BAC HA HYDROPOWER JOINT STOCK COMPANY	SOCIALIST REPUBLIC OF VIETNAM Independence - Freedom - Happiness
No.: 885 /2026/TTr-BHHC-HĐQT	*Hanoi, day 25 month 11 year 2026*

PROPOSAL

On the adjustment of the 2026 production and business plan and profit after tax

To: The General Meeting of Shareholders of Bac Ha Hydropower Joint Stock Company

Pursuant to the Law on Enterprises No. 59/2020/QH14 dated 17 June 2020, as amended and supplemented by Law No. 03/2022/QH15 and Law No. 76/2025/QH15 dated 17 June 2025;

Pursuant to the Law on Securities No. 54/2019/QH14, as amended and supplemented by Law No. 56/2024/QH15 and implementing documents;

Pursuant to the Charter on Organization and Operation of Bac Ha Hydropower Joint Stock Company adopted by the General Meeting of Shareholders on 28 January 2008, as amended and supplemented for the 6th time on 16 April 2026;

Pursuant to Resolution No. 274/2026/NQ-BHHC-ĐHĐCĐ dated 16 April 2026 of the 2026 Annual General Meeting of Shareholders of Bac Ha Hydropower Joint Stock Company;

Pursuant to Circular No. 29/2026/TT-BCT dated 2 June 2026 of the Ministry of Industry and Trade.

In 2026, the inflow to the reservoir of Bac Ha Hydropower Plant has been much lower than the long-term average *(averaging only 78.53% of the long-term average over the first 10 months of the year).* In addition, the Plant must operate under the electricity market constraints prescribed by the Ministry of Industry and Trade. So that the plan reflects the Plant's actual capacity, the Board of Directors (BoD) respectfully reports to Shareholders the causes and proposes adjusting the 2026 production and business plan and profit after tax, as follows:

I. MAIN REASONS FOR ADJUSTING THE PLAN

1. Reservoir inflow is far below the long-term average

Since the beginning of 2026, hydrological developments in the reservoir catchment have been highly unfavorable. The average inflow over the first 10 months of the year reached only 78.53% of the long-term average, and in particular the average of the flood-season months reached only 71.36% of the long-term average, even though this is the period that determines most of the commercial electricity output for the whole year.

The main cause is that rainfall in the catchment has fallen sharply below the normal pattern, reducing inflow to the reservoir. In addition, the seasonal forecast of the National Center for Hydro-Meteorological Forecasting indicates that El Niño will remain at a strong to very strong intensity from September to November 2026 with a probability of 100% *(source: Nationwide seasonal climate forecast and warning bulletin from September 2026 to February 2027 on the website: https://www.nchmf.gov.vn of the National Center for Hydro-Meteorological Forecasting).* Therefore, the water shortage is likely to continue until the end of 2026 and early 2027. This is an objective factor beyond the Company's control.

2. Operating constraints under Circular No. 29/2026/TT-BCT

Bac Ha Hydropower Plant operates under the electricity market regulations in Circular No. 29/2026/TT-BCT dated 2 June 2026 of the Ministry of Industry and Trade (amending and supplementing Circular No. 21/2024/TT-BCT) and is subject to two main constraints:

- **Water level limit:** The National Power System and Market Operator (NSMO) assigns a limit water level to the Plant on a weekly basis; the Plant must operate no lower than this limit. For a first violation, a reminder is issued; for a second violation, the Plant's operation is restricted and it may run only to ensure the minimum flow under the Surface Water Exploitation and Use License issued by the Ministry of Agriculture and Environment, in order to impound water.
- **Monthly contracted electricity output (Qc):** NSMO calculates and assigns Qc once for the entire month, instead of announcing it weekly as before, so the Plant can no longer update Qc according to the weekly inflow. As a result, the Plant's operation faces many difficulties.

When reservoir inflow is low, these two constraints act directly and in opposition to each other: generating to fulfil the assigned Qc lowers the water level, while keeping the water level above the limit forces restrictions on running the units, even in trading intervals with high market prices. As a result, the Plant's commercial electricity output and revenue fall below plan.

The Executive Board has proactively adjusted the operating method, optimized unit running hours according to electricity market prices, strictly complied with NSMO's impoundment requirements, and tightly controlled costs. However, the very low reservoir inflow has caused business results to fall short of the plan assigned by the 2026 Annual General Meeting of Shareholders (GMS).

II. PROPOSED ADJUSTMENT OF THE 2026 PRODUCTION AND BUSINESS PLAN AND PROFIT AFTER TAX

For the objective reasons stated above, if the targets approved by the GMS were left unchanged, the plan would no longer reflect the Plant's actual capacity. The BoD proposes

adjusting 2026 profit after tax from VND 80.73 billion to VND 50 billion, together with related targets as follows:

Indicator	2026 plan approved by the GMS	Adjusted plan	Variance (%)
Electricity output (million kWh)	317.59	290.10	-8.66%
Total revenue (VND billion)	288.38	229.20	-20.52%
Total expenses (VND billion)	197.01	169.67	-13.88%
Profit before tax (VND billion)	91.37	59.53	-34.85%
Profit after tax (VND billion)	80.73	50.00	-38.07%

Timely adjustment helps Shareholders assess actual operating results correctly, ensures Shareholders' right to full information, and enables the Company to fulfil its obligation of truthful information disclosure. The plan adjustment does not diminish the efforts of the Executive Board, nor does it change the objective of impounding water to ensure water supply for the 2027 dry season.

III. RECOMMENDATIONS

Based on the above, the BoD respectfully submits to the General Meeting of Shareholders for consideration and written voting to approve the following:

1. Approve the adjustment of the 2026 production and business plan and profit after tax according to the targets set out in Section II of this Proposal;
2. Assign the BoD to direct the Company's Executive Board to implement according to the targets approved in Section II, and to disclose information in accordance with law.

The BoD respectfully hopes to receive the attention, agreement and support of the Shareholders. Thank you.

Recipients:
- As addressed above;
- BoD members, Supervisory Board (Email);
- Archive: Administration & HR Dept., Finance & Accounting Dept.

ON BEHALF OF THE BOARD OF DIRECTORS
CHAIRMAN

M.S.D.N: 5300240587-C.T.C.P
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LÀO CAI

Dong Quoc Cuong