

REPORT
OF THE BOARD OF DIRECTORS SONG DA 5 JOINT STOCK COMPANY
ON 5-YEAR IMPLEMENTATION RESULTS (2020-2024)
AND ORIENTATION AND TASKS FOR THE NEXT 5-YEAR (2025-2029)
(Submitted to the 2025 Annual General Meeting of Shareholders)

Performing the duties and authorities of the Board of Directors of the Company according to the Charter of organization and operation of Song Da 5 Joint Stock Company, to assess the implementation of the Resolution of the General Meeting of Shareholders as well as review the implementation of the tasks assigned by the General Meeting of Shareholders, the Board of Directors of Song Da 5 Joint Stock Company reports on the performance results of the Board of Directors for 5 years (2020-2024) and the orientation and tasks for 5 years (2025-2029) as follows:

A. 5-YEAR IMPLEMENTATION RESULTS (2020-2024):

Song Da 5 entered the implementation of the 2020-2024 plan in the context that the Company's traditional market of building large domestic hydropower plants has ended, most of the projects that the Company has participated in have reached their final stage and the trend of shifting from designated bidding to competitive bidding will cause state-owned enterprises to lose their unique advantages and have to compete at low costs to get jobs. In addition, the Covid 19 epidemic has directly affected the production and business activities and investment of the Company. However, Song Da 5 Joint Stock Company under the timely and effective direction of Song Da Corporation - JSC; The Company's Board of Directors has united, together with the efforts of all employees in the Company has overcome difficulties and challenges to maintain and stabilize production and business, closely following the set goals and plans for implementation and has achieved the following main results:

1. Implemented key economic indicators:

No.	Indicators	Unit	Total 5 years (2020-2024)		
			Plan	Performed	%performed
1	Total production and business value	10 ⁹ VND	6,824.77	10,883.93	159%
2	Total revenue	10 ⁹ VND	6,456.52	10,735.25	166%
3	National budget payments	10 ⁹ VND	180.05	184.59	103%
4	Profit before tax	10 ⁹ VND	160.40	162.69	101%

2. General assessment.

- In the period of 2020-2024, despite facing many difficulties as mentioned above, the Company has focused on directing the implementation and achieved important results, creating conditions for the Company to develop stably and sustainably,

specifically as follows:

- Financial indicators: Succeeded in maintaining production and business activities with total revenue of VND 10,735.25 billion, reaching 166% of the plan, total pre-tax profit of VND 162.69 billion, reaching 101% of the plan.
- Complete the goals and progress of key projects according to signed contracts (Total number of projects completed and handed over on time is 12, including: 10 hydroelectric and irrigation projects, 02 industrial projects).
- In the period of 2020-2024, the Company continues to implement solutions to restructure and rearrange the organizational structure to suit the actual requirements of the market: Merged and renamed a number of new functional departments/divisions based on specific functions and tasks in accordance with the actual situation; Developed, revised and supplemented regulations; Approved a Resolution to supplement a number of business lines of the Company, especially the categories of transmission lines and substations.
- Strengthening the work of marketing, bidding, and job seeking, the results achieved were the signing of 39 bidding packages with a total contract value of 9,059.31 billion VND.
- Capital arrangement basically meets production and business requirements. Payment collection, acceptance and settlement, debt collection are highly focused, completing the settlement of completed projects with the Corporation (Hua Na, Son La, Lai Chau, Nam Chien, National Assembly House Projects), Work-in-Progress Value and debt as of December 30, 2024 decreased to only 957.59 billion VND (Debt 579.22 billion VND, Work-in-Progress Value 378.37 billion VND).

B. 5-YEAR ORIENTATION AND TASKS (2025-2029)

1. General objectives:

- Expand the business lines to the fields of power transmission lines, transportation infrastructure systems, ports, airports, and high-rise buildings.
- Research and seek investment opportunities for small and medium hydropower projects with capacity $\geq 30\text{MW}$.
- Restructuring the business to suit the new direction.
- Complete and promulgate internal management regulations, overcome existing problems in the period of 2020-2024 to improve production and business efficiency at construction sites; motivate employees; ensure the stability and development of the Enterprise.
- Market classification, investor grouping to develop appropriate bidding marketing plans.

2. Specific objectives:

- Continue to seek and participate in the construction of items, works and projects that are the strengths of Song Da 5 such as hydropower construction; Improve the capacity to develop the field of wind power, solar power, industrial, irrigation and civil

works; Approach and expand the field of construction of traffic works, infrastructure, wharves, transmission lines and substations.

Accordingly, the Company will classify the markets and categorize the Investors to develop a suitable bidding marketing plan and operating model (as a main contractor or general contractor for construction and installation), specifically:

+ For the market of hydroelectric construction projects:

(i) Large-scale power projects $\geq 300\text{MW}$: Joint venture contractor to construct items in the Company's strength or the entire project.

(ii) Hydropower projects with scale $\leq 300\text{MW}$: EPC contractor, especially projects in the Lao market.

+ For wind power and solar power market: Contractor, general contractor for design and construction.

+ For the industrial construction market: As a general contractor or main contractor for construction of steel mill and thermal power plant projects.

+ For the irrigation construction market: As the main contractor for construction of items in our strengths.

+ For the civil construction market: Main contractor for construction of medium-scale projects.

+ Other markets: Participate as a joint venture contractor, gradually becoming a main contractor or subcontractor participating in the construction and installation segment of infrastructure, transportation, ports, airports, high-rise buildings, power transmission lines up to 500KV voltage level and medium and low voltage substations.

- Strengthen management, supervision and guidance for projects to ensure progress of unfinished projects (especially the Nam Phak project).

- Research plans and participate in investing in areas of Song Da 5's strengths such as small and medium-sized hydropower $\geq 30\text{MW}$, wind power, solar power based on Power Development Plan VIII and quarries for exploitation and supply of materials.

3. Main solutions:

3.1. Plan for bidding marketing and job search:

Strengthening marketing and bidding work to find jobs to ensure production plans for the following years. Specific solutions:

- *For the domestic market:* Continue to seek and participate in the construction of items, works, and projects that are Song Da 5's strengths such as hydropower construction. Approach and expand the construction field of traffic works, infrastructure, civil construction, transmission lines and substations, and airport projects.

- *For the international market:* Continue to collect, research market information on hydropower construction in Lao PDR. Especially for the Xekong 4A & 4B project, regularly contact the Employer to clarify the project bid price.

3.2. Recovery of Work-in-Progress value and debts:

Implement solutions to speed up acceptance and payment to recover capital and minimize Work-in-Progress value. Specifically:

- For designated bidding projects that have completed the construction: Focus

resources on working with the Executive Board and the Employer to finalize the items that have met the conditions (Xekaman 3 Hydropower Plant, Bac Me Hydropower Plant). For the Bac Me Hydropower project, continue working with the Court to provide legal documents and necessary procedures to implement the next steps.

- For projects under construction: Focus on human resources to shorten the time to complete acceptance documents, make final payment and recover capital for unfinished work, especially the Hoa Phat – Dung Quat Iron and Steel Production Complex project.

3.3. Financial and accounting:

- Continue to balance and arrange capital in a timely manner for production and business activities. Expand and build relationships with new credit institutions to ensure diversified capital sources with low borrowing costs.
- Tightly control cash flow, improve capital efficiency for each project and construction site to ensure economic efficiency.
- Reduce business management costs and other costs.
- Participate in the appraisal of the financial capacity and capital sources of the Investors of the projects that the Company participates in bidding to ensure the capital for payment of the projects during construction.
- Focus on payment and debts recovering of projects while urging the collection of due personal advances. Develop plans and measures to recover bad debts that have lasted for many years.
- Closely coordinate with Song Da Corporation to collect debts of projects in which the Corporation is the general contractor.
- Auditing and financial transparency: Fully implement the auditing regime and public information disclosure.
- Strengthen support for accounting work at project works.

3.4. Internal management:

- Develop and complete regulations on contract assignment and cost management in accordance with the project management model and actual requirements at the unit; Timely issue and supplement sets of norms and contract unit prices for arising work.
- Coordinate with the management of materials and equipment to find and update suppliers to get the most competitive prices, expand the market for purchasing construction materials and equipment to Thailand and Lao PDR to minimize transportation costs.
- Timely perform settlement of labor, materials and fuel.
- Look for partners to rent out unused machinery and equipment to offset depreciation costs.
- Establish task force to inspect and guide project sites in the management of

materials, vehicles, and equipment, cost accounting, and implementation of internal management regulations.

- Continue to analyze production and business efficiency periodically (quarterly, annually) and at the end of the project; inspect the implementation of contract regulations and contract settlement to overcome shortcomings in management.

3.5. Management of quantity, progress and safety:

- Strengthen the management of quantity and progress, especially the acceptance and payment collection at the projects.
- Timely approve main material requirements for projects to ensure construction progress.
- Timely design and approve key construction measures as a basis for project sites to implement construction.
- Implement construction organization to ensure the quantity and progress targets of the contract.
- Strengthen safety supervision, organize regular safety training for workers to minimize possible safety incidents.
- Manage design work to meet progress, quality and efficiency at Song Da 5 projects as general contractor for design and construction.
- Establish and strengthen a safety management team capable of meeting task requirements.

3.6. Management of materials and equipment use:

- Develop a plan for purchasing and using materials to ensure timely supply and efficient and economical use of materials.
- Balance to ensure that equipment and machineries meet the requirements of projects.
- Regularly inspect, maintain and repair equipment to ensure working capacity and improve machine efficiency.

3.7. Human resource management:

- Balance and review existing human resource demand at the construction sites to implement solutions to meet the needs and improve the labor quality for each project.
- Contact and work with Vocational Schools and Job Centers to sign training and recruitment contracts to ensure adequate labor supply for the projects.
- Recruit and train new staff in line with the Company's development orientation.
- Continue to plan the team of Project Managers and direct engineers according to the Company's project management model as well as the actual requirements of the work (Especially in the fields of tunnel construction, civil and traffic construction).

3.8. Risk management:

- Issue risk control procedures for the company's production and business activities.
- Periodically, every quarter, establish an internal inspection team to work on projects to analyze and evaluate, give warnings about risks in production and business activities and implement solutions to control risks.

3.9. Investment:

- Invest in upgrading construction equipment and vehicles to meet the requirements of each project.
- Continue to research options and consider investing in areas of Song Da 5's strengths such as Hydropower with a scale of $\geq 30\text{MW}$.

C. Recommendations:

The Company's Board of Directors submits to the 2025 Annual General Meeting of Shareholders for consideration and approval of the 5-year orientation and tasks (2025-2029) of Song Da 5 Joint Stock Company.

We hope that shareholders attending the meeting will consider and approve so that the Board of Directors can continue to lead, manage and operate the Company more and more effectively, building Song Da 5 Joint Stock Company to develop sustainably.

Thank you very much!

ON BEHALF OF BOARD OF DIRECTORS
CHAIRMAN



Le Van Tuan