

**SONG DA CORPORATION – JSC**  
**SONG DA 10 JOINT STOCK COMPANY**  
 Number: 466.E/BC-SĐ10

**SOCIALIST REPUBLIC OF VIETNAM**  
**Independence – Liberty – Happiness**  
*Hanoi, April 4, 2025*

## **ANNUAL REPORT**

### **Fiscal year 2024**

To: The State Securities Commission  
 Hanoi Stock Exchange

#### **I. General information**

##### **1. Overview**

- Trading Name: Song Da 10 Joint Stock Company (hereinafter referred to as the “Company”)
- Business registration certificate number: 5900189357, initially registered on December 26, 2005 and amended for the 11th time on November 11, 2022.
- Charter capital: 427,323,110,000 VND (Four hundred twenty-seven billion, three hundred twenty-three million, one hundred ten thousand Vietnamese dong).
- Owner’s Equity: 427,323,110,000 VND.
- Address: 11th Floor, Block B, Song Da Building, Pham Hung Street, My Dinh 1 Ward, Nam Tu Liem District, Hanoi, Vietnam.
- Phone number: +84 24 37683998
- Website: songda10.com.vn
- Stock code: SDT

##### **Establishment and development process**

Song Da 10 Joint Stock Company is a member unit of Song Da Corporation. It originated from the Underground Construction Company, which was established under Decision No. 154/BXD-TCCB on February 11, 1981, by the Minister of Construction. The Company’s formation stages are as follows:

- In 1963, it was named Cement Grouting and Drilling Construction Site, under Thac Ba Hydropower Construction Company.

- From early 1979, it became Tunnel and Cement Groumber 5, 1979, it was renamed Tunnel Construction Enterprise, still under Song Da Hydropower Construction Company.
- In 1981, the Tunnel Construction Enterprise was transformed into the Underground Construction Company under Song Da Hydropower Construction Corporation, following Decision No. 154/BXD-TCCB dated February 11, 1981, issued by the Ministry of Construction;
- In 2002, it was renamed Song Da 10 Construction Company under Decision No. 285/QD-BXD dated March 11, 2002, by the Ministry of Construction.
- In line with the Party and State's policy on restructuring, innovation, and enhancing the competitiveness of enterprises in the economy, the Company gradually carried out equitization from 2005. On November 14, 2005, the Minister of Construction issued Decision No. 2114/QD-BXD, officially converting Song Da 10 Company into a Joint Stock Company.

On December 26, 2005, the Company officially began operations as a joint-stock Company under Business Registration Certificate No. 0103010419 issued by the Hanoi Department of Planning and Investment. Throughout its operation, the Company has amended its Business Registration Certificate 11 times. Currently, the Company operates under Business Registration Certificate No. 5900189357, issued on November 11, 2022.

At the time of its establishment as a joint-stock Company, the Company's charter capital was 60,000,000,000 VND. Over the years, through various capital-raising issuances, the Company's charter capital has increased to 427,323,110,000 VND by the end of the reporting year. The details of the capital increase process are outlined in section II.5.c of this report.

The Company was approved for listing its common shares on the Hanoi Securities Trading Center, now the Hanoi Stock Exchange, under Listing License No. 43/QD-TTGDHN dated November 27, 2006, with the stock code SDT. The official trading date of the shares was December 14, 2006.

The Company specializes in tunnel excavation and underground construction, blasting for site preparation and foundation pits, ground reinforcement through jet grouting, and tunnel formwork fabrication. With over 60 years of operation, the Company has participated in the construction of numerous major energy and transportation projects in Vietnam and the Lao People's Democratic Republic.

For the energy sector: The Company has participated in the construction of major domestic projects such as the Hoa Binh Hydropower Plant (1,920MW), Yaly (720MW), Tuyen Quang (342MW), Son La (2,400MW),



Huoi Quang (520MW), and Lai Chau (1,200MW); as well as hydropower projects in the Lao People's Democratic Republic, including Nam Theun (670MW), Nam Emoun (129MW), and Nam Phak (168MW).

For the transportation sector: The Company has participated in the construction of projects such as the Hai Van Pass Road Tunnel, Ho Chi Minh Road, Deo Ngang Road Tunnel, Co Ma Tunnel – part of the Deo Ca Tunnel project, Da Nang – Quang Ngai Expressway Tunnel, Deo Ca Road Tunnel, Noi Bai – Lao Cai Expressway, and Mui Trau Tunnel – part of the Ho Chi Minh Road project,...

Currently, the Company is a highly capable and reputable contractor, involved in the construction of many major projects, including:

- + Son Trieu Tunnel and Ea Trang Tunnel under the North-South Expressway construction project.
- + Yaly Hydropower Plant Expansion and Nam Phak Hydropower Plant.
- + Hoa Binh – Moc Chau Expressway Project.
- + Deo Ngang Road Tunnel Expansion Project.

The projects undertaken by the Company are always completed on schedule, ensuring high quality at reasonable costs, and are highly appreciated by investors.

## **2. Business lines and locations of the business**

### **2.1 Business lines**

- Construction of other civil engineering works: Construction and installation of transportation, industrial, civil, electrical, hydraulic, and underground complex projects;
- Construction of railways and roads: Construction of highways, roads, streets, other types of roads, pedestrian pathways; construction of railways and subways;
- Site preparation: Clearing construction sites; transportation of soil: excavation, backfilling, leveling, and grading of construction sites; drainage, rock transportation, blasting; exploratory drilling, test hole drilling, and sample collection for geological and geophysical examination;
- Construction of various types of buildings;
- Iron ore mining: Extraction of iron-rich ores; beneficiation and collection of iron-containing ores;
- Extraction of stone, sand, gravel, and clay;
- Manufacture of metal structures: Production of metal frames or skeletons for construction and their components;

- Mechanical processing, metal treatment, and coating;
- Repair of machinery and equipment;
- Electricity generation, transmission, and distribution: Production and commercial distribution of electricity;
- Sale of spare parts and auxiliary components for automobiles and other motor vehicles;
- Wholesale of materials and other installation equipment in construction: Wholesale of building materials such as sand and gravel;
- Real estate business, land use rights belonging to the owner, user, or lessee: Investment in development and business of urban areas, industrial zones, and economic zones; office rental;
- Architectural and related technical consulting activities: Engineering design and consulting services for civil engineering projects, pipeline engineering, and transportation architecture;
- Rental of machinery, equipment, and other tangible goods: Rental of construction and civil engineering machinery and equipment without operators.

**2.2 Locations of business:** In the past two years, the Company has primarily carried out projects in the following locations:

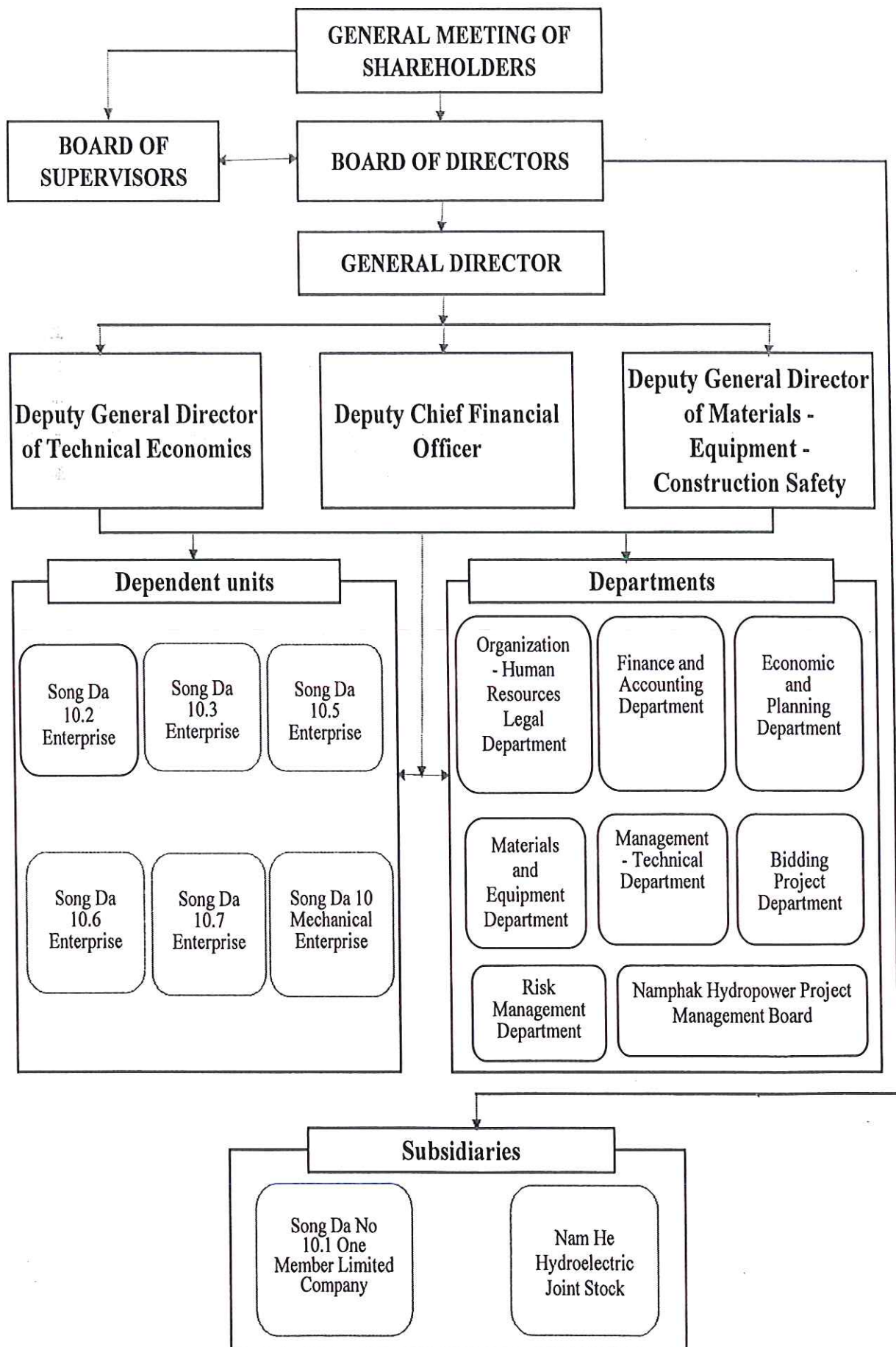
- Quang Nam Province: Dak Mi Hydropower Project.
- Lao People's Democratic Republic: Xekaman 3, Nam Phak, and Nam Emoun projects.
- Gia Lai Province: Yaly Hydropower Plant Expansion Project.
- Dak Lak and Binh Dinh Provinces: North-South Expressway Component Project.

### **3. Information about governance model, business organization and managerial apparatus**

**3.1 Governance model:** Song Da 10 Joint Stock Company operates under the joint-stock Company model. The Company's organizational structure is as follows:



# ORGANIZATION CHART OF SONG DA 10 JOINT STOCK COMPANY



### **3.2 Company management structure**

- Board of Directors: Comprising 05 members.
- Supervisory Board: Comprising 03 members.
- Executive Board: Consisting of the General Director, 03 Deputy General Directors, and the Chief Accountant.

### **3.3 Subsidiaries and associated companies**

#### **3.3.1 Subsidiaries**

- **Song Da no 10.1 One Member Limited Company**

Address: Iamonong Commune, Chupah District, Gia Lai Province.

Chapter capital: 46,630,600,000 VND.

Business sectors: Construction of hydroelectric civil, industrial and transport.

The Company's ownership and voting ratio: 100%

- **Nam He Hydropower Joint Stock Company**

Address: Muong Tung Village, Muong Tung Commune, Muong Cha District, Dien Bien Province.

Chapter capital: 130,000,000,000 VND.

Business sectors: Investment in the construction of hydropower projects, iron ore mining, production and trading of electricity, construction of civil, industrial, agricultural, transportation, and irrigation projects, construction and installation of medium and high-voltage power stations, and supervision of hydropower projects.

The Company's ownership and voting ratio: 57.45%

#### **3.3.2 Associated companies: None**

## **4. Development orientation**

### **4.1 Key objectives of the Company**

- Continue to develop the Company into a strong enterprise in the construction and installation of hydropower projects and underground structures, utilizing advanced technology.
- Ensure the Company's stable and sustainable growth, maintaining its reputation as a leading construction enterprise in Vietnam, with specific targets as follows:
  - + Average growth rate of 6.5-8% per year;
  - + Pre-tax profit margin/revenue averaging 1-2%;



- + Optimized, professional management model with advanced management practices;
- + Preservation and growth of owners' equity;
- + Continuous improvement in workforce quality and management capabilities;
- + Modernization of machinery, equipment, and construction technology

#### **4.2 Medium and long-term development strategy**

##### **– *Corporation restructuring***

The Company will continue implementing the “Corporate Restructuring Plan” for the 2021-2025 period, with a particular focus on the following aspects:

+ Organizational structure: Reorganizing affiliated units by expanding their scale in terms of both workforce and machinery; Dissolving underperforming units that do not meet business and production requirements, reducing intermediary units to enhance management efficiency and improve business operations.

+ Completely divesting from ineffective non-core financial investments to allocate capital toward the Company's primary business activities. Withdrawing investments from Nam He Hydropower Joint Stock Company and Song Da 10.9 Joint Stock Company.

##### **– *Management and operational strategy in business production***

+ Continue developing a management and operational model that aligns with the Company's current scale.

+ Focus on directing and managing activities while innovating leadership methods to suit the Company's operations.

+ Continue to develop, amend, and refine management and personnel organization regulations in a way that ensures reasonable delegation and decentralization, granting autonomy and accountability while enhancing the role and responsibility of organizations and their leaders in personnel management.

– *Market develop strategy*: Continue to build and maintain strong relationships with traditional customers. Focus on developing the domestic market, expanding into international markets, and enhancing competitiveness in bidding processes.

+ Domestic market: Maintain and further increase market share in the construction sector, including hydropower projects, underground works, rock drilling and blasting, jet grouting, and foundation treatment. Keep a close

watch on the investment progress of projects such as new hydropower constructions, expansion projects, and pumped-storage hydropower plants. Additionally, monitor road and railway tunnel projects to promptly market services and secure contracts through bidding, direct contracting, or joint ventures with other contractors.

- + International market: Continue expanding into countries like Laos and other regions to maximize the Company's resources in mining and transportation infrastructure projects.

- + Strengthen joint ventures and partnerships to bid for construction packages outside the Company's core strengths. The goal is to enhance competitiveness in bidding by leveraging the advantages of brand reputation, credibility, and the combined effectiveness of three key factors: quality, cost, and project timeline.

- *Strategy for enhancing management and construction capabilities:* Research and apply advanced technologies in design and construction. Continue investing in the modernization of construction equipment and technology to produce high-quality products that meet market demands and customer needs, both domestically and internationally, thereby increasing the Company's competitiveness.

- *Economic and financial management*

- + Improve the quality of economic contract signing, with a focus on investment capital sources and the payment capacity of project owners.

- + Continue developing new internal regulations and revising existing ones (if necessary) to ensure strict control over Company operations.

- + Continue divesting from ineffective investments that do not align with the Company's traditional business sectors.

- + Develop a highly skilled and specialized workforce to ensure competitive capability in the context of economic integration.

- + Implement incentive policies regarding salaries, bonuses, employment, and social welfare. Provide financial support and create opportunities for employees to pursue further education and skill enhancement, encouraging and attracting highly qualified professionals to work for the Company.

- + Ensure job stability and income for employees, organize accommodations and living arrangements for workers at construction sites. Fully equip employees with necessary work tools and protective gear to ensure a safe working environment.

- *Corporation culture development and quality policy strategy*



- + Continue effectively implementing risk management processes and policies at all Company levels, ensuring compliance with national risk management standards: TCVN ISO 31000:2009 and ISO 31000:2011.

- + Maintain and promote traditional Company values while enhancing all resources to achieve better productivity, construction progress, product quality, and economic efficiency, meeting increasingly strict customer demands.

- *Information technology development strategy*

- + Continue researching underground construction technologies, including subway construction, to prepare for potential investments in relevant equipment and technology when feasible.

- + Standardize project management processes, including quality management, progress tracking, risk management, material and equipment management, as well as occupational health, safety, and environmental management, to align with large-scale project requirements. Invest in IT applications across Company operations and workforce training to enhance project execution capabilities.

- + Maintain and develop weekly or irregular online meetings with construction sites to promptly solve problems, improve management efficiency and reduce operational costs.

#### **4.3 Sustainable development goals**

- Develop sustainably towards the professionalization and modernization of construction services, especially underground construction projects.

- Prioritize economic efficiency and the sustainable growth of the enterprise as a core mission, ensuring a balanced benefit for the state, customers, shareholders, and employees.

- Participate in community support activities and movements, such as aiding people in disaster-affected areas and contributing increasingly to the well-being of society and human life.

### **5. Risks**

All macroeconomic changes affect businesses in general, and the Company is no exception to these fluctuations. Given the Company's business sector, economic fluctuations may pose several risks, including:

- Due to the long construction timelines of hydropower projects and fixed-price bidding contracts, rising material costs significantly impact the Company's profitability. Increases in exchange rates and input material prices, such as steel and fuel, further affect the Company's efficiency.

- Today, growing environmental concerns, the depletion of natural resources and energy, and the imbalance in the ecological system have led to a shrinking market for hydropower plant construction, affecting the Company's traditional business sector. Entering new markets, such as subway construction, remains a challenge for the Company.
- Participating in bidding and executing projects abroad presents several risks, including: Differences in legal systems, economic policies, exchange rates, and payment currencies between countries can lead to additional costs and challenges in the Company's management processes.
- Delayed payments from investors due to factors such as capital shortages, slow loan disbursement, and prolonged capital settlement create difficulties for the Company in making payments, settling projects, and recovering capital.
- The number of directly awarded projects is decreasing or disappearing, forcing the Company to engage in intense price competition to win bids, leading to lower profit margins.
- Additionally, unpredictable risks such as extreme weather conditions, climate change, and natural disasters such as storms causing landslides, prolonged droughts, or unexpected fires and explosions can disrupt operations and even cause significant damage to assets and human resources. These are objective, force majeure risks beyond the Company's control, which any construction and energy business may encounter.

## **II. Business operations in 2024**

### **1. Production and business activities**

#### **a) Results of production and business activities**

In implementing Resolution No. 655/NQ-DHDCCD of the General meeting of Shareholders, despite numerous challenges, the Company remains committed to achieving its goals in 2024. With signed contracts covering only 76% of the planned workload, the Company's leadership and all employees are determined to overcome difficulties and fulfill the set objectives, including: (1) Focusing on construction to meet or exceed the schedule for contracted projects that meet execution conditions, (2) Actively seeking new projects as planned. Achievements in construction progress: All construction projects have met or exceeded the planned schedule while ensuring compliance with design requirements and the quality standards set by investors. The Company's business operations and management have been demonstrated through the following activities:

- **Project management at key construction sites:** Project management at key construction sites: Weekly online meetings are conducted with all



affiliated units to oversee operations. Issues arising during on-site construction and business management are promptly solved.

- **Construction resource organization:** Fully concentrate resources on capital, people and equipment ready for construction as planned. Machinery and equipment are maintained and repaired to ready for construction activities.

- **Market activities:** In 2024, the Company has worked with the main contractors or investors to resolve construction challenges and handle additional work volumes for ongoing contracted projects. Additionally, the Company, in collaboration with Song Da Corporation and reputable contractors, has participated in project bidding. The total value of awarded projects in 2024 is 1,200 billion VND. Specifically:

- + Worked with Song Da 5 Joint Stock Company regarding additional work at Nam Pha shaft, Nam Phak tunnel, and Phou Pong spillway tunnel. Completed the contract appendix for additional work at the Nam Phak Hydropower Project, located in the Lao People's Democratic Republic;

- + Formed a joint venture with Deo Ca Group Joint Stock Company and Son Hai Group Co., Ltd. to participate in the XL-02 bidding package: "Construction and installation (including surveying and preparing construction drawing designs) of two tunnels and related foundation, pavement, and road structures from Km 34+990 to Km 37+87,870 and from Km 37+798,400 to Km 38+911,540" under the Hoa Binh - Moc Chau Expressway Project;

- + Partnered with other contractors to participate in the XLCHQL1-02 bidding package: Construction of Deo Ngang Tunnel, bridges, and approach roads under the project for upgrading and expanding several bridges and tunnels on National Highway 1 (including Xuong Giang Bridge, Quan Hau Bridge, and Deo Ngang Tunnel). The joint venture contract with the investor was signed on December 26, 2024;

- + Together with Song Da Corporation to participate in the bidding package No. 02XL-BA: Construction and installation of Bac Ai Storage Hydropower Plant phase 2 phase 1 (Contract signed in early 2025).

- **Financial and credit operations**

- + Worked with investors, general contractors, or main contractors on capital advances, acceptance, and payment for completed construction volumes. The total revenue collected in the year exceeded 900 billion VND. However, some projects that have been completed for a long time still face unresolved issues, leading to significant outstanding debts, including projects such as Xekaman 1, Xekaman 3, Lai Chau, Huoi Quang, Tram Tau, and Vung Ang hydropower plants. The promotion of acceptance and payment has promptly met the capital needs for production and business and had a positive



impact on the Company's financial situation throughout the year. Specifically: (i) Timely repayment of principal and interest to banks, reducing outstanding debt to align with the Company's operational scale. The year-end outstanding principal debt decreased significantly compared to the beginning of the year, specifically: The parent Company's outstanding debt was reduced to 251 billion VND from 295 billion VND; Company 10.1 reduced its debt to 65 billion VND from 116 billion VND; and Nam He Company's debt decreased to 213 billion VND from 228 billion VND. This reduction in loan interest costs has improved the Company's business efficiency. (ii) Full payment of tax obligations to the state budget; (iii) Timely payment of salaries and benefits for employees.

- + Worked with financial institutions and leasing companies to mobilize capital, ensuring sufficient funding for business operations and project investments at reasonable interest rates.

- + Conducted business accounting in compliance with Vietnamese Accounting Standards (VAS), the Vietnamese Enterprise Accounting System, and other relevant legal regulations. Cost management was carried out through the Company's internal norms and pricing system.

- + Audit financial statements, disclose and transparent information in accordance with the State's regulations for listed companies with public interests.

#### **– Economic management**

- + Closely coordinated with investors and consultants to promptly resolve construction-related issues on-site, as well as economic and payment mechanism concerns, to accelerate acceptance and capital recovery.

- + Currently finalizing the settlement of projects, including Phase 1 of Xekaman 3, Package 1B-2 of Deo Ca Tunnel, Nam Phak, Yaly Expansion, and Dak Mi 1.

- + Worked with the Institute of Economics to implement the contract for developing a price index for the Son Trieu Tunnel category.

#### **– Technical management and occupational safety**

- + Prepared construction documentation before project execution and strictly adhered to technical procedures and safety measures during construction, ensuring compliance with approved design drawings and approved construction methods.

- + Strictly complied with legal regulations on occupational safety and labor protection during construction. The Company regularly conducts training on operating procedures for equipment requiring strict safety standards and



provides full personal protective equipment (PPE) for workers. Strict adherence to regulations on transportation, storage, and use of explosives, as well as fire prevention and firefighting measures, is ensured.

+ Proactively monitored and controlled construction progress according to signed contracts with investors, assessed, and promptly implemented effective construction measures as needed.

+ Conducted internal acceptance inspections before performing official acceptance with relevant parties. Maintained a quality control and supervision team on-site, reporting progress and quality through both images and specific data, ensuring that all projects met the investor's requirements.

+ Applied technology in construction and project management, achieving significant results such as better control of excavation volume in blasting operations, minimizing material loss during shotcrete application, and improving formwork design methods.

+ Ensured proper working and living conditions (electricity, water, air quality, etc.) for workers at both accommodation and work sites before project implementation.

## **b) Implementation of major targets compared to the plan**

### **b.1) Implemented in 2024 compared to the plan**

Order number	Indicators	Unit	Plan	Perform	Completion rate
1	Total value of production and business	Billion VND	1,295.000	1,071.262	82.72%
2	Total revenue	Billion VND	1,173.000	1,028.909	87.72%
3	Budget payments	Billion VND	44.800	29.477	65.80%
4	Profit before tax	Billion VND	23.200	-0.677	-2.92%
5	Profit after tax	Billion VND	16.202	-4.226	-26.08%
6	Average monthly income per person	Million VND	14.400	18.645	129.48%

#### **\* Reasons for not meeting the planned targets:**

– Production value and revenue targets not achieved:

+ Dak Mi 1 Project: The investor repeatedly delayed site handover, acceptance, and payment, forcing the Company to terminate the construction contract for this project.

+ The search for new projects resulted in winning a bid at the end of the year, so construction will begin in 2025.

– Profits did not meet the plan due to:

+ Construction output and revenue not meeting the target

+ The electricity business at the subsidiary (Nam He Company) continued to incur losses due to electricity production not meeting the plan. The reasons are: (i) In 2024, there was little rainfall, so the water inflow to the reservoir was low; (ii) In addition, the plant had to temporarily suspend electricity generation from March 10, 2024, to June 5, 2024. This was due to Decree No. 35/2023/ND-CP dated June 20, 2023, by the Government, amending and supplementing certain provisions of Decrees under the management of the Ministry of Construction. According to this decree, the Company must complete the acceptance of all items: the water tunnel, pressure regulating tower, pressure pipes, discharge channels, 110KV power line, and 110KV distribution station before it can apply for an electricity operating license from the Electricity Regulatory Authority. Therefore, in 2024, the plant could only operate for electricity generation for 10 months, leading to a decrease in production by 7.4 million KWh compared to the plan. During the suspension period, the Company still had to pay depreciation costs, interest on loans, labor costs for operations, etc., leading to a loss in business results.

**\* Progress of project construction implementation**

– Actual output at key projects :

Order number	Project	Unit	Plan	Perform	Completion rate
1	Yaly Hydropower Expansion	Billion VND	17.005	17.217	101.2%
2	Son Trieu Tunnel North-South Expressway	Billion VND	371.497	377.640	101.7%
3	Dak Mi 1 Hydropower Plant	Billion VND	120.945	63.847	52.8%
4	NamPhak Hydropower	Billion VND	180.106	189.412	105.2%
5	Ea Trang Tunnel North-South Expressway	Billion VND	251.701	282.972	112.4%
6	Projects expected to be bid	Billion VND	294.787	-	0.0%
7	Electricity business	Billion VND	58.959	47.816	81.1%
8	Other projects	Billion VND	-	92.358	

– Achieving construction progress goals:

+ Namphak Hydropower Project: Completed the Nam Phak tunnel and Phou Pong tunnel sections on schedule for the following tasks: pouring concrete for the tunnel; tunnel shell structure concrete; concrete for the valve chamber tunnel walls; concrete for the discharge tunnel floor; and concrete for



the spillway tunnel. Excavation and temporary reinforcement of the discharge tunnel, etc.

+ Son Trieu Tunnel and Ea Trang Tunnel Projects, part of the North-South Expressway: Most of the work items for the 2024 construction schedule, as per the contract with the investor, have been completed. However, the reinforced concrete frame for the tunnel entrance did not meet the plan due to land clearance issues and the delay in relocating the utility poles.

+Yaly Hydropower Expansion Project: Completed on schedule, with all construction work finished and handed over to the investor.

+ Dakmi 1 Hydropower Project: Did not meet the schedule due to delays in land handover and payment from the investor, which forced the Company to stop construction. By the end of 2024, both parties agreed to terminate the construction contract for the project.

## **b.2) Implemented in 2024 compared to 2023**

Order number	Indicators	Unit	Year 2023	Year 2024	Rate
A	B	C	1	2	3=2/1
1	Total value of production and business	Billion VND	764.186	1,071.262	140.18%
2	Total revenue	Billion VND	709.922	1,028.909	144.93%
3	Budget payments	Billion VND	32.898	29.477	89.60%
4	Profit before tax	Billion VND	3.211	-0.677	-21.09%
5	Profit after tax	Billion VND	-4.977	-4.226	84.92%
6	Average monthly income per person	Million VND	16.600	18.645	112.32%

The target for production value and revenue in 2024 showed high growth compared to 2023. However, the profit for 2024 resulted in a loss due to the Company setting aside a provision for doubtful debts of from customers.

## **2. Organization and personnel**

### **2.1 List of Executive Board members**

#### **– Mr. Nguyen Tuan Anh**

Position: Member of the Board of Directors and CEO of the Company

Gender: Male, Date of birth: November, 10, 1977

Nationality: Vietnamese, Ethnicity: Kinh

Hometown: Dong Do, Hung Ha, Thai Binh

Contact: 024 37683998

Education: 12/12

Specialized qualification: Civil engineer in underground construction and mining

Number of shares held: 6.607.407 shares. Of which:

+ Represents the State-owned shares: 6,607,407 shares.

### **Employment history**

4/2001 - 8/2002: Technical Management Specialist - Song Da 10.3 Enterprise

9/2002 - 12/2005: Deputy Head of Technical Management Department - Song Da 10.3 Enterprise

01/2006 - 6/2006: Head of Technical Management Department, Song Da 10.3 Enterprise

7/2006 - 12/2007: Deputy Director of Song Da 10.3 Enterprise

01/2008 - 4/2015: Deputy Director of Song Da 10.6 Enterprise

5/2015 - 9/2015: Deputy Head of Technical Management Department, Song Da 10 JSC

10/2015 - 4/2022: Head of Technical Management Department, Song Da 10 JSC

5/2022 - 10/2022: Deputy General Director - Acting General Director of Song Da 10 JSC

11/2022 to present: General Director of Song Da 10 JSC

### **– Mr. Tran Dinh Tu**

Position: Deputy General Director of the Company

Gender: Male, Date of birth: May 21, 1972

Nationality: Vietnamese, Ethnicity: Kinh

Hometown: Gia Vuong, Gia Vien, Ninh Binh

Contact: 024 37683998

Education: 12/12

Specialized qualification: Bachelor's degree in Finance and Accounting

Number of shares held: 0 shares.

### **Employment history**

6/1994 - 11/1997: Economic and planning department staff - Song Da 4 Company

11/1997 - 8/1998: Deputy Chief Accountant - Song Da 10 Company - in Bien Hoa - Dong Nai



8/1998 - 6/2003: Head of Finance and Accounting Department - Song Da 8 Company  
 6/2003 - 01/2005: Staff of finance and accounting department of Song Da 10 Company  
 02/2005 - 04/2010: Deputy Chief Accountant of Song Da 10 JSC  
 05/2010 - 03/2017: Chief Accountant of Song Da 10 JSC  
 04/2017 - 9/2018: Head of Internal Control Department, Song Da 10 JSC  
 10/2018 to present: Deputy General Director of Song Da 10 JSC

– **Mr. Pham Hoang Phuong**

Position: Deputy General Director of the Company

Gender: Male, Date of birth: November 25, 1979

Nationality: Vietnamese, Ethnicity: Kinh

Hometown: Minh Tan- Phu Xuyen - Ha Noi

Contact: 024 37683998

Education: 12/12

Specialized qualification: Civil engineer in underground construction and mining

Number of shares held: 0 shares.

**Employment history**

8/2001 - 5/2004: Technical staff of Song Da 10 Company

5/2004 - 3/2005: Deputy of Technical Department, Hai Van Tunnel Management Board

3/2005 - 6/2009: Head of Technical Management Department, Song Da 10.2 Enterprise

7/2009 - 4/2014: Deputy Director of Song Da 10.2 Enterprise

5/2014 - 9/2015: Deputy Director of Deo Ca Project Management Board

10/2015 - 11/2016: Deputy Director of Song Da 10.4 Enterprise, Commander of Deo Ca Tunnel Project

12/2016 - 01/2019: Deputy Director of Song Da 10.2 Enterprise

02/2019 - 7/2019: Director of Nam Emoun Project Management Board

8/2019 to present: Deputy General Director of Song Da 10 JSC

– **Mr. Nguyen The Bao**

Position: Deputy General Director of the Company

Gender: Male, Date of birth: February 12, 1969

Nationality: Vietnamese, Ethnicity: Kinh  
 Hometown: Truc Dong, Truc Ninh, Nam Dinh  
 Contact: 024 37683998  
 Education: 12/12  
 Specialized qualification: Mechanical Engineer  
 Number of shares held: 0 shares

### **Employment history**

7/1993 - 9/1994: Mechanical Engineer, Underground Construction Company  
 10/1997 - 12/2004: Repair workshop manager - mechanical factory  
 1/2005 - 10/2017: Deputy Director of Song Da 10.2 Enterprise  
 11/2017 to present: Deputy General Director of Song Da 10 JSC

### **– Mr. Nguyen Trung Kien**

Position: Chief Accountant of the Company  
 Gender: Male, Date of birth: September 20, 1981.  
 Quốc tịch: Vietnamese, Ethnicity: Kinh  
 Quê quán: Me Linh, Dong Hung, Thai Binh  
 Contact: 024 37683998  
 Education: 12/12

Specialized qualification: Bachelor's degree in economics

Number of shares held: 1,170 shares (Personal ownership)

### **Employment history**

8/2003 - 10/2005: Finance and Accounting Department Staff - Song Da 10.3 Enterprise  
 11/2005 - 10/2006: Deputy Chief Accountant of Song Da 10.3 Enterprise  
 11/2006 - 4/2008: Chief Accountant of Song Da Branch 4.10  
 8/2008 - 12/2015: Chief Accountant of Song Da 10.6 Enterprise  
 01/2016 - 2/2017: Deputy Head of Internal Control Department, Song Da 10 JSC  
 3/2017 to present: Chief Accountant of Song Da 10 JSC

## **2.2 Changes in the Executive Board**

- Change in Board of Directors members: No
- Change in the Executive Board (CEO Board): No



### 2.3 Number of staff and changes in labor policies

- As of December 31, 2024, the total number of employees at the Company is: 601 people.
- The Company pays salaries and other benefits in accordance with the labor code, the collective labor agreement, and the internal management regulations of the Company. Regularly reviews and develops, amends, and issues new regulations and salary scales in compliance with the State's labor and wage policies.
- The Company registers and fully participates in social insurance, health insurance, and unemployment insurance for employees according to the regulations of the Social Insurance Law and related guiding documents.
- Implement grassroots democracy regulations: Regularly organize employee conferences to facilitate direct dialogue, thereby strengthening the connection between employees and the Company. Ensure all employee benefits are met so they can work with peace of mind and stay committed to the Company long-term.
- Organize training programs, conduct new training and retraining sessions to improve employees' professional skills and expertise to meet production and business requirements.
- Assign the workforce throughout the Company from departments, enterprises to production groups and teams.
- Training in occupational safety and health, fully equipped with labor protection equipment for employees.
- Organize annual health check-ups for employees. Promptly encourage and reward achievements such as: Initiatives in production to improve labor productivity. Launching a production emulation campaign to achieve the construction progress of works.

### 3. Investment situation, implementation of projects

- a) **Investments:** In 2024, the Company invested in 02 dump trucks and some small handheld machinery and equipment with a total investment value of approximately 3.0 billion VND. There were no financial investment activities.
- b) **Subsidiaries:** In 2024, the Company did not make any additional capital investments in its subsidiaries. Some key financial indicators for the year of the subsidiaries are as follows:

#### – Song Da 10.1 One Member Limited Company

+ Business production value	: 119.976 Billion VND
+ Revenue	: 106.072 Billion VND

+ Profit before tax (loss) : 1.335 Billion VND

– **Nam He Hydropower Joint Stock Company**

+ Business production value : 47.816 Billion VND

+ Revenue : 44.289 Billion VND

+ Profit before tax (loss) : 9.544 Billion VND

**4. Financial situation and main financial indicators of the Company**

**a) Financial situation (Unit: VND)**

Indicators	Year 2023	Year 2024	Change
Total asset value	2,288,540,529,890	2,106,786,892,594	-7.9%
Net revenue	702,654,070,003	1,022,145,168,340	45.5%
Profit from business activities	-1,570,582,857	-673,231,085	-57.1%
Other profits	4,781,971,905	-3,998,407	-100.1%
Profit before tax	3,211,389,048	-677,229,492	-121.1%
Profit after tax	-4,976,959,725	-4,226,241,029	-15.1%

**b) Main financial indicators**

Indicators	Year 2023	Year 2024
1. Solvency ratio		
+ Current ratio (Short term Asset/Short term debt)	1.38	1.40
+ Quick ratio (Short term Asset-Inventories/Short term debt)	1.06	1.07
2. Capital structure Ratio		
+ Debt/Total assets ratio	0.65	0.62
+ Debt/Owner's Equity ratio	1.85	1.64
3. Operation capability ratio		
+ Inventory turnover (Cost of goods sold/Average inventory)	1.38	2.17
+ Net revenue/Total Assets	0.31	0.49
4. Profitability ratio		
+ Profit after tax/Net revenue ratio	-0.71%	-0.41%
+ Profit after tax/Equity ratio	-0.62%	-0.53%
+ Profit after tax/Total assets ratio	-0.22%	-0.20%
+ Profit from business activities/Net revenue ratio	-0.22%	-0.07%



## 5 Shareholder structure, changes in ownership capital

### a) Shares

Total number of shares in circulation : 42,732,311 shares

Total number of freely transferable shares : 42,732,311 shares

Number of shares with transfer restrictions : 0 shares

### b) Shareholder structure: As of 20/3/2024

The shareholder structure of the Company as of March 20, 2024, was recorded in the annual report for the 2023 financial year. However, from that date until the preparation of this annual report (for the 2024 financial year), the Company has not conducted any further shareholder list finalizations. Therefore, this report continues to use the shareholder list finalized on March 20, 2024, with the shareholder structure as follows:

Order number	Content	Number of shareholders	Number of shares owned	Rate
1	Major shareholders and minor shareholders	1,476	42,732,311	100%
	- Major shareholder	1	26,607,407	62.27%
	- Minority shareholder	1,475	16,124,904	37.73%
2	Institutional shareholders and individual shareholders	1,476	42,732,311	100%
	- Institutional shareholders	21	27,692,837	64.81%
	- Individual shareholders	1,455	15,039,474	35.19%
3	Domestic and foreign shareholders	1,476	42,732,311	100%
	- Domestic shareholders	1,424	42,485,843	99.42%
	- Foreign shareholders	52	246,468	0.58%
4	State shareholders and other shareholders	1,476	42,732,311	100%
	- State shareholder	1	26,607,407	62.27%
	- Other shareholders	1,475	16,124,904	37.73%

### c) Changes in owner's investment capital

– 2006: Establishment of the Joint Stock Company: The Company was converted from a state-owned enterprise to a joint-stock Company. The owner's investment capital at the time of establishment was 60 billion VND.

The capital increase process of the Company from the time of privatization to the end of the reporting year is as follows:

- 2007: Issued an additional 5,700,000 shares, increasing the capital from 60 billion VND to 117 billion VND through: (1) Selling 4,000,000 shares to existing shareholders at 10,000 VND per share with a ratio of 3:2; (2) Offering 1,700,000 shares to public.
- 2011: Issued an additional 9,360,000 shares, increasing the capital from 117 billion VND to 210.6 billion VND through: Issuing bonus shares to existing shareholders at a ratio of 100:80. Năm 2011: Phát hành thêm 9.360.000 cổ phần tăng vốn từ 117 tỷ đồng lên 210,6 tỷ đồng bằng hình thức: Phát hành cổ phiếu thưởng cho cổ đông hiện hữu theo tỷ lệ 100:80.
- 2013: Issued an additional 6,317,996 shares, increasing the capital from 210.6 billion VND to 273.780 billion VND through: Issuing bonus shares to existing shareholders at a ratio of 10:3
- 2014: Issued an additional 15,354,315 shares, increasing the capital to 427.323 billion VND through: (1) Private placement of 12,567,407 shares to strategic investors; (2) Share swap for shareholders of the subsidiary Company (Song Da 10.1 Joint Stock Company) after the merger into the parent Company, totaling 2,786,908 shares.

All capital increases of the Company have been approved and licensed by the State Securities Commission.

The Company's owner's equity has remained unchanged since 2014 until the time of making this report.

**d) Treasury stock transactions:** In 2024, the Company did not conduct any treasury stock transactions.

## **6. Report on the Company's environmental and social impacts**

### **6.1 Management of raw materials**

The Company primarily operates in the construction of hydroelectric projects and road tunnels. The main raw materials used in these activities include explosives, drilling materials, cement, steel, sand, and stone.

The Company has established comprehensive regulations on the procurement, management, and use of raw materials. Management responsibilities are delegated from the Company to various operational levels. In particular, the management of explosives must strictly comply with legal regulations.

### **6.2 Compliance with environmental protection laws**



The Company strictly complies with legal regulations on environmental protection in construction projects, including measures for handling hazardous waste generated during construction as required.

a) Number of violations fined for non-compliance with environmental laws and regulations: None

b) Total amount of fines for non-compliance with environmental laws and regulations: None

### **6.3 Labor-related policies**

a) Number of employees: 601 people. Average salary: 18.6 billion VND per person per month.

b) Labor policies to ensure employee health, safety, and welfare:

+ Fully implementing salary policies and other benefits for employees in accordance with the Labor Law, the Collective Labor Agreement, and the Company's internal regulations;

+ Fulfilling all obligations related to employee insurance policies;

+ Conducting annual health check-ups and organizing Company trips and vacations to help employees rejuvenate and improve their well-being.

+ Regularly providing support and assistance to families facing difficulties, ensuring employees feel secure in their careers and development at the Company.

c) Employee training programs: The Company prioritized training and retraining in 2024, achieving the following results: 02 officers obtained Construction Supervision Certificates; 12 technical staff received Blasting Commander Certificates. Technical workers were trained in professional skills and occupational safety and hygiene as per regulations. The workforce quality meets the Company's operational requirements, with a stable ratio of direct and indirect labor, aligned with the Company's business scale.

### **6.4 Report on responsibility to the local community**

+ The Company strictly complies with local regulations in areas where it undertakes construction projects;

+ Actively participates in community activities initiated by local authorities;

+ Fully fulfills financial support obligations for social welfare.

## **III. Report and assessment by the Executive Board**

### **1. Evaluation of business performance**

– **Overview of Company operations compared to the plan:** In 2024, the Executive Board focused on directing and managing the Company's operations. The achieved economic indicators are as follows:

+ Business production value: Achieved 1,071 billion VND/Planned 1,295 billion VND, reaching 82.72%

+ Revenue: Achieved 1,028 billion VND/Planned 1,173 billion VND, reaching 87.72%

+ State contributions: Achieved 29.5 billion VND/Planned 44.8 billion VND, reaching 65.8%

+ Profit before tax: Loss of 677 million VND/Planned profit of 23.2 billion VND

+ Profit after tax: Loss of 4.226 billion VND/Planned profit of 16.202 billion VND.

Report on economic targets not achieved: The Company did not meet the planned targets. The reasons for this have been analyzed in section b.1, part II.1 of this report.

– **Achievements of the Company**

+ Substantially completed the construction schedule for ongoing projects; Some projects failed to meet the schedule due to delays in site handover and payments by the main contractor, leading to contract termination (e.g., Dakmi 1 Project).

+ Completed the settlement of the Namtheun project; Noi Bai - Lao Cai expressway.

+ Promote the acceptance of payment and recovery of long-standing debts at the following projects: Mui Trau Tunnel, Deo Ca, Xekaman 3.

+ Prepared equipments and workforce for new projects.

+ Maintained and secured capital sources for Company operations. Fully met financial obligations to the government, partners, and customers. Ensured timely and full payment of salaries and benefits to employees;

+ Carried out internal inspection and supervision of the Company as planned.

– **Existence**

+ Construction delays in some projects due to internal factors, such as occasional delays in material supply and slow machinery repairs.

+ Slow project settlements because some investors have not yet initiated the process (Tram Tau, Vung Ang, Nam Cau, Xekaman 1 & 3, Deo Ca, etc.).



+ Delayed salary and benefit payments, affecting employee morale and Company operations.

+ Difficulty attracting highly skilled personnel due to the irregular nature of Company projects, remote and challenging work locations, and compensation packages that may not be competitive enough for recruitment.

## **2. Financial situation: Assets; Liabilities**

Total assets at the end of 2024 decreased by 7.93% compared to the beginning of the year (From 2,289 billion VND at the beginning of the year to 2,107 billion VND), of which mainly reduced customer receivables, reduced inventory due to the Company's focus on solving problems with the Investor and the main contractor to promote payment acceptance, debt recovery, whereby receivables decreased by 3.37% and inventories decreased by 4.47% compared to the beginning of the year.

The source of proceeds, the Company prioritizes the maximum payment of bank loans, bringing the year-end loan balance to a reasonable level (Year-end debt of 530 billion VND / 639 billion VND at the beginning of the year, down 17%). The proportion of debts/Total assets or total liabilities has decreased compared to the beginning of the year. In particular, interest expense on loans decreased by 21.152 billion VND, a decrease of 30.28% compared to 2023, thereby increasing the Company's business efficiency. The main financial indicators are as follows (*Unit: VND*):

Order number	Indicators	Year 2024	Year 2023	% change
<b>I</b>	<b>Asset</b>			
1	Total assets ratio	2,106,786,892,594	2,288,540,529,890	-7.94%
2	Short term Asset	1,530,174,872,307	1,642,260,055,152	-6.83%
	Including:			
-	Cash as cash equivalents	176,541,358,555	235,090,703,549	-24.91%
-	Short-term financial investments	-	5,677,143,755	-100.00%
-	Short-term receivables	924,332,884,086	956,555,113,907	-3.37%
-	Inventories	363,972,987,514	380,985,906,506	-4.47%
-	Other current assets	65,327,642,152	63,951,187,435	2.15%
3	Long-term assets	576,612,020,287	646,280,474,738	-10.78%
<b>II</b>	<b>Debt payable</b>			
1	Total liabilities	1,308,091,141,591	1,485,618,537,858	-11.95%
	(Including: Bank Debt)	529,904,546,303	638,531,511,586	-17.01%
2	Short-term debt	1,090,905,773,095	1,187,259,805,989	-8.12%
3	Long-term debt	217,185,368,496	298,358,731,869	-27.21%
<b>III</b>	<b>Ratio</b>			
1	Liabilities/Total Assets	62.09%	64.92%	-4.35%
2	Bank payables/Total liabilities	40.51%	42.98%	-5.75%

### 3. Future development plan

- Reorganize, dissolve, or merge certain subsidiaries to align with the current scale of the Company;
- Review human resources, plan leadership positions for the current term, and establish plans for the next term;
- Focus on directing the execution of key projects, ensuring the committed progress targets with investors are met;
- Resolve outstanding financial issues with investors; strengthen the acceptance and payment process to meet planned targets;
- Continue marketing and bidding for approved investment projects as an independent contractor, a joint venture, or a subcontractor;
- Continue reviewing, categorizing, and implementing detailed plans and measures for debt recovery, especially bad debts, to ensure sufficient capital for operations;



- Continue divesting from non-core businesses or underperforming enterprises;
- Optimize human and equipment resources before commencing construction;
- Strengthen risk management across all areas of the Company;
- Continue strictly adhering to safety procedures and technical measures in construction. Conduct safety training for workers before operating machinery and equipment, ensure safety in transportation, storage, and use of explosives, as well as fire prevention and control;
- Enhance construction progress management, internal quality supervision, and acceptance processes. Research and innovate technology to improve the quality of construction planning and execution methods, aiming for optimal solutions that accelerate progress and reduce costs;
- Improve resource quality, ensure employees' well-being, and continue building and developing corporate culture to uphold the Company's reputation. Further promote labor emulation movements.

#### **4. Explanation of the Executive Board regarding the audit opinion**

The Company presents this information in section VI.2 of this report.

### **IV. Evaluation of the Board of directors on the Company's operations**

#### **1. Evaluation of the Implementation of the 2024 General Meeting of Shareholders' resolution**

(Detailed figures and analysis are provided in section b.1 of part II.1)

Despite facing various challenges, as analyzed in section b.1 of part II.1, the Company has remained stable in its business operations, preserved its equity capital, and, most importantly, ensured the timely execution of construction projects in accordance with signed contracts with investors.

#### **2. Activities of the Board of directors**

The Board of Directors has carried out its supervisory role over the Executive Board in accordance with the Company's charter and the Internal Corporate Governance Regulations issued by the Board.

Over the past year, the Company's Board of Directors has closely followed the economic targets approved by the General Meeting of Shareholders to direct all aspects of the Company's production activities, including the following key tasks:

- Organizing research, preparing reports, and formulating plans to submit to the competent authorities for issuance and implementation by the General Director;

- Timely resolving and directing issues related to business operations within the functions, duties, and authority of the Board of Directors, in accordance with legal regulations and the Company's internal management policies;
- Deciding on or approving matters within the authority of the Company's Board of directors;
- Supervising the General Director and the Executive Board in implementing the resolutions of the General Meeting of shareholders and the Board of Directors, as well as ensuring compliance with legal regulations and the Company's internal management policies;
- Quarterly or irregularly, the Board of Directors shall hold a meeting to: Review the production and business situation of the previous quarter and implement the plan of the next quarter; To decide or approve matters falling under the competence of the Board of Directors.

### **3. Evaluation of the Board of Directors on the performance of the Executive board**

- The Board of Directors has implemented the Resolutions and decisions of the Board of Directors and other tasks in accordance with the provisions of the law on enterprises, the Company's charter and the State's regulations;
- The implementation of the resolutions of the General Meeting of Shareholders and the Board of Directors by the Executive Board has been systematically planned with specific timelines and task assignments for each individual or department. Weekly or irregular meetings are held to review production progress at construction sites and to promptly adjust internal management strategies as needed;
- For matters beyond the decision-making authority of the Executive Board, the Company has complied with the requirement to submit reports or written requests to the Board of directors for guidance and approval before proceeding;
- Ensuring the readiness of resources for production (human resources, equipment, capital, etc.), particularly for key projects, has been a top priority for the Executive Board, with timely execution.
- From a material perspective, the Board of Directors has not identified any irregularities in the Executive Board's management of the Company's business operations in 2024.

### **4. 2025 Plan: Key tasks and operational directions**

#### **4.1 Key targets for 2025**

- Total production and business value: 1,100.399 Billion VND



– Revenue:	1,093.865 Billion VND
– Contributions to the State budget:	46.864 Billion VND
– Pre-tax profit:	14.476 Billion VND
– Average monthly income per employee:	17.7 Million VND

## 4.2 Opportunities and difficulties

### a) Opportunities

- The construction market in key economic sectors such as transportation and energy continues to receive strong government attention and investment. Many large projects are being submitted by the Government to the National Assembly;
- The Southeast Asian market, particularly in Laos, presents numerous potential construction projects that align with the Company's expertise;
- The government is implementing economic stimulus packages and enterprise support measures, such as tax reductions for certain business sectors and lower loan interest rates. The national economy is recovering, and inflation remains well-controlled;
- The traffic tunnel construction sector still holds significant growth potential;
- The Company maintains its leading position in the construction industry, particularly in underground works, blasting, and cement grouting, earning strong trust from customers;
- Equipment investments from previous years ensure that all machinery is in place and ready for operations;
- A large portion of the Company's 2025 production value has already been secured through signed contracts or is expected to be finalized in quarter 1, 2025;
- The Company has an experienced management team and a highly skilled workforce, particularly in handling underground construction in challenging geological conditions.

### b) Difficulties

- Debt recovery difficulties: The Company faces significant challenges in collecting outstanding debts from several projects (Xekaman 1, Tram Tau, Nam Cau, Nam He, Dakmi 1) due to the investors' financial shortages, affecting available capital for production;
- The Company is experiencing a shortage of skilled workers, making recruitment difficult, especially for technical positions. Many experienced

workers are reaching retirement age, while newly recruited younger workers have yet to meet the required skill level;

- Investors are increasingly demanding higher quality, faster progress, and lower costs, putting additional pressure on project execution.
- The Company's competitiveness remains relatively weak.
- The commercial electricity operations of Nam He Hydropower JSC have not improved significantly, as they are heavily dependent on weather conditions, posing ongoing financial challenges for the Company.

### **4.3 Directions of activities and tasks**

Based on the achievements in 2024, to accomplish the objectives for 2025, the Company's Board of Directors has outlined several key tasks, including:

- Convening and organizing the 2025 Annual General Meeting of Shareholders, directing the development of the 2025 business and production plan to be presented at the meeting.
- Ensuring the Company's stable operations and meeting contractual obligations. Strengthening and enhancing construction capabilities as well as the efficiency of management and operations.
- Developing both short-term and long-term business plans for approval by the General Meeting of Shareholders.
- Formulating quarterly business plans to guide the Executive Board in implementation.
- Closely managing progress milestones and construction quality as committed to investors in various projects.
- Direct the implementation of construction, acceptance and payment of projects. Urge and closely direct the recovery of debts, finance and credit work to ensure the balance of capital sources for production. Establishing plans and measures to recover long - outstanding debts and uncollectible debts.
- Working with investors and relevant parties to finalize settlements for completed projects.
- Continue directing marketing and bidding efforts to secure sufficient projects for 2025 and beyond through various forms: partnering with reputable entities in joint ventures, acting as an independent contractor, or as a subcontractor. The goal for 2025 is for the Company to sign construction contracts valued at approximately 1,000 - 1,200 billion VND.
- Continue overseeing the divestment of financial investments in subsidiaries and other entities as per the approved plan.



- Complete organizational restructuring to ensure efficiency in line with the Company's operational status. This includes reorganizing affiliated units such as Song Da 10.3 Enterprise, Song Da 10.6 Enterprise, Song Da 10.7 Enterprise, and Song Da 10 Mechanical Enterprise.
- Supervise the Executive Board in implementing resolutions from the General Meeting of shareholders and the Board of directors while ensuring compliance with legal regulations and internal management policies.
- Balance investment in new machinery and equipment, with an estimated budget of 22 billion VND, to support newly awarded projects.
- Other activities such as employee training, labor policies, and corporate social responsibility initiatives.

## **V. Corporate governance**

### **1. Board of Directors**

**a) Members and structure of the Board of Directors:** Comprising 05 members

Order number	Full name	Position in the company	Number of shares representing capital (shares)	Voting Share Ownership Ratio	Note
1	Tran Tuan Linh	Chairman of the Board	10,000,000	23.40%	
2	Nguyen Tuan Anh	Board Member and General Director	6,607,407	15.46%	
3	Do Duc Manh	Board Member	5,000,000	11.70%	
4	Pham Van Tang	Board Member	5,000,000	11.70%	
5	Pham Hoang Phuong	Board Member and Deputy General Director		0.00%	
	<b>Total</b>		<b>26,607,407</b>	<b>62.27%</b>	

### **b) Committees under the Board of Directors**

The Board of Directors has not established any subcommittees. Instead, its members perform their duties based on assigned responsibilities, with specific areas of focus designated for each member.

### **c) Activities of the Board of Directors**

The Board of Directors has conducted research and developed reports and annual plans for submission to the relevant authorities for approval. It has also

assigned tasks to the General Director for the implementation of plans and supervised the Executive Board in accordance with the Company's Charter, Corporate Governance regulations, and internal management policies issued by the Board.

Throughout the year, the Board held both regular and ad-hoc meetings to review the Company's business performance and make decisions within its authority. These meetings were convened in compliance with the Company's Charter, with full participation of the members.

In 2024, the Board of Directors held 6 meetings, during which key decisions were made on the following fundamental matters:

Order number	Session	Main content	Number of members attending the meeting	Voting results
1	15/04/2024	Agree on the contents of the 2024 Annual general meeting of shareholders	5	100%
2	24/5/2024	Through personnel work (Through reappointment of Deputy General Director position for Mr. Pham Hoang Phuong)	5	100%
3	26/8/2024	Meeting to approve the reappointment policy for Mr. Duong Quang Tu	5	100%
4	26/8/2024	Through personnel work (Through reappointment of Mr. Nguyen Van Doai as Company Secretary; Mr. Nguyen Van Quang as Director of Song Da 10.2 Enterprise; and Board of Members, Controller at Song Da 10.1 One Member Limited Liability Company)	5	100%
5	22/10/2024	Meeting to approve the reappointment of Mr. Duong Quang Tu as Chairman of the Board of Members of Song Da 10.1 One Member Limited Liability Company	5	100%
6	04/11/2024	Approval of the policy on personnel work (Approval of the policy of appointing Mr. Pham Hoang Phuong to the position of Deputy General Director)	5	100%



**d) Activities of the Independent Board members**

- The responsibilities of independent board members are similar to those of other board members, as stipulated by the Law on Enterprises and relevant legal documents. Accordingly, independent board members are required to perform their duties with integrity and diligence, prioritizing the best interests of shareholders and the Company.
- Independent board members have attended all meetings of the Board of Directors and have provided clear opinions on matters discussed.

**e) List of Board members with Corporate governance training certification**

In 2024, the Company's Secretary attended a corporate governance training session organized by the Hanoi Stock Exchange. However, due to scheduling constraints, members of the Board of Directors, the Supervisory Board, the Executive Board, and other management personnel have not yet attended corporate governance training courses at institutions recognized by the State Securities Commission.

**2. Supervisory Board**

**a) Members and structure of the Supervisory Board**

The Company's Supervisory Board consists of 3 members as follows:

Order number	Full name	Position	Number of voting shares	Voting Share Ownership Ratio	Note
1	Le Thi Mai Huong	Chief Controller	0	0%	
2	Nguyen Van Thanh	Board Member	0	0%	
3	Vu Thi To Nga	Board Member	0	0%	

**b) Activities of the Supervisory Board**

**b.1 Evaluate activities of the Supervisory Board**

All members of the Supervisory Board hold concurrent positions and regularly exchange information regarding the Company's activities in their assigned areas. In 2024, the Supervisory Board operated in accordance with its functions and duties as stipulated in the Law on Enterprises, the Company's Charter, and the Organization and Operation Regulations of the Board. The Board developed work plans, established work programs, assigned specific tasks to each member, and conducted inspections and supervision of the Company's operations with the following results:

- Organized Supervisory Board meetings to monitor and assess the implementation of the resolutions of the 2024 General Meeting of Shareholders, as well as the management and operations of the Board of Directors and the Executive Board;
- Examined the legality and rationality of the Board of Directors and the Executive Board in corporate governance and management;
- Attended Board of Directors meetings to stay informed and oversee the Company's activities, while also reviewing the implementation of the business plan by the Board of Directors and the Executive Board;
- Reviewed internal management regulations and policies, and examined resolutions and decisions issued by the Board of Directors;
- Conducted inspections and oversight of the Company's financial and accounting activities, including the appraisal of the Company's 2024 financial statements and the audit report of UHY Auditing and Consulting Co., Ltd.

#### **b.2 Number, content and outcomes of Supervisory Board meetings**

In 2024, the Supervisory Board held two meetings to approve reports for submission to the General Meeting of Shareholders and to discuss the Board's activity plan.

#### **b.3 Coordination between the Supervisory Board, the Board of Directors and the Executive Board**

The coordination between the Supervisory Board, the Board of Directors, and the Executive Board has been conducted in compliance with the Law on Enterprises and the Company's Charter, specifically:

- The Supervisory Board participated in all Board of Directors meetings.
- All documents from the Board of Directors and the Executive Board were provided in full and on time to Supervisory Board members.
- During their work, the Supervisory Board was given complete access to relevant information, records, and documents related to their responsibilities.

### **3. Transactions, remuneration and benefits of the Board of Directors, Executive Board, and Supervisory Board**

#### **a) Salaries, bonuses, remuneration and benefits: (Unit: VND)**



Order number	Full name	Position in the company	Salary	Remuneration	Total	Note
A	B	C	1	2	3=1+2	4
I	Board of Directors		1,670,400,000	230,400,000	1,900,800,000	
1	Tran Tuan Linh	Chairman of the Board	648,000,000		648,000,000	
2	Nguyen Tuan Anh	Board Member and General Director	561,600,000	57,600,000	619,200,000	
3	Pham Hoang Phuong	Board Member and Deputy General Director	460,800,000	57,600,000	518,400,000	
4	Do Duc Manh	Board Member		57,600,000	57,600,000	
5	Pham Van Tang	Board Member		57,600,000	57,600,000	
II	Board of Managemen's		921,600,000		921,600,000	
1	Nguyen The Bao	Deputy General Director	460,800,000		460,800,000	
2	Tran Dinh Tu	Deputy General Director	460,800,000		460,800,000	
III	Board of Supervisors			100,800,000	100,800,000	
1	Le Thi Mai Huong	Chief Controller		43,200,000	43,200,000	
2	Nguyen Van Thanh	Board Member		28,800,000	28,800,000	
3	Vu Thi To Nga	Board Member		28,800,000	28,800,000	
	To tal		2,592,000,000	331,200,000	2,923,200,000	

**b) Transactions of internal shareholders**

There were no stock transactions involving members of the Board of Directors, Supervisory Board, Executive Board, Company Secretary, major shareholders or related parties of internal persons.

**c) Contracts or transactions with internal persons :** No such contracts or transactions occurred.

**d) Compliance with corporate governance regulations**

In 2024, the Company has seriously and fully implemented the regulations on corporate governance. Make timely reports as well as periodically disclose information on the Company's governance on quarterly, semi-annual and annual basis to State management agencies and investors.

**VI. Financial statements**

**1. Auditing unit reports:** UHY Auditing and Consulting Co.,Ltd.

## **2. Audit opinion**

In the Independent Audit Report no. 303/2025/UHY-BCKT dated March 26, 2025, issued by UHY Audit and Advisory Co., Ltd. on the consolidated financial statements of Song Da 10 Joint Stock Company for the fiscal year ended December 31, 2024, the auditor expressed a qualified opinion as follows:

### **Basis for the qualified audit opinion**

As of December 31, 2024, the overdue interest expense payable related to the loan at Song Da 10.1 One Member Limited Liability Company (a subsidiary of the Company) has not been recognized, with a value of 44,691,358,453 VND (of which the overdue interest expense as of December 31, 2023, was 41,466,841,999 VND, and the amount incurred during this period was 3,224,516,454 VND). If the overdue interest expense is recognized in the financial year ending December 31, 2024, the item “Short-term accrued expenses” on the consolidated balance sheet will increase by 44,691,358,453 VND, and the item “Undistributed post-tax profit” will decrease by the same amount. At the same time, on the consolidated income statement, the item “Financial expenses” will increase by 3,224,516,454 VND, and the items “Net profit from business activities” and “Net profit after corporate income tax” will decrease correspondingly by 3,224,516,454 VND.

### **Qualified audit opinion**

“In our opinion, except for the effects of the matters described in the 'Basis for qualified opinion' section, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Song Da 10 Joint Stock Company as of December 31, 2024, as well as its consolidated financial performance and consolidated cash flows for the financial year then ended, in accordance with Vietnamese accounting standards, the Vietnamese enterprise accounting regime, and relevant legal regulations on the preparation and presentation of consolidated financial statements”.

### **Company's explanation**

Song Da 10.1 One Member Limited Liability Company has outstanding debt classified as Group 5 at BIDV – Gia Lai Branch. The company is facing severe financial difficulties. With the funds recovered from projects, the Company has only been able to arrange partial repayment of the principal to the bank. Based on the working minutes regarding the debt settlement plan between Song Da 10.1 One Member Limited Liability Company and BIDV Gia Lai on December 15, 2023, the Company is currently negotiating with the bank for a waiver of overdue interest after completing the repayment of the



principal to BIDV Gia Lai. According to BIDV's internal regulations, BIDV Gia Lai is also assisting the Company in resolving overdue debt and expediting the approval process for waiving the overdue interest for Song Da 10.1 One Member Limited Liability Company. Moreover, in 2024, the Company has repaid 50.516 billion VND in loan principal, reducing its outstanding debt from 115.838 billion VND as of January 1, 2024, to 65.322 billion VND by the end of 2024. Therefore, the Company believes that the bank will approve the proposed interest waiver. Consequently, the Company has not recorded this overdue interest expense in the 2024 consolidated financial statements.

### 3. Audited financial statements

Website address for publication and provision of the Company's financial statements: [songda10.com.vn](http://songda10.com.vn)

The audited consolidated financial statements for 2024 include:

- Statement of the Board of General Directors;
- Independent Auditor's Report;
- Balance sheet;
- Income statement;
- Cash flow statement;
- Notes to the financial statements.

#### *Recipients:*

- State Securities Commission (SSC);
- Hanoi Stock Exchange (HNX);
- Archive: HR; Accounting (01).

*[Signature]*



*Nguyen Tuan Anh*

