

**REPORT ON THE ACTIVITIES OF THE BOARD OF DIRECTORS IN 2024
SUBMITTED TO THE 2025 ANNUAL GENERAL MEETING OF
SHAREHOLDERS**

To: The 2025 Annual General Meeting of Shareholders

Based on the Charter of Organization and Operation of Song Hong Construction Joint Stock Company;

Based on The Resolution of the 2024 General Meeting of Shareholders of Song Hong Construction Joint Stock Company;

Based on The 2024 Business Results Report and the 2025 Business Plan from the General Director.

The Board of Directors (BoD) hereby submits a report to the Annual General Meeting of Shareholders on its activities in 2024 and outlines its directions for 2025 as follows:

I. ACTIVITIES OF THE BOARD OF DIRECTORS IN 2024:

1. General Economic and Real Estate Market Overview

In 2024, the global economy continued its slow and uneven recovery, improving steadily toward the end of the year. While global inflation showed significant improvement compared to 2023, risks persisted in supply chains and international commodity prices. Major economies began reducing interest rates, easing financial conditions. Unemployment rates globally declined, with labor shortages emerging in some regions...

Key insights into major economies:

United States: Achieved positive growth driven by consumer spending, business investments, and improved exports.

European Union: Struggled with high energy costs and slow recovery.

China: Faced challenges transitioning its economic growth model and addressing high unemployment.

Global monetary policies were cautiously adjusted based on real-world data to manage long-term inflation pressures. Additionally, nations prioritized green market reforms to promote sustainable growth and enhance competitiveness.

International trade tensions, particularly between the U.S. and China as well as Russia and Western countries, continued to negatively impact global economic growth. Governments were urged to take decisive actions to ensure public debt sustainability and maintain policy flexibility for future shocks.

Vietnam's Economy in 2024:

Vietnam achieved a GDP growth rate of 7.09%, surpassing the National Assembly's target of 6.5–7%. Key contributions included:

Agriculture, forestry, and fisheries: Growth of 3.27%, contributing 5.37%.

Industry and construction: Growth of 8.24%, contributing 45.17%.

Services: Growth of 7.38%, contributing 49.46%.

Real Estate Market:

The real estate market saw nearly 81,000 products launched in 2024, marking a more than 40% increase compared to 2023. Apartments dominated transactions (75%), with new projects achieving absorption rates over 70%, some exceeding 90% upon launch. The market showed positive recovery due to significant legal framework improvements and strong government oversight.

2. Activities of the Board of Directors in 2024

2.1. Management, Governance, and Implementation of Resolutions:

Based on the development strategies approved at the 2024 Annual General Meeting, the BoD focused on investment and real estate business as core areas while streamlining non-controlling investments.

Key decisions made by the BoD in 2024 included:

- Selecting AVA Vietnam Audit & Valuation Co., Ltd., for financial reviews.
- Issuing a salary regulation for employees.
- Approving transfer prices for commercial service areas at Vinh Tuy Bridge Project (Phase I).
- Addressing financial handling for bad debts as of December 31, 2024.

These decisions contributed to stable and sustainable company growth:

- Revenue: VND 15.2 billion (101.6% of target).
- Net profit after tax: VND 0.9 billion.

The BoD held five meetings and issued seven key resolutions focusing on project preparations, organizational adjustments, and financial investments while adhering strictly to legal regulations, company charters, and shareholder rights.

In addition, in managing, operating, and executing the tasks assigned by the General Meeting of Shareholders, the Board of Directors consistently complies with legal

regulations, the Company's Charter, and its Governance Regulations. The Board respects and ensures shareholders' rights while safeguarding the Company's interests and obligations.

2.2. Supervisory Activities

To ensure the Company's operations are conducted safely, in compliance with legal regulations, and in alignment with the Resolutions of the General Meeting of Shareholders (GMS) and the Board of Directors (BoD), the BoD has intensified its supervision of the General Director (CEO) and other management personnel through the following specific measures:

- The CEO regularly reports to the BoD on the Company's financial performance and business activities.
- The BoD participates in meetings with the Executive Board and relevant partners when significant issues arise within the Company.
- The BoD provides input or direct guidance on critical or unexpected matters as needed.

In addition, the BoD has placed a strong emphasis on risk management by simultaneously standardizing governance processes, policies, and procedures while enhancing monitoring and oversight of their implementation across all aspects of the Company's operations. The Supervisory Board and BoD have also strengthened their roles to ensure effective oversight of the Company's activities. This proactive approach has allowed for timely identification and resolution of weaknesses, fostering sustainable development while balancing the interests of the Company, the State, shareholders, partners, customers, and employees.

The leadership team, along with department heads and unit managers, has rigorously conducted both periodic and ad hoc inspections. As a result, no material losses or operational violations have occurred. This diligence has minimized waste and operational risks to the greatest extent possible.

The BoD's supervisory activities have been conducted within its authority, ensuring high effectiveness without hindering or overlapping with the Executive Board's management functions.

II. Orientation for the Board of Directors' Activities in 2025:

1. Economic and Real Estate Market Forecast

The economic growth target for 2025 has been set at a minimum of 8%, with specific sectoral goals as follows: industrial and construction sectors are expected to grow by at least 9.5% (including a minimum growth of 9.7% in manufacturing and processing

industries), services by at least 8.1%, and agriculture, forestry, and fisheries by at least 3.9%. These figures represent an increase of approximately 0.7–1.3% compared to 2024, with the industrial and construction sectors, particularly manufacturing, continuing to serve as the primary drivers of growth.

Real Estate Market Projections for 2025:

The real estate market is anticipated to resolve existing bottlenecks in investment projects, enabling faster execution of real estate developments and introducing new supply to the market. This progress is expected to be facilitated by new legal frameworks such as the Housing Law, Real Estate Business Law, and Land Law.

2025 is considered a pivotal year for the real estate market, with significant transformations that could lead to recovery and breakthrough growth following previous challenges. The sustainable development of the market will depend on a combination of supportive government policies, proactive efforts by businesses, and flexible strategies from investors.

2. Key Directions and Targets for 2025

Strategic Directions for the Company in 2025:

- Accelerating land-use fee calculations for the mixed-use building of the commercial, office, and residential complex at Vinh Tuy Bridge (Phase 2). Construction will be expedited, and project products will be launched for business when conditions are favorable.
- Focusing resources on the construction of the Xuan La Commercial Center, Market, Supermarket, and Office for Lease project, with completion targeted by Q2/2026.
- Collaborating with Green Town Vietnam JSC to commercialize eligible components of the Thanh Xuan Valley project (including villas, weekend homes, and eco-tourism facilities) while continuing construction of subsequent components.
- Partnering with Sao Mai Production and Trading JSC to prepare investments for the Qua Ha Residential Area and Sao Mai projects.
- Restructuring the investment portfolio by proposing partial or full divestment of shares held by the Company in subsidiaries or affiliates to ensure planned revenue targets are met.
- Exploring potential real estate projects nationwide, including affordable housing projects, ensuring alignment with corporate strategies and development goals.

- Implementing suitable capital mobilization methods to optimize capital efficiency and address underperforming long-term investments. This will support the Company's 2025 business plan as well as its medium- and long-term strategies.
- Strengthening the INCOMEX brand by promoting key real estate products that meet market demand at the Company's flagship projects.

Specific Targets for 2025:

The Board of Directors has set the following key targets for 2025:

No.	Content	Unit	2025 Plan
1	Revenue	Billion VND	66,62
2	Profit before tax	Billion VND	19,35
3	Corporate income tax	Billion VND	3,87
4	Profit after tax	Billion VND	15,48
5	Dividend payout ratio	%	0
6	Average number of employees	People	28
7	Average monthly salary	Million VND	21,2

The above report outlines the activities of the Board of Directors of Song Hong Construction Joint Stock Company for the year 2024 and its strategic directions for 2025, submitted for approval by the Annual General Meeting of Shareholders in 2025.

Respectfully submitted for review and decision by the General Meeting.

**ON BEHALF OF THE BOARD OF
DIRECTORS
CHAIRMAN**

Recipients:

- Company Shareholders;
- Archived: Board of Directors,
Administration/Chairman.

(Signed)

Pham Hung