOLAR POWER PLANT - PHASE 1

No.	Content	Commercial Power output (kWh)	Revenue (in billion VND)	Note
1	Vinh Tan Power Center Solar Power Plant - Phase 1	10.417.093	22.604	PECC2 invested 100%
	Tổng	10.417.093	22.604	

2

ONGOING INVESTMENT PROJECTS

TAN THUAN WIND POWER PROJECT:

Location: Tan Thuan Commune, Dam Doi District, Ca Mau Province.

Capacity: 75MW (Phase 1: 25MW; Phase 2: 50MW) - Total investment: around 3.579,6 billion VND (Phase 1: 1.257,9 billion VND; Phase 2: 2.321,7 billion VND).

PECC2 contributed 25% of the total investment in this project.

The project is currently implementing the construction of foundation pillars, transmission lines and substations; it is cooperating with CMC to implement legal procedures related to the land, to the implementation of the project so as to ensure its progress and reach the COD in October 2021.

EPC and O&M main contractor: PECC2.

Beginning: 27/12/2019; COD: expected in October 2021.



Thac Ba 2 Hydropower project

OFFICE BUILDING PROJECT ON 32 NGO THOI NHIEM STREET

In the process of applying for LURC and Construction Permit.



Simulation of Tan Thuan Wind Power Plant Project

THAC BA 2 HYDROPOWER PROJECT:

Location: Han Da Commune, Yen Binh District, Yen Bai Province.

Capacity: 18,9MW - Total investment: around 707,1 billion VND.

PECC2 contributed 45% of the total investment in this project.

Currently, the FS verification report is being completed by PECC1 as a basis for submission to the MOIT for consideration and approval of the Basic Design; The land acquisition for the main work area (9.5ha) is also being swiftly deployed, compensation payments shall be performed in the second quarter of 2021.

COD: expected in fourth quarter 2023.



32 Ngo Thoi Nhiem Headquarter

3

DEVELOPMENT OF NEW INVESTMENT PROJECTS

BIOMASS PROJECTS

After surveying provinces in the Mekong Delta, the feasible projects on factory location were submitted to EVN for investment policy by PECC2 and there was an approval resolution allowing PECC2 to invest in projects in Hau Giang (20MW), Tra Vinh (25MW), An Giang (Nui To I and II - 2x30MW); The projects are in the process of applying for investment policies. And the Biomass project.



LONG SON LNG PROJECT - PHASE 1

PECC2 is working with EVNGENCO3 and investors in the consortium so as to implement procedures to establish a company, to participate in bidding and to apply for investment policy.



4 PROJECTS TARGETED FOR 2021

TAN THUAN WIND FARM PROJECT

PECC2 as the main EPC contractor of the project, is determined to complete the project, operate and generate electricity as of October 2021 in accordance with the following criteria: Ensuring quality, progress, reliability and efficiency of exploitation.



Construction of Tan Thuan wind turbines foundation

THAC BA 2 HYDROPOWER PROJECT

PStrive to complete the site clearance and compensation for the main work area (9.5ha) to be able to start the project in the second quarter of 2021.



Front view downstream of Thac Ba 2

LONG SON LNG PROJECT - PHASE 1

Working with EVNGENCO3: apply for EVN's policy; Investors in the consortium are implementing procedures to establish a company, to participate in bidding and to apply for investment policy.



The MOU signing ceremony of LNG Long Son

HAU GIANG BIOMASS PROJECT

A written approval of the investment policy for the Hau Giang Biomass Power Plant project has been received on the 9th of March 2021. Currently implementing the next procedures related to land, materials and design of the statutory steps with the goal of beginning in 2021.



Layout of Hau Giang Biomass Power Plant



FINANCIAL OVERVIEW

FINANCIAL OVERVIEW

Unit: billion VND

Main indicators	2020	2019	% change
Total asset	3.336	2.334	143%
Net revenue	3.346	3.321	101%
from operating activities (*)			
Revenue from financial activities	67	58	116%
Other income	3	8	(62)%
Profit from operating activities	327	312	105%
Other profit	(0,5)	6	(108)%
Profit before tax	327	319	103%
Profit after tax	262	255	103%
Dividend payout ratio	Not less than 25%	Not less than 25%	

MAIN FINANCIAL INDICATORS

Main indicators	2020	2019	% change
<i>Liquidity ratios</i>			
Current ratio:	1,53	1,67	8%
Current Assets / Current Liabilities			
Quick ratio:	1,44	1,16	124%
(Current Assets - Inventory) / Current Liabilities			
<i>Debt ratios</i>			
Debt ratio	0,65	0,60	108%
Total Debt / Total Assets			
Debt-to-Equity ratio	1,85	1,51	123%
Total Liabilities / Total Shareholder Equity			
<i>Efficiency ratios</i>			
Inventory turnover:	7,8	8,6	(9)%
COGS / Average inventory			
Asset turnover ratio:	1,00	1,42	(30)%
Net Sales / Total Assets			

Profitability ratios

Net profit ratio:	7,84%	7,68%	102%
Net profit / Net sales			
Return on Equity	28%	27,4%	102%
Net income / Shareholder Equity			
Return on Assets	7,86%	10,9%	(28%)
Net income / Total Assets			
Operating Profit Margin	9,78%	9,4%	104%
Operating profit / Net sales			

SHAREHOLDER STRUCTURE 2020

Our shares

Total number of outstanding shares: **36.014.952** shares

Number of restricted shares: **318.175** shares

Number of freely transferable shares: **35.696.777** shares

Class of shares: Ordinary shares

OUR SHAREHOLDERS

The total number of outstanding shares is **36.014.952** shares as held by the following shareholders:

Shareholder	Number of shares held	% of relevant class
Vietnam Electricity	18.484.831	51,33
America LLC	2.522.350	7,00
Other shareholders	15.007.771	41,67
Total	36.014.952	100

DISAGGREGATING SHAREHOLDERS BY ENTITY AND COUNTRY

Category	Domestic shareholders	Foreign shareholders	Total share
Institution	20.599.560	2.735.243	23.334.803
Individual	12.444.304	235.845	12.680.149

TREASURY SHARES

Not applicable



IMPACT ON ENVIRONMENT AND SOCIETY

PECC2 HAS TAKEN CONCERTED EFFORTS TO ENSURE AND ADHERE TO THE ISO 14001: 2015 ENVIRONMENTAL QUALITY MANAGEMENT SYSTEM

The Company's top management has paid due attention to the continuous improvement of the working environment. The Company also maintains strict environmental management, abides by the provisions of the law on environmental protection and enhances the awareness of employees in environmental protection. This has been translated to concrete actions and concerted measures such as improving the ambient landscape (yard, entrance, meeting halls and meeting rooms) to create a spacious and friendly environment. Sanitation along the corridors, halls, lounges, meeting rooms and working area has been constantly improved with separate smoking areas in buildings. Deteriorated sanitary equipment are replaced with the state-of-the-art ones, the hygiene practices in the office, equipment labeling, signboards, guides to how to use water and electricity in an energy-efficient manner have been improved. Three bin system is equipped, with separate bins for domestic waste, recyclable,

non-recyclable waste and environmental hazardous waste in line with ISO 14001:2015. Annual reviews of environmental hygiene are conducted for timely remedies. Small green- ing areas are arranged in workspaces and along the corridors, etc.

"THE COMPANY ALWAYS OBEYS AND STRICTLY COMPLIES WITH THE LAW ON ENVIRONMENTAL PROTECTION AND RELATED REGULATIONS"



OBSERVANCE OF ENVIRONMENTAL LEGISLATION

In the course of operation, the Company maintains strict compliance with the environmental legislation and relevant regulations. In addition, the Company also recognizes the importance of and consistently applies environmental protection measures, complies with the regulations, and avoids jeopardizing the environment around the workspace and their underway projects. To date, the Company has never received any sanction for failing to comply with the laws and regulations surrounding the workspace or their projects. In order to protect the environment and aim for sustainable development, PECC2 regularly cooperates with consultants to carry out quarterly surveys on air environment and gas emission. Inspection results show that PECC2 has always observed regulations and received no environment-related sanction from the competent authorities. In addition to compliance

“THE COMPANY’S TOP MANAGEMENT HAS PAID DUE ATTENTION TO THE CONTINUOUS IMPROVEMENT OF THE WORKING ENVIRONMENT”

with environmental protection laws, PECC2 regularly collaborates with the Youth Union and Trade Union to communicate and adopt regulations on energy efficiency and environmental protection among all staff in the Company.

LABOR POLICIES AIMING TO ENSURE THE HEALTH AND WELL-BEING OF EMPLOYEES

The Company ensure adequate remuneration and fringe benefits for employees in accordance with the laws and the Collective Labor Agreement. Social insurance, health insurance, unemployment insurance is paid for 100% employees.

Every year, the Company provides periodic checkups for employees in order to determine health conditions, detect and treat any occupational diseases for employees, and provide personal protective equipment for

employees working at construction sites to ensure safe workplace.

PECC2 in particular adopts a lot of employee welfare policies to invest in their health and encourage passionate engagement with the Company's development in the long run. The most interesting point in 2020 is Bao Viet health insurance maintained by the Company in favorable terms for all employees, which enables them to afford likely costs incurred from illness as well as unpredictable and finan-



cially catastrophic events to a certain extent.

Organizing staff conference is considered one of the important tasks of the Company. PECC2 has developed the Regulation on organizing the Staff Conference to ensure compliance with the law in promoting the employees' direct democracy rights and making their voices heard in matters related to their legitimate rights and interests while helping them understand and fulfill their obligations and responsibilities to the Company's development.

THE COMPANY IS COMMITTED TO IMPROVING THE EMPLOYEES' INCOME, MATERIAL AND SPIRITUAL LIFE TO DRIVE THEIR MOTIVATION AND COMMITMENTS TO THE COMPANY'S SUSTAINABLE DEVELOPMENT.

Efforts have also been made to enhance social life, techniques and productivity of the employees, ensuring progress, quality, safety and effectiveness in all works that the Company performs.

TRAINING AND SCIENTIFIC RESEARCH ACTIVITIES

In 2020, the company has implemented training and human resources development activities as follows:

- Internal training for the departments: Units held a total of 18 internal training classes with 335 participants; 15 training courses held at the company. Training courses in the form of bachelor participating in outside training classes: 07 training courses were held.
- Participate in 04 short training courses organized by EVN;
- Training leaders of the power plant operation shift trained and certified by A0 training and certification: organized 03 training courses;



- Long-term training: sent 01 new employee to study a Master's program in Sustainable Energy Conversion; sent 02 employees to a PhD program in Nuclear Power program in the US and Russia, sent 02 employees to study a Master's program of Construction Management and International Business Administration program, sent 01 employee to study a university degree specialized in Law.
- PPECC2 has joined 04 associations, including: (1) Vietnam Energy Association, (2) Vietnam Engineering Consultant Association - VECAS, (3) Member of Vietnam Chamber of Commerce and Industry - VCCI, (4) International Electrical and Electronic Engineers Association - IEEE.
- PECC2 eLearning system: 02 online training courses in English and Chinese and 02 "Management Arts" course accounts, and introductory training course for new employees.
- PECC2 has recently developed and issued a Regulation on Science and Technology Tasks Management, Organization and Operation Charter of Science and Technology Development Fund and Process for management and implementation of scientific and technological tasks aiming at guiding the order and procedures for managing and implementing of S&T tasks in the Company.

TRAINING AND SCIENTIFIC RESEARCH ACTIVITIES (CONTINUED)

- Regarding the proposal for innovative and creative ideas: PECC2 has a total of 27 proposed ideas and 01 research topic: “Applying digital technologies and systems to simulate the operating features of a power plant to improve PECC2’s design engineering consulting team” implemented in 2020 and has been accepted.
- Signed an agreement on cooperation in scientific research and training with Ho Chi Minh City University of Technology on the 31st of October 2020.
- For specialized research and analysis of power systems: Standardization of PSS / E general data for established calculation and general EMTP data for transient calculation has been completed; built calculation data of electrical system using ETAP software for 2020; completed learning the principles of building a database to calculate the optimal resource mobilization using specialized software; made a number of specialized reports related to electrical system research.
- Start the development of the Occupational Health and Safety Management System according to ISO 45001: 2018 for Social Security, expected to be completed in the first quarter of 2021.
- Conference to summarize, draw experience from survey and design works.
- Deploying BIM project and cooperating with BIM Lab - HCMUT to organize BIM training for PECC2 engineers; cooperating with PortCoast to pilot the Scan To BIM project. Currently, the BIM development program is being integrated into the PECC2 digital capacity development strategic plan.
- Project on establishing a Digital Capabilit Center (DCC) and signed a contract with REACTEC / BIMLab to implement the project.
- Completion of a project to build competency standards for Consulting Engineers.



SOCIAL RESPONSIBILITY TO LOCAL COMMUNITY

The Company fully perceives its responsibilities to the community and society in its consulting operations and social activities. PECC2's consulting operations not only aim to improve the efficiency use of resources and deliver benefits to the project owners but also bring sustainable benefits to the community via highly-needed humanitarian activities with the motto "Joining hands for community development", specifically as follows:



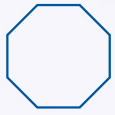
- 250 million VND donation to the Government to help handle the Covid 19 epidemic;
- 350 million VND donation to localities in the Centre of Vietnam affected by storms and floods in October 2020 and support for workers and relatives of workers affected by storms and floods in Central Vietnam in October 2020 with an amount of 146 million VND;
- Support for 04 employees in extremely difficult circumstances and dangerous diseases with the total amount of 48 million VND;
- Support for poor local households - 6 million VND per household for Tet 2020, support oncology patients at Ho Chi Minh City Oncology Hospital 50 million VND and support the Blind Association of Ho Chi Minh City 20 million VND;
- Through the Party Committee, the Company contributed to support the construction of the Sailor Club Project in the 512 Combat Ship Fleet, 127 Brigade, Region 5 Navy with an amount of 100 million VND;
- Support and make donations to the Women's Fund and make contributions to EVN's Social Assistance Fund.

03

REPORT OF THE EXECUTIVE COMMITTEE

- 46** Report of the Executive Committee
- 48** Report on key business activities in 2020
- 56** Development plan
- 64** BOD's assessment
of the Company performance





REPORT OF THE EXECUTIVE COMMITTEE

In the five-year plan 2016-2020, the last year 2020 saw a lot of changes in PECC2 from a power consulting firm to one-stop-shop business company with its integrated value chain. The Company has clearly delivered on customer expectations in different phases (project planning/development and management until construction and operation), which gains a competitive advantage for sustainable development.

Thanks to sensible direction of the Board of Directors, the employees exhibit their motivation and innovation in overcoming difficulties and overturning challenges to achieve production and business goals. As of December 31, 2020, the company has achieved the following major outcomes:

2020

TOTAL REVENUE

3.416,9

BILLION VND

136,7%

OF THE PLAN

2020

PROFIT BEFORE TAX

326,7

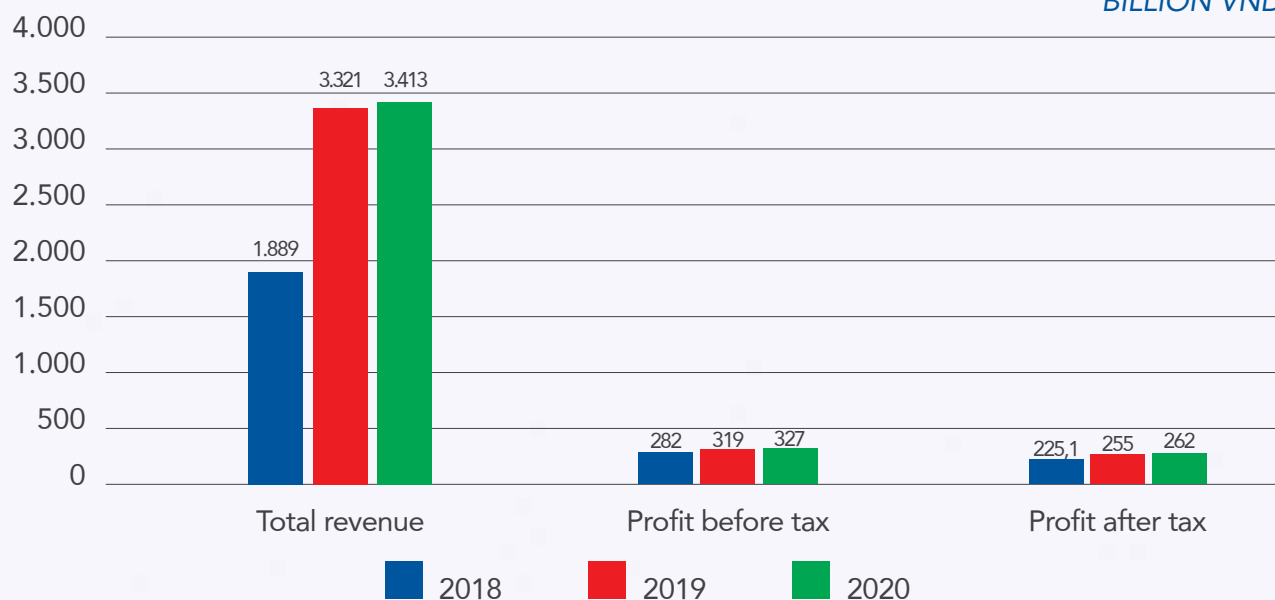
BILLION VND

163,4%

OF THE PLAN

PERFORMANCE RESULTS IN 2018 - 2020

BILLION VND



2020 revenue has increased compared to 2019 (by nearly 3%) and outperformed 2019 and the previous years (by more than 180%), mainly thanks to the expansion of EPC contracts. In order to satisfy EPC requirements, the company has acquired a number of specialized design softwares to be able to interact with manufacturers in accordance with the international standards thanks to databases. In addition, company has also boosted the training program for engineers to reach ASEAN standards, and qualify to work with local and foreign experts.



ACTIVITIES AND OPERATIONS IN 2020

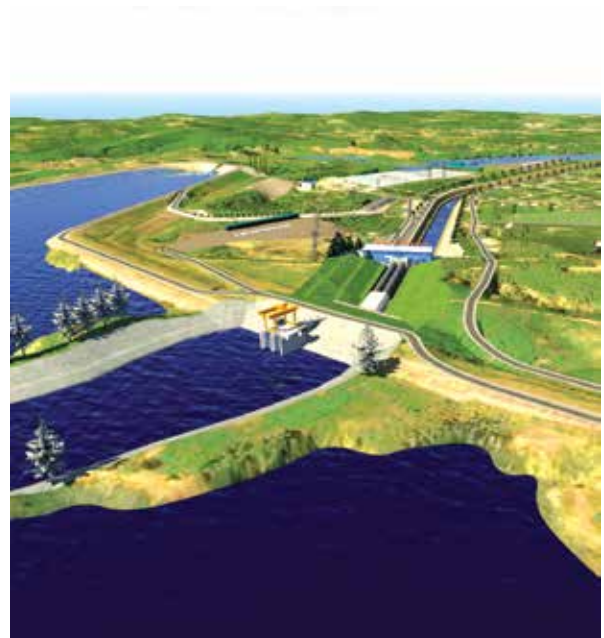
A. PROJECTS IN THE FIELD OF SURVEY, DESIGN AND PROJECT MANAGEMENT CONSULTING

In the past year, traditional consulting and survey work are still the main services that brings prestige and branding to the company, contributing many ideas, completing consulting work on many important projects for developers. investment in and outside of EVN, contributing to the overall development of the electricity industry. The typical projects that have been consulted in 2020 are as follows:



Duyen Hai 2 Extension Thermal Power Plant

1. Completed the establishment of FS Dung Quat I-III, FS Son My 1, HSMT Nhon Trach 3-4, Pre-FS Long Son 1, Pre-FS Long An I-II and Pre-FS Vung Ang 3.
2. Starting the FS for Long An I-II, monitoring TA project of USTDA.
3. PMC implementation for Duyen Hai 2 power plants: the total project progress is nearly 88%, expected in May 2021 COD TM1.
4. Designing (acting as main contractor) EPC for Gio Thanh 1 & 2 thermal power plants (2x50MW), EPC design of roof-top PV projects (~ 60MWp)...



3D model of Tri An Extension Hydropower Plant

5. Complete the preparation of FS for the following projects: Expansion Tri An Hydropower, Expansion Thac Mo Hydropower, Extended Da Nhim Hydropower, Dak Mi 2, Bao Lam, Thac Ba 2.
6. Completion of the technical design for the projects: Dong Nai 5 Hydropower Plant, Establishment of the geological plan of Dak Mi 4a reservoir.
7. Complete FS and Technical Design of Van Phong - Vinh Tan 500 kV transmission line.
8. Complete FS for Van Phong 500kV substation, implementation of the design phases of the project to ensure operating electricity in June 2022, connecting to Van Phong thermal power plant to the system.
9. Mach 3 500kV transmission line: implementing author's supervision. Investor plans to start energy transmissions at the end of January 2021.
10. Complete FS for Quang Tri 500kV substation and 500kV transmission line connecting Quang Tri to Vung Ang - Da Nang and 500kV transmis-



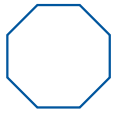
Construction of 220kV Kien Binh - Phu Quoc transmission line

sion line project in Quang Tri - Quang Tri province.

11. Completion of PreFS 500kV transmission line Krong Buk - Tay Ninh 1.
12. Complete construction and maintenance design for 220kV service across the sea between Kien Binh - Phu Quoc.
13. Carrying out a geological survey of Phnom Penh airport phase 2.
14. Conduct geological survey of Soc Trang 7 Thermal Power Plant - Phase 2.



Geological Investigation of Phnom Penh airport - Phase 2



ACTIVITIES AND OPERATIONS IN 2020 (CONTINUED)

B. BUSINESS PROJECTS

2020 marks a subsequent successful year for the company in terms of implementation of business projects, prominent projects in the past year are as follows:



Gio Thanh 1 Solar Power Plant (50MWp) - EPC



Gio Thanh 2 Solar Power Plant (50MWp) - EPC

1. Completion of EPC contract for Gio Thanh 1, 2 solar farm.
2. Completion of the EPC contract for the 500kV transmission line connecting Duyen Hai 2 Thermal Power Plant.
3. Completion of EPC contracts for about 60MWp of rooftop solar.
4. Implementing EPC SPP 500kV Van Phong 1 contract according to the project schedule.
5. Implementing EPC contract for Tan Thuan Thermal Power Plant according to the overall progress of the project.
6. Implementing EPC contract for a substation and a 110kV transmission line to Chinh Thang power plant.
7. The power plants management team has signed new contracts: Song Luy 1 Thermal



*500kV Duyen Hai Transmission line Tower
- EPC Package Duyen Hai 2 TPP*

Power Plant (47MWp); Phuoc Ninh (45MWp); Phong fill II (50MWp); 3MR Oil Language (108MWp); Gio Thanh 1, 2 (100MWp); Loc Ninh 1,2,3 (550MWp); Tianjin 1.2 (100MWp); Thien Tan 1.3 (50MWp) and rooftop PV systems in Binh Phuoc, Dong Nai, Tay Ninh,



Tan Thuan Wind Power Plant Project - EPC

Cu Chi - Ho Chi Minh; Management and operation of coal treatment system and ash and slag treatment system for Duyen Hai 2 Thermal Power Project.

8. The Electro-Mechanical Enterprise has participated in the fabrication of steel structures for projects implemented by EPC contracting companies, supplying and installing wind measuring poles for wind power projects, providing steel structures for a number of local and foreign projects such as: Project of CE&DE from Italy, the equipment rack for Comin Company, the project of Turbine Exhaust Ducting...

9. Carrying out cooperations so as to improve our position on the market and to improve products that the company has authorized the EME to sign a production cooperation contract with YUEXIN (China). Currently, the machinery and equipment have been brought to the factory, and it is implementing the next steps to start production in 2021.



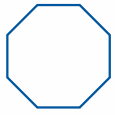
Dau Tieng 3 Extension Solar Power Plant (108MWp)



Phuoc Ninh Solar Power Plant (50MWp)



Song Luy 1 Solar Power Plant (47MWp)



ACTIVITIES AND OPERATIONS IN 2020 (CONTINUED)

C. INVESTMENT PROJECTS

After successful investments in 2019 such as Son My 3.1, Vinh Tan - Phase 1, Tan Thuan thermal power plants, in 2020 the company continued to seek and invest in a number of new projects, and completed a number of specific tasks to implement the next steps:

1. Work with CMC to implement legal procedures related to land, soliciting bids and signing contracts for subsequent bidding packages, monitoring progress with COD target by October 2021.
2. Thac Ba 2 Hydropower Plant, adjustable capacity up to 18.9MW. Currently, the FS inspection report is being completed by PECC1 as the basis for submission to the MOIT for consideration and approval of the Basic Design; The land acquisition for the main work area (9.5ha) is also swiftly deployed, to perform compensation payments in the second quarter of 2021. Expected to start construction throughout the second quarter of 2021 and the plant COD in the fourth quarter of 2023.



Dau Tieng 3 Extension Solar Power Plant (108MWp)

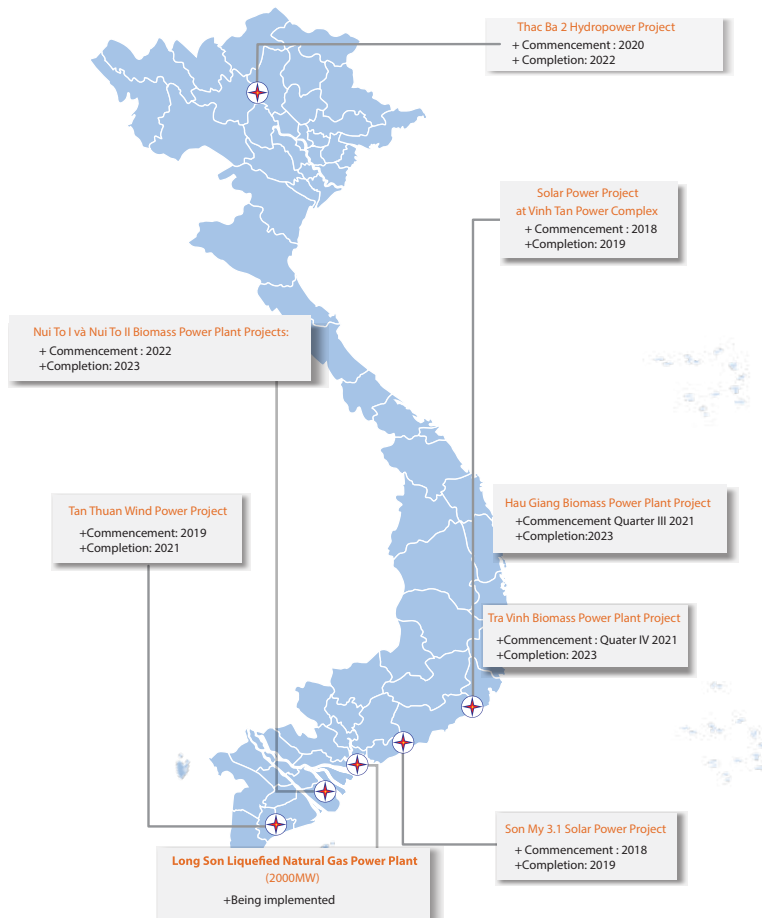
3. Biomass project: after surveying provinces in the Mekong Delta, the feasible projects on factory location were submitted to EVN for investment policy by PECC2 and there was an approval resolution allowing PECC2 to invest in projects in Hau Giang (20MW), Tra Vinh (25MW), An Giang (Nui To I and II - 2x30MW); The projects are in the process of completing investment project proposals according to the investment policy evaluation opinion of the provinces to apply for investment policy decisions.

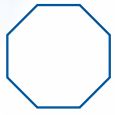
4. Long Son 1 LNG power plant: working with EVNGenco 3 and investors in the consortium to implement procedures to participate in bidding and apply for investment policy.

5. Office for lease: looking for tenants, coordinating with the PC Board and the authorized agencies to complete the legal documents on the lease of offices at 32NTN, 131HH and PIH.

6. In addition, there are also a number of projects related to specialised housing, offices, training centers, ... The Investment Division has carried out the submission procedures to the Board of Directors for approval to implement investment.

Projects into which the company has been and is investing in on the Vietnamese territory that have been approved by EVN in terms of investment policy (more than 250MW) as follows:





FINANCIAL REVIEW

TOTAL ASSETS AND CAPITAL
AS OF DECEMBER 31, 2020

3.336 BILLION
VND

42% INCREASED
IN COMPARISON OF 2019

ASSETS

PECC2's total assets as of December 31, 2020 were VND 3,336 billion, i.e. a 42,9% increase in comparison to VND 2,334 billion value in 2019.

The short-term assets of VND 2,705 billion account for 81.1% of total asset, included: VND 1.570 billion (47,1%) as short-term receivables, 302.1 billion (9.1%) as cash and cash equivalents, 643.7 billion (19.3%) as short-term financial investments, 162.8 billion (4.9%) as inventories and other short-term assets.

Long-term assets: 630.7 billion VND, accounting for 18.9% of Total Assets, including fixed assets of 350.8 billion VND (10.5%), long-term financial investment 202.4 billion VND (6, 1%), and other long-term assets.

LIABILITIES

The total liabilities and owners' equity in December 31, 2020 was VND 3,336 billion, i.e. a 42,9% increase in comparison to VND 2,334 billion value in 2019. In which, the liability was VND 2,168.7 billion (65% of the total capital), comprising short-term liabilities of VND 1,706.2 billion (51.1%) and long-term liabilities of VND 462.6 billion (13.9%).

The PECC2's Owners' equity in December 31, 2020 was VND **1.167.264.926.456** consisting of some main indicators as below:

Unit: VND

Indicators	2020
Paid-in capital	360.149.520.000
Share premium	4.922.641.050
Other capital	12.641.457.169
Investment & development funds	382.230.283.648
Undistributed after-tax earnings	407.263.844.992



DEVELOPMENT PLAN

Promoting the construction and development of digital platforms, with the desire to bring new experiences to clients with more diversified and higher quality products and services.

Apply BIM (building information model) - for 100% projects implemented by PECC2, adapt activities and operations to BIM, and convert other processes and regulations to fit with BIM.

Strengthening PECC2's competitive position based on digital capabilities, making a difference to partners and customers through digital experiences and high quality, diversified products and services at multiple prices. value added.

THE THEME "**ESTABLISH A DIGITAL PLATFORM - DEVELOP BIM SERVICES - RAISE PECC2'S VALUE**" FOR 2021 EMBODIES PECC2'S GOALS, ACTION PLANS AND EXPECTATIONS FOR THE UPCOMING JOURNEY WHICH ARE DIVERSIFY BUSINESS MODELS, OPTIMIZE MANAGEMENT PROCESSES, AND PRODUCTION PROCESSES, THEREBY IMPROVING CUSTOMER EXPERIENCE AND INCREASING PROFITABILITY.

2021 IS ALSO A YEAR DURING WHICH PECC2 EVOLVES AND CREATES A NEW VALUE SYSTEM BASED ON THREE CORE VALUES: "**DEDICATION - PASSION - INNOVATION**", DEMONSTRATING NEW WAYS OF BEHAVIOUR FOR ITS EMPLOYEES SUCH AS WITH COLLEAGUES, PARTNERS, CLIENTS AND OTHER STAKEHOLDERS, IN ORDER TO FULFILL THE COMPANY'S VISION AND MISSION.



GOALS AND TARGETS FOR 2021



Complete fulfillment of business plan and performance targets;



Successful implementation of EPC Contract for Tan Thuan Wind Power Project according to schedule;



Approve the project on building strategy and restructuring PECC2 for the period 2021-2025 with an orientation to 2030. Implement and complete the restructuring targets set for 2021.



Start the biomass power projects approved for investment policy by EVN;



Complete phase 1 of the Project for digitizing the Company.



DEVELOPMENT PLAN (CONTINUED)

2021

ACTION PLAN

ASSESSING THE GENERAL SITUATION OF THE ECONOMY WHICH IS EXPECTED TO CONTINUE TO FACE MANY DIFFICULTIES DUE TO THE COVID-19 EPIDEMIC, BUT OUR NEW DEVELOPMENT ORIENTATION AND OUR NEW VISION, PECC2 SETS THE FOLLOWING ACTION PLAN:

TOTAL REVENUE

3.682

BILLION VND

PROFIT BEFORE TAX

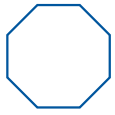
326,8

BILLION VND

DIVIDEND
PAYOUT RATION

>25%





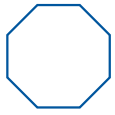
IMPROVEMENTS IN ORGANIZATION, POLICY, AND MANAGEMENT STRUCTURE

1. About Management:

- Focus actions on the theme “Establish a digital platform - Develop BIM services - Raise PECC2’s value”.
- Complete the project on building a new strategy and restructuring PECC2 for the period of 2021-2025 with a vision to 2030; implement and complete the restructuring targets set for 2021.
- Raising the leadership’s and all levels management’s awareness about the need for digital transformation; implementing and completing the construction of the PECC2 digital platform phase 1 (establishing the Digital Competency Center (DCC) with the necessary equipment, software and resources to pilot and develop BIM services).
- Innovate thinking in executive management activities, so as to adapt to and support the digital transformation in PECC2.
- Improve corporate governance processes, gradually digitize and integrate it with PECC2’s digital platform.
- Raise PECC2’s culture according to the core values system: "Dedication - Passion - Innovation".
- Continue to review, adjust and compile new regulations to coordinate activities between units in accordance with the changes within the company's organizational structure, and implemented a wage scale agreement system for departments in the company.
- Empower middle managers with the ability and responsibility to build a team that works effectively with mutual and connected capabilities, not just independent individuals. Focus on building good relationships not only with customers but within the company and between units within the company. Include a satisfaction assessment program for each specific profession for individuals and units in the process of solving assigned jobs.
- Enhance the responsibility of each individual and unit to minimize overlapping inspection procedures to save time and money through building a monthly / quarterly post-check rule for a self-discipline. If a violation of the internal regulation shall be found, the sanctions could be heavy.
- Continue to improve the company's management programs, it is imperative that project managers apply for the company's project management programs. Train employees in terms of management so that they know the necessary tools that contribute to the completion of a project with better quality and to meet the required timeline. Take measures to check and have sanctions for this work.
- Continue to organize conferences to summarize, draw experience in survey and design consultancy.

2. About human resources:

- Perform the planned work for senior and middle level officials well, prepare key human resources to inherit and develop sustainably in the strategic areas of the Company;
- Focus on improving management capacity, management levels must be properly trained for the appointed positions not only in terms of professional capacity but also have enough management knowledge, know how to motivate employees, not to put pressure on employees and be a solid support for employees. Managers must understand success through others.
- High quality labour market will fluctuate and depend not only on remuneration, but also the working environment, relationships and corporate culture. With the development trends, there will be more experts from foreign countries participating in the company's workforce, so it is necessary to focus on building a modern working environment, transparent information, and building trust among individuals in the departments and between departments within the Company will minimize negative thoughts to enhance creative motivations and work with the highest productivity for each individual.
- Rewrite new training regulations in accordance with the Company's development requirements, changing rapidly in digital science and technology, and solve the existing weaknesses with human resources.
- Training and guidance for staff, especially for those that regularly contact clients, including project managers and related subjects. This is the team that will endure the highest level of pressure to protect the interests of the Company and to satisfy customers' requirements and they are also the group that creates the most authentic image of the Company's corporate culture throughout operations, communications and cooperation.



IMPROVEMENTS IN ORGANIZATION, POLICY, AND MANAGEMENT STRUCTURE (CONTINUED)

3. Market research and analysis, prospection for new projects:

- Continue to search for EPC-capable projects from investors inside and outside EVN. Pay special attention to seek consulting opportunities for overseas projects. Create relationships with EPC companies, equipment and materials manufacturers, large foreign economic groups so as to cooperate and implement projects inside and outside of Vietnam.
- Regularly contact and create relationships with the planning and business departments of investors inside and outside EVN; collect information on construction investment to find new projects. Regularly review the Electricity Planning to prepare upcoming projects, prepare to participate in bidding or recommend contractor appointment. Carefully study Power Development Plan VIII, find and reveal unreasonable projects, propose to assign PECC2 to make additional adjustments to the planning.
- Improve PECC2's Business page on LinkedIn to target international customers. Regularly posts updates on PECC2's experience, capacity and projects. Through that, in addition to actively looking for potential customers. LinkedIn also allows clients to learn about and contact PECC2 directly.
- Focus on developing social media, refreshing infographic that is attractive but concise showing outstanding capabilities and experience of PECC2, linking and focusing on the different values that PECC2 brings to customers. Actively participate in energy industry conferences at home and abroad with presentations that bring value to the community.
- Developing a suitable price policy for the new market, not too heavy on profit but must have a plan and strategy for risk management, must overcome the psychological factor of project execution thinking when accessing foreign markets.

4. Develop business cooperation and investment plans and plans:

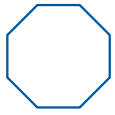
- Develop specific directions and plans for business cooperation and investment of the company to 2025 with a vision to 2030.
- Develop a common development project with strategic partners, and units with which we have cooperated with on projects, or made common investments and other potential partners to seek business cooperation and investment opportunities for new projects from 2021 to 2025 with a vision to 2030. Completing regulations and building rules on relationship with partners and on business cooperation and investments.

5. Continue the cost optimization implementation:

- Continue to review and complete cost norms. Regular operational costs optimization to reduce costs of raw materials, services purchased from outside and other costs.
- Increase cash flow control: The Company, Centers and Enterprises shall plan cash flow to monitor and check the cash flow periodically, monthly, quarterly, annually, effectively using the cash flow in real estate, business and development investment of each unit.
- Implementation of cost saving measures, cost reduction: saving costs of materials and materials in procurement of equipment; strictly control expenses for electricity, water, telephone, stationery, travel, meeting and guest reception. To completely dispose of poor quality stagnant materials and equipment, unused and damaged fixed assets, awaiting for liquidation.
- Strictly control investment costs right from the preparation and implementation stages of each project.
- Strictly manage the progress and quality of the design survey project. Complete and hand over documents according to the schedule required by the Investor and the contract provisions, not to change the design, handle poor quality leading to prolonged completion, increase management costs and cost of production.
- Collect and analyze financial information, predict needs and make optimal decisions to achieve appropriate business goals, ensuring growth and development.

6. Raising awareness, labour discipline, sense of responsibility and corporate culture for employees:

- Continue to apply various forms of activities to raise employees' awareness abouts PECC2 Cultural values. Promote effective corporate culture activities.
- Work with big organizations to organise event aiming at promoting PECC2's Cultural values. Strengthen the implementation of the Code of Cultural Conduct and build assessment criteria for the implementation of the Code of Cultural Conduct within the departments.
- Create a friendly working environment, motivate employees to promote their ability to work with a high sense of responsibility, wholeheartedly serving clients to provide them with the best possible quality.



BOD'S ASSESSMENT OF THE COMPANY PERFORMANCE

BOD'S ASSESSMENT OF THE COMPANY PERFORMANCE

In the past year, the Board of Directors has effectively fulfilled their monitoring function to ensure satisfactory achievement of objectives, directions and plans. In 2020, the Company exceeded production and business targets assigned by the General Meeting of Shareholders.

BOD'S ASSESSMENT OF THE EXECUTIVE COMMITTEE ACTIVITIES

The Board of Directors highly appreciated the efforts of the CEO and the Executive Committee in the process of implementing business and production tasks. 2020 is a difficult year; however, the Executive Committee with good governance, expertise and strong determination has radically led the implementation of the assigned tasks to meet the targets commissioned by the General Meeting of Shareholders.

The Executive Committee has led the company's production and business operations in accordance with the functions, duties and powers stipulated in the Company's Charter, AGM's resolutions and BOD's decisions. Throughout this process, the BOD maintains close supervision of the Executive Committee by reviewing the implementation of resolutions and decisions of the BOD and the General Meeting of Shareholders.

The Executive Committee has also given specific instructions through close monitoring of the quality and schedule in all construction works undertaken by the Company in accordance with the Owners' requirements.

The Executive Committee has also conducted

meetings on a weekly, monthly, quarterly and annual basis with more substantive contents. The Board of Directors attended quarterly meetings with the Company's management to review business performance in addition to the Executive Committee's supervision through the inspection and control by the Internal Supervisory Board of the Company.

In 2020, the Chief Executive Officer and the Executive Committee has actively pursued initiatives in restructuring, innovation, resource reallocation (particularly the key staff members of the Company), effective implementation of salary policies, improvement of the working conditions, accommodation and living conditions for employees and benefits policies for employees.



BOARD OF DIRECTORS' PLANS AND ORIENTATIONS

Operating Plan

The BOD continues to improve operational efficiency, direct and coordinate with the Executive Committee in successfully implementing business plans in 2021, meeting the targets to be adopted at the coming AGM.

In 2021, to further promoting the business performance from the past years, the Company determines the key targets as follows:

- Complete fulfillment of business plan and performance targets;
- Implementing on schedule EPC contract of Tan Thuan wind power plan.
- Commencement of the biomass power projects approved for investment policy by EVN.
- Approve the project on building strategy and restructuring PECC2 for the period 2021-2025 with an orientation to 2030. Implement and complete the restructuring targets set for 2021.
- Completion of phase 1 of the Project of developing the company's digital capacity.
- Strengthening of the governance model in addition to developing a plan to transform the governance model for the period of 2020-2025, with view to 2030;

The theme for 2021 focuses on “Establish a digital platform - Develop BIM services - Raise PECC2’s value”.

Other activities

- The BOD will continue to direct the Executive Committee to consider alternatives for constructing the Head Office, investing in

power projects, especially hydropower plants, seeking investment opportunities in technological equipment in power network and renewable energy projects such as wind, solar, biomass power, etc;

- The BOD shall direct the Executive Committee to further improve the organizational structure and regulations to meet production and business requirements in the new period;
- The BOD shall promptly issue decisions and resolutions to serve as a basis for the Executive Committee to effectively manage production and business operations. The BOD shall hold ad-hoc meetings to tackle any arising matters under their mandate;
- The BOD shall maintain good management of liabilities as well as cut costs and waste in all activities of the Company;
- Other issues to be submitted to the General Meeting of Shareholders.

Implementation measures

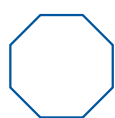
- Maintain the activities of the Board of Directors and work closely with the Executive Committee in all aspects of corporate governance.
- Support the Executive Committee in management and business development.
- Maintain close supervision of the Executive Committee in corporate governance for optimal efficiency.
- Strengthen supervision over subsidiary enterprises to improve production and business efficiency.

04

CORPORATE GOVERNANCE

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and benefits of the Board of Directors,
Executive Committee
and Supervisory Board





BOARD OF DIRECTORS' ACTIVITIES

Composition and structure of the BOD

No.	Name	Title	Number of shares held	Percentage (%)
1	Nguyen Chon Hung	Chairman	46.798	0,13%
2	Vo Van Binh	Member	28.338	0,08%
3	Tran Quang Lam	Member	26.524	0,07%
4	Nguyen Trong Nam	Member	26.247	0,07%
5	Truong Khac Len	Independent Member	70.491	0,20%

Meetings called by the BOD

No.	Host	Title	Member since	Number of meetings	Attendance rate
1	Ong Nguyen Chon Hung	Chairman & CEO	11 October, 2013	5	100%
2	Ong Vo Van Binh	Member	28 February, 2018	5	100%
3	Ong Tran Quang Lam	Member	6 September, 2016	5	100%
4	Ong Nguyen Trong Nam	Member	26 April, 2012	5	100%
5	Ong Truong Khac Len	Member	11 October, 2013	5	100%

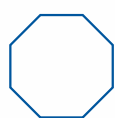
Overall assessment of the BOD's activities to ensure shareholders' benefits

In a tireless effort to improve the corporate governance in alignment with the current laws and requirements of Vietnam, ensuring the long-term benefits to our shareholders, information transparency as well as operational efficiency, the BOD has achieved the following main results in 2020:

Terms	2020 results
Shareholders' basic rights	According to the General Meeting of Shareholders' relevant solutions, PECC2 paid 50% stock dividends for 2019.
Participation and voting right to the substantial changes of the Company	- PECC2 hosted the AGM 2020 on 23th of June 2020 and guaranteed the rights and benefits of its shareholders to the maximum;
Delivering shareholders' benefits	Strict compliance with the regulations of the State Securities Commission and the HCMC Stock Exchange for listed companies, regular reminders and facilitation of reporting and information disclosure in accordance with the current legal regulations to affirm shareholders' access rights to such information.
Improving corporate governance	The BOD maintains a continuously updated corporate governance system, holding periodic reviews on any modification, supplementation or issuance of internal policies, procedures and processes in terms of management. This helps PECC2 to deliver strong performance and efficiency in accordance with General Meeting of Shareholders' relevant solutions and other statutory requirements.
Operational efficiency	The BOD has fulfilled their roles in directing the implementation of the tasks assigned by AGM in 2020. The actual outcomes are above plan with profitable businesses maintained. Furthermore, the Company was safeguarding and growing the capital of the state and shareholders, fulfilling financial obligations to the state and ensuring legal compliance.

The Board of Directors played an active role in strengthening corporate governance and fulfilling their commitments to the General Meeting of Shareholders. Accordingly, PECC2 has brought internal stability, well managing risks, fostering solidarity and strictly observing the laws. Many real breakthroughs and remarkable transformations in corporate governance helped PECC2 to attain such a strong position and satisfy expectations of the investors who wish to hold PECC2's shares. All shareholders continue to reach unanimous consensus on PECC2's strategic management and development.

Activities of the Board Committees: Not applicable



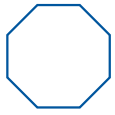
SUPERVISORY BOARD

Composition and structure

No.	Full name	Title	Number of shares held (31/12/2020)	Percentage (%)
1	Nguyen Thi Thu Hien	Chairwoman	3.165 shares	
2	Vo Duy Bach	Member until 26/06/2020	None	
3	Tran Thi Hoa	Member	39.487 shares	
4	Tran Thi Viet Ha	Member since 26/6/2020	None	

Key meetings in 2020 held by the Supervisory Board

No.	Full name	Title	Beginning/end of membership	Number of attended meetings	Participation rate	Reason for non-participation
1	Nguyen Thi Thu Hien	Chairwoman		4/4	100%	
2	Tran Thi Hoa	Member		4/4	100%	
3	Vo Duy Bach	Member	Member until 26/06/2020	2/4	50%	Does not participate in meetings after 25/06/2020
4	Tran Thi Viet Ha	Member	Member since 26/06/2020	2/4	50%	Participate in meetings only since 26/06/2020



ACTIVITIES OF THE SUPERVISORY BOARD

Monitoring of the Board of Directors and Executive Committee

In 2020, the BOD held regular meetings to agree on some important issues such as: reviewing business performance, approving business plans, preparing for AGM, land planning and investment, human resource management and organization of the departments to fit the new situation, etc. In addition, the BOD also adopted resolutions and decisions via written ballots.

The Executive Committee has effectively implemented the resolutions of the General Meeting of Shareholders and the Board of Directors in accordance with their functions and authority. The Supervisor Board is of the opinion that the Board of Directors has closely monitored the activities of the Executive Committee in implementing the 2020 business plan and preparing the 2021 plan alongside relevant activities relating to work acceptance, debt collection, management and so on. The Board of Directors and the Executive Committee have been operating in accordance with the functions, duties and powers stipulated in the Charter and internal regulations of the Company.

The Supervisory Board has recorded no irregularities in the activities of the Board of Directors and the Executive Committee.

Coordination of activities between the Supervisory Board for the activities of the Board of Directors, the Executive Board and other management staff

The Supervisory Board always receives full information about the business plan of the Company in the period;

The Supervisory Board actively coordinated closely and regularly with the Board of Directors and the Executive Board;

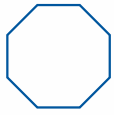
The Supervisory Board has also cooperated closely with departments and units in the Company to carry out inspections during the period.

Activities of the Supervisory Board

In 2020 the Supervisory Board has fulfilled all tasks assigned to ensure all operations in line with the Charter, Internal Regulations and other relevant legislation. In 2019, the Supervisory Board focused on the following key domains: monitoring and inspecting the performance of the Company's business plan; verifying the implementation of the AGM's resolutions as well as performance of the Board of Directors, Executive Committee, branches and managers; monitoring financial and accounting work through validation reports of financial statements, business plan and debt management, etc.

Each inspection is followed by minutes recording the Company's performance and the Supervisory Board's recommendations to ensure the legitimate interests of the shareholders and to enhance internal control.

The Members of the Board also actively research and improve inspection and supervision skills in order to successfully complete the assigned tasks.



TRANSACTIONS, REMUNERATION AND BENEFITS OF THE BOARD OF DIRECTORS, EXECUTIVE COMMITTEE AND SUPERVISORY BOARD

Board of Directors' salary / remuneration

No.	Full name	Title	Salary (VND)	Remuneration (VND)
1	Nguyen Chon Hung	Chairman	648.000.000	
2	Vo Van Binh	Member	552.000.000	
3	Tran Quang Lam	Member	552.000.000	
4	Nguyen Trong Nam	Member		108.000.000
5	Truong Khac Len	Member		108.000.000

Supervisory Board's salary / remuneration

No.	Full name	Title	Salary (VND)	Remuneration (VND)
1	Nguyen Thi Thu Hien	Chairwoman	324.000.000	
2	Vo Duy Bach	Member		36.000.000
3	Tran Thi Viet Ha	Member		36.000.000
4	Tran Thi Hoa	Member		72.000.000



Share trading by internal shareholders and related persons (2020)

No.	The person performing the transaction	Relationship with the insiders	No. of shares held at the beginning of the period		Số cổ phiếu sở hữu cuối kỳ		Increase/decrease justification (sale/purchase, conversion, bonus)
			No. of shares	%	No. of shares	%	
1	PECC2's Trade Union	Insider	510.510	2,13%	695.570	2,90%	Purchase
2	PECC2's Trade Union	Insider	695.570	2,90%	64.390	0,25%	Transfer of ownership of bonus shares to PECC2's employees
3	Pham Hai Linh	Related to insiders	0	0%	310	0,001%	Purchase

Contract or transaction with internal shareholders: Not applicable

Observance of corporate governance regulations:

In order to enhance transparency and operational efficiency, the Company has adjusted the Corporate Governance Regulations in accordance with the Enterprise Law, Securities Law and the Ministry of Finance's circulars on corporate governance applicable to public companies. These are observed by senior leaders and employees of the Company.

The Company has fulfilled periodic management reporting requirements (as stipulated at Circular 155/2015/TT-BTC and Circular 96/2020/TT-BTC).



Nguyen Chon Hung
Chairman

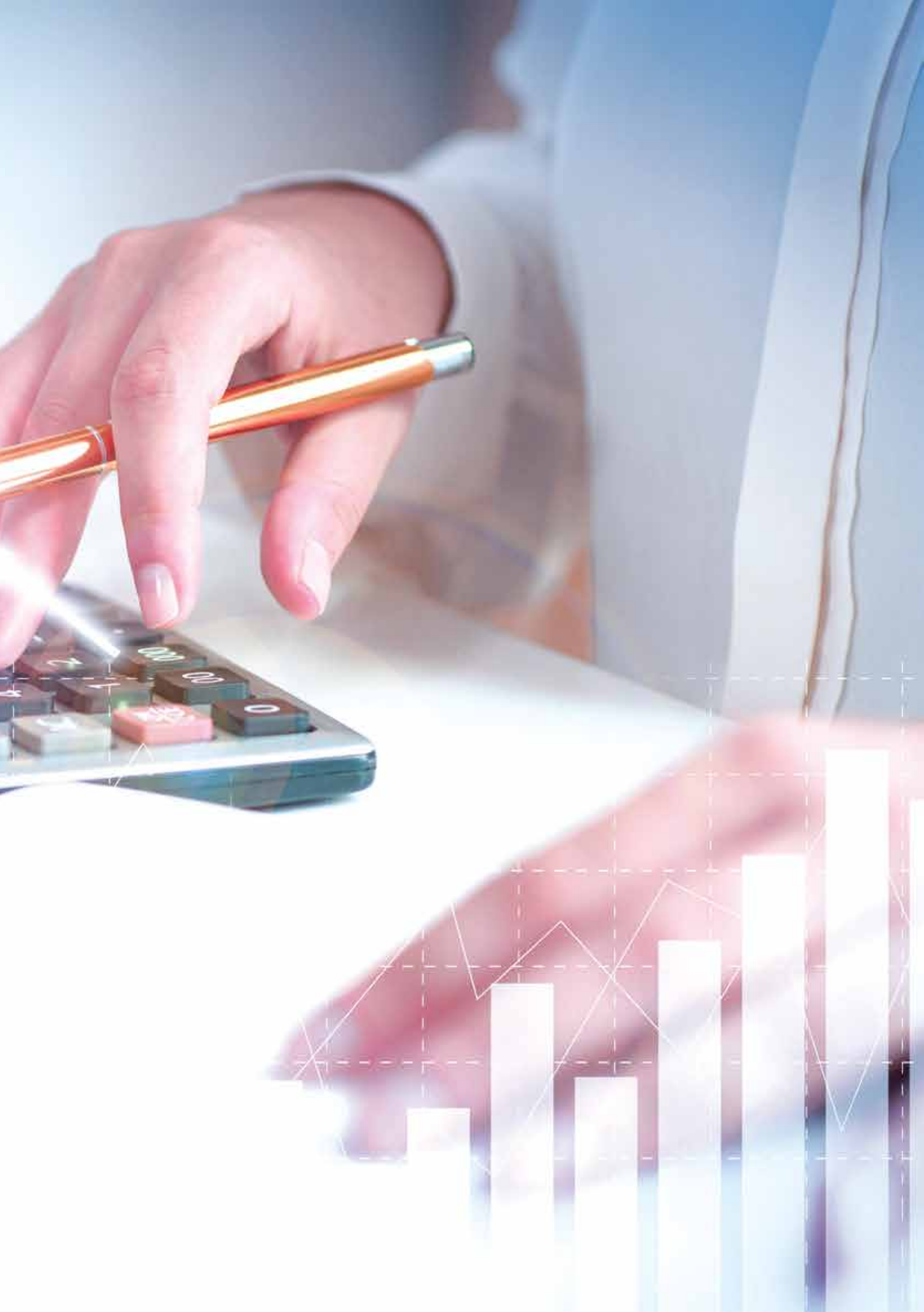


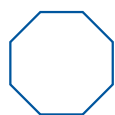


05

FINANCIAL STATEMENTS 2020

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INDEPENDENT AUDITOR'S REPORT

**To the attention of: Shareholders, Board of Directors and Executive Committee
Power Engineering Consulting Joint Stock Company 2**

We have audited the accompanying financial statements of the Power Engineering Consulting Joint Stock Company 2 as prepared on March 26th, 2020, which are presented on pages 06 to 48, which comprise the consolidated balance sheet as at 12/31/2019, consolidated income statement and consolidated cash flow statement for the year then ended and the notes thereto.

RESPONSIBILITIES OF THE EXECUTIVE COMMITTEE

The Executive Committee is responsible for the preparation and fair presentation of these financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Corporate Accounting Regime, and other related statutory requirements relevant to preparation and presentation of financial statements, and for such internal control as the Executive Committee deem necessary to ensure the preparation and presentation of financial statements are free from material misstatement, whether due to fraud or error.

RESPONSIBILITIES OF THE AUDITOR

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Vietnamese Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 auditor considers internal control relevant to the Company's preparation and fair 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, 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.

AUDITOR'S OPINION

In our opinion, the financial statements give a true and fair view, in all material respects, of the financial position of the Power Engineering Consulting Joint Stock Company 2 as at December 31, 2018, and of the business performance, cash flows, and changes in equity for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Corporate Accounting Regime, and other related statutory requirements relevant to preparation and presentation of consolidated financial statements.

Branch of KPMG in Ho Chi Minh City

Vietnam

Auditor's Report No.: 20-01-00308-21-1



Chang Hung Chun

Audit Practicing Registration

No.0863-2018-007-1

Deputy Director

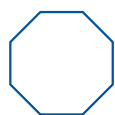
Nguyen Anh Tuan

Audit Practicing Registration

No. 0436-2018-007-1

Deputy Director

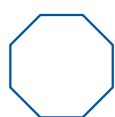
TP. HCMC, March 25th, 2020



CONSOLIDATED BALANCE SHEET

ASSETS	Code	Notes	31/12/2020	31/12/2019
1	2	3	4	5
A - CURRENT ASSETS	100		2.705.270.497.902	1.887.720.975.471
I. Cash and cash equivalents	110	5	302.027.563.394	188.362.289.302
1. Cash	111		161.568.601.954	43.112.289.302
2. Cash equivalents	112		140.458.961.440	145.250.000.000
II. Short-term financial investments	120	6	643.700.000.000	509.400.000.000
1. Trading securities	121			
2. Provision for devaluation of trading securities (*)	122			
3. Held-to-maturity investments	123		643.700.000.000	509.400.000.000
III. Short-term receivables	130		1.570.012.606.432	530.850.294.201
1. Trade receivables	131	7	901.720.084.044	388.903.384.317
2. Advances to suppliers	132		675.353.406.313	33.675.503.916
3. Short-term inter-company receivables	133			
4. Receivables according to the scheduled progress of the construction contracts	134			
5. Receivables for short-term loans	135			
6. Other short-term receivables	136	8	16.818.787.124	123.418.367.650
7. Provision for doubtful debts (*)	137	9	(23.879.671.049)	(15.146.961.682)
8. Assets in shortage awaiting solution	139			
IV. Inventories	140		162.896.911.682	580.958.463.082
1. Inventories	141	10	162.896.911.682	580.958.463.082
2. Provisions for inventory devaluation (*)	149			
V. Other current assets	150		26.633.416.394	78.149.928.886
1. Short-term prepaid expenses	151	11	4.427.899.963	2.810.863.739
2. Deductible VAT	152		22.205.516.431	75.339.065.147
3. Taxes and receivables from State Budget	153			
4. Purchase and sale of Government bonds	154			
5. Other current assets	155			

ASSETS	Code	Notes	31/12/2020	31/12/2020
B - NON-CURRENT ASSETS	200		630.746.016.928	446.370.269.551
I. Long-term receivables	210		3.786.517.740	3.011.017.740
1. Long-term trade receivables	211			
2. Long-term advances to suppliers	212			
3. Business capital in affiliated units	213			
4. Long-term intra-company receivables	214			
5. Receivables for long-term loans	215			
6. Other long-term receivables	216	8	3.786.517.740	3.011.017.740
7. Provision for long-term doubtful debts (*)	219			
II. Fixed assets	220		350.789.195.471	289.995.136.677
1. Tangible fixed assets	221	12	192.525.602.681	128.623.972.072
- Cost	222		300.634.956.666	223.014.095.530
- Cumulative depreciation	223		(108.109.353.985)	(94.390.123.458)
2. Leased fixed assets	224		-	-
- Cost	225			
- Cumulative depreciation (*)	226			
3. Intangible fixed assets	227	13	158.263.592.790	161.371.164.605
- Cost	228		202.021.905.121	193.935.243.596
- Cumulative depreciation (*)	229		(43.758.312.331)	(32.564.078.991)
III. Investment property	230		-	-
- Cost	231			
- Cumulative depreciation (*)	232			
IV. Long-term assets in progress	240		70.071.223.819	9.977.920.489
1. Work in progress	241			
2. Construction in progress	242	14	70.071.223.819	9.977.920.489
V. Long-term financial investments	250		202.392.848.862	114.607.074.322
1. Investments in subsidiaries	251			
2. Investments in joint ventures and associates	252	6	184.364.250.000	96.560.250.000

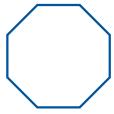


CONSOLIDATED BALANCE SHEET (CONTINUED)

ASSETS	Code	Notes	31/12/2020	31/12/2020
3. Capital contribution in other companies	253	6	18.406.850.600	18.406.850.600
4. Allowances for long-term investments	254		(378.251.738)	(360.026.278)
5. Held-to-maturity investments	255			
VI. Other long-term assets	260		3.706.231.036	28.779.120.323
1. Long-term prepaid expenses	261	11	3.030.948.185	1.806.892.736
2. Deferred income tax assets	262		675.282.851	26.972.227.587
3. Long-term equipment and spare parts for replacement	263			
4. Other long-term assets	268			
TOTAL ASSETS (270 = 100 + 200)	270		3.336.016.514.830	2.334.091.245.022

CAPITAL	Code	Notes	Audited end-of-year figures	Beginning-of-year figures
1	2	3	4	5
C - LIABILITIES	300		2.168.751.588.374	1.402.955.807.502
I. Current liabilities	310		1.764.315.905.122	1.128.247.657.411
1. Trade payables	311	15	989.719.035.120	641.668.891.850
2. Prepaid from customers	312		234.654.061.114	44.941.625.705
3. Taxes and payable to State Budget	313	16	48.658.749.156	11.905.840.611
4. Payable to employees	314		199.852.771.368	175.216.996.325
5. Short-term accrued expenses	315	17	108.390.505.794	124.604.201.659
6. Short-term intra-company payables	316			-
7. Payables according to the scheduled progress of the construction contracts	317			530.315.604
8. Short-term unearned revenues	318		1.865.025.225	-
9. Other short-term payables	319	18	96.845.655.577	61.191.254.104
10. Short-term borrowings and finance leases	320	19	55.322.166.900	45.972.864.217
11. Provisions for short-term liabilities	321		8.291.209.051	8.735.237.868
12. Appropriation to Bonus & welfare funds	322		20.716.725.817	13.480.159.468
13. Price stabilization fund	323			-
14. Purchase and sale of Government bonds	324		-	-

CAPITAL	Code	Notes	Audited end-of-year figures	Beginning-of-year figures
II. Long-term liabilities	330		404.435.683.252	274.708.150.091
1. Long-term trade payables	331			
2. Long-term repayments from customers	332		171.425.110.827	102.896.820.060
3. Long-term accrued expenses	333	17	1.482.494.554	940.407.646
4. Intra-company payables for operating capital received	334			
5. Long-term intra-company payables	335			
6. Long-term unearned revenues	336			
7. Other long-term payables	337			
8. Long-term borrowings and financial leases	338	19	17.329.235.568	17.329.235.568
9. Convertible bonds	339			
10. Preferential stocks	340			
11. Deferred income tax payables	341			
12. Provisions for long-term liabilities	342		213.458.481.931	152.541.326.445
13. Science and Technology Development Fund	343		740.360.372	1.000.360.372
D - OWNERS' EQUITY	400		1.167.264.926.456	931.135.437.520
I. Owners' equity	410		1.167.214.401.059	931.084.912.123
1. Paid-in capital	411	20	360.149.520.000	240.101.180.000
- Budget capital	411a		360.149.520.000	240.101.180.000
- Voting ordinary share	411b			
- Preferred shares	411c			
2. Share premium	412	20	4.922.641.050	4.922.641.050
3. Conversion options on convertible bond	413			
4. Other capital	414	20	12.641.457.169	12.641.457.169
5. Treasury shares (*)	415			
6. Differences upon asset revaluation	416			
7. Exchange rate differences	417			
8. Investment & development funds	418	21	382.230.283.648	254.772.613.478
9. Enterprise reorganization assistance fund	419			
10. Other equity funds	420			



CONSOLIDATED BALANCE SHEET (CONTINUED)

CAPITAL	Code	Notes	Audited end-of-year figures	Beginning-of-year figures
11. Undistributed after-tax earnings	421	20	407.263.844.992	418.640.774.226
- Accumulated undistributed after-tax profits	421a		290.755.457.992	163.499.672.651
brought forward				
- Undistributed after-tax profits for the current year	421b		116.508.387.000	255.141.101.575
12. Capital expenditure funds	422	20	6.654.200	6.246.200
II. Other funds	430		50.525.397	50.525.397
1. Funds	431		50.525.397	50.525.397
2. Fund used for fixed asset acquisitions	432			
TOTAL CAPITAL (440 = 300 + 400)	440		3.336.016.514.830	2.334.091.245.022

Hoang Thuy Hoai Yen
Deputy Director
Accounting Department

Bui Thi Ngoc Ly
Chief Accounting



Pham Lien Hai
Vice President – Economics & Finance
Ho Chi Minh City, 25th, 2021



INCOME STATEMENT

ITEM	Code	Notes	This year	
			Outturn this year	Outturn last year
1	2	3	6	7
1. Revenues from sale of goods and rendering services	01	22	3.346.394.846.990	3.321.521.086.244
2. Revenue deductions	02			
3. Net sales from sale of goods and rendering services (10= 01-02)	10		3.346.394.846.990	3.321.521.086.244
4. Cost of goods sold	11	23	2.917.913.214.615	3.002.461.746.254
5. Gross margin from sale of goods and rendering services (20=10 - 11)	20		428.481.632.375	319.059.339.990
6. Revenues from financial activities	21	24	67.168.062.641	58.327.779.922
7. Financial expenses	22	25	11.359.243.689	6.846.651.833
- of which: Interest expenses	23		3.745.330.871	2.812.668.887
8. Selling expenses	25	26	30.754.910.102	(48.595.580.491)
9. General administration expenses	26	26	126.152.894.491	106.820.910.373
10. Net profit from operating activities {30 = 20 + (21 - 22) - (25 + 26)}	30		327.382.646.734	312.315.138.197
11. Other incomes	31	27	3.407.804.842	8.796.342.188
12. Other expenses	32	28	4.002.033.578	2.246.656.226
13. Other incomes (40 = 31 - 32)	40		(594.228.736)	6.549.685.962
14. Gross profit before tax (50 = 30 + 40)	50		326.788.417.998	318.864.824.159
15. Current corporate income taxes	51	29	38.292.608.292	30.248.612.706
16. Deferred tax expenses	52	30	26.296.944.736	33.475.109.878
17. Net profit after tax (60=50 - 51 - 52)	60		262.198.864.970	255.141.101.575
18. Basic earnings per share (*)	70	40	7.280	7.084
19. Diluted earnings per share (*)	71			

Nguyen Minh Thu
Deputy Director
Accounting Department

Bui Thi Ngoc Ly
Chief Accounting

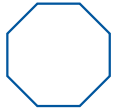


Pham Lien Hai
Vice President – Economics & Finance
Ho Chi Minh City, 25th, 2021



CASH FLOWS FROM FINANCING ACTIVITIES

ASSETS	CODE	Accumulated from the beginning of the year to the end of this quarter	
		This Year	Last Year
1	2	4	5
I. Cash flows from operating activities			
1. Profit before tax	01	326.788.417.998	318.864.824.159
2. Adjusted for			
- Depreciation of fixed assets and investment properties	02	30.309.153.598	25.476.637.020
- Provisions	03	77.812.238.646	(64.847.199.099)
- Exchange rate differences upon revaluation of monetary items denominated in foreign currency	04	(1.881.018.585)	(292.873.178)
- Profit/loss from investing activities	05	(39.857.589.064)	(50.437.439.667)
- Interest expenses	06	3.745.330.871	2.812.668.887
- Other adjustments	07	-	1.102.550.423
3. Profit from business operations before working capital changes	08	396.916.533.464	232.679.168.545
- Increase/decrease in receivables	09	(810.249.736.048)	72.425.574.698
- Increase/decrease in inventories	10	418.061.551.400	(459.756.157.626)
- Increase (decrease) in payables (exclusive of interest payables, enterprise income tax payables)	11	550.051.594.836	42.947.533.961
- Increase/decrease in prepaid expenses	12	(2.841.091.673)	2.928.905.798
- Increase or decrease in trading securities	13		
- Interest paid	14	(3.206.673.764)	(2.279.236.635)
- Corporate income tax paid	15	(28.122.529.338)	(50.404.933.608)
- Other revenues from operating activities	16	18.780.000	68.408.000
- Other expenses for operating activities	17	(19.111.997.685)	(43.785.319.065)
Net cash flows from operating activities	20	501.516.431.192	(205.176.055.932)
II. Cash flows from investing activities			
1. Purchase and construction of fixed assets and other long-term assets	21	(144.219.555.759)	(113.663.228.135)
2. Proceeds from disposals of fixed assets and other long-term assets	22	911.997.843	237.681.818
3. Loans to other entities and payments for purchase of debt instruments of other entities	23	(788.500.000.000)	(485.700.000.000)
4. Collections from borrowers and proceeds from sale of debt of other entities	24	654.200.000.000	809.700.000.000



CASH FLOWS FROM FINANCING ACTIVITIES (CONTINUED)

ASSETS	CODE	Accumulated from the beginning of the year to the end of this quarter	
		This Year	Last Year
5.Capital contribution in companies	25	(87.804.000.000)	(91.560.250.000)
6.Return from capital contribution in other companies	26		
7.Interest income and dividends received	27	40.669.967.745	48.974.679.964
Cash flows from investing activities	30	(324.741.590.171)	167.988.883.647
III. Cash flows from financing activities			
1.Proceeds from sales of shares and paid-in capital	31		
2.Cash contribution to the owners, purchase of shares of the corporate issuers	32		
3.Proceeds from borrowing	33	388.028.847.942	201.205.606.960
4.Repayment of principal	34	(450.463.065.259)	(186.364.969.303)
5.Payment of finance lease liabilities	35		
6. Dividends & profits paid to equity holders	36	(74.165.000)	-
<i>Net cash flows from/(used in) financing activities</i>	40	(62.508.382.317)	14.840.637.657
<i>Net cash flows during the year (50 = 20+30+40)</i>	50	114.266.458.704	(22.346.534.628)
<i>Cash and cash equivalents at the beginning of the year</i>	60	188.362.289.302	210.730.329.941
Impact of exchange rate changes in foreign currency conversion	61	(601.184.612)	(21.506.011)
<i>Cash and cash equivalents at the end of the year (70 = 50+60+61)</i>	70	302.027.563.394	188.362.289.302

Nguyen Thi Huyen Trang
Accountant

Bui Thi Ngoc Ly
Chief Accounting





Pham Lien Hai
Vice President – Economics & Finance
Ho Chi Minh City, 25th, 2021



POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 2

32  Ngo Thoi Nhiem, Vo Thi Sau Ward, District 3, Ho Chi Minh City

 (84.28) 222 16468

 (84.28) 222 10408

 info@pecc2.com

 www.pecc2.com