SONG DA CORPORATION - JSC
SONG DA 5 JOINT STOCK COMPANY
No: 01/2025/BC-SĐ5-BKS

SOCIALIST REPUBLIC OF VIETNAM
Independence - Freedom - Happiness
Hanoi, 03 March 2025

REPORT
ON THE BOARD OF SUPERVISORS' ACTIVITIES IN 2024 AND ACTIVITY PLAN FOR 2025

I. THE RESULTS OF BOARD OF SUPERVISORS' ACTIVITIES IN 2024

1. Activities of the Board of Supervisors in 2024

The Board of Supervisors of Song Da 5 Joint Stock Company consists of 03 members assigned tasks in accordance with their professional qualifications based on the functions and tasks of the Board of Supervisors as prescribed by law and the Company's Charter. In 2024, the Board of Supervisors carried out the following specific activities:

1.1. Supervise the Board of Directors and General Director in the management and operation of the company;

1.2. Inspect the reasonableness, legality, honesty and prudence in the management and operation of production and business activities; the systematicity, consistency and appropriateness of financial accounting, statistics and financial reporting;

1.3. Monitor the financial situation, capital balance and cash flow management; operational efficiency and debt payment ability; capital usage, management and preservation, quarterly and 2024 production and business situation;

1.4. Supervise the implementation of the production and business plan according to the resolution of the 2024 General Meeting of Shareholders; Inspect/supervise the production and business activities of the Construction Management Boards through periodic financial management reports.

1.5. Conduct an assessment of the completeness, legality and honesty of the Company's business performance report, semi-annual financial report and 2024 financial report audited by A&C Auditing and Consulting Co., Ltd.; the Board of Directors' management assessment report in 2024; Submit the assessment report of the Board of Supervisors at the 2024 Annual General Meeting of Shareholders;

1.6. Conduct a review and assessment of the effectiveness and efficiency of the internal control system;

1.7. Propose to the Board of Directors measures to amend and supplement the organizational structure for management, supervision and operation of the Company's business activities;

1.8. Propose and recommend the General Meeting of Shareholders to approve the list of auditing firms approved to audit the Company's annual financial statements;

1.9. Exercise other rights and obligations as prescribed by the Law on Enterprises, the Company Charter and the Resolution of the General Meeting of Shareholders.

2. The meetings of the Board of Supervisors in 2024

No	Date	Contents
1	Meeting on 29 March 2024	- Content: Approval of the 2023 financial statement audit report, Development of the 2024 Board of Supervisors' action plan, assignment of tasks to members of the Board of Supervisors; Approval of the 2023 Board of Supervisors' activity report to be submitted to the General Meeting of Shareholders; - Participant: 3/3 - Voting rate: 100%
2	Meeting on 03 October 2024	- Content: Approval of the Board of Supervisors' performance report for the first 6 months of 2024; Deploying the 4th quarter 2024 performance plan; - Participant: 3/3 - Voting rate: 100%

In addition to formal and direct meetings as stipulated, the Board of Supervisors regularly exchanges opinions on work contents to ensure operational efficiency and cost savings.

3. Salaries, remuneration and operation expenses of the Board of Supervisors and each member of the Board of Supervisors.

- The salary and remuneration of the Board of Supervisors in 2023 will be paid in accordance with the settlement approved by the 2024 Annual General Meeting of Shareholders in Resolution No. 01/2024/NQ-SD5-ĐHĐCĐ dated June 7, 2024.

- The salary and remuneration of the Board of Supervisors in 2024 will be provisionally paid monthly and submitted for settlement at the 2025 Annual General Meeting of Shareholders.

- The operation expenses of the Board of Supervisors will be paid in accordance with the Company's internal regulations;

4. Evaluation of the Board of Supervisors' performance in 2024

As a representative of shareholders, supervising the Company's production and business activities; supervising the activities of the Board of Directors and the General Director and Deputy General Directors. In 2024, the Board of Supervisors fully performed its duties and responsibilities according to the regulations of the Company's Charter and the regulations of the laws. The members of the Board of Supervisors worked with a high sense of responsibility, completing the tasks and plans set by the Board of Supervisors in 2024.

The activities of the Board of Supervisors and its members have complied with the regulations of the Board of Supervisors, the Company's Charter, and the regulations of Laws. The specific results of the Board of Supervisors' activities are summarized in the following items:

II. RESULTS OF SUPERVISION ON THE IMPLEMENTATION OF PRODUCTION AND BUSINESS TARGETS IN 2024.

No	Indicator	Unit	Plan	Performed	Rate
A	**TOTAL VALUE OF BUSINESS AND PRODUCTION**	**10^9 đ**	**1,805.00**	**2,589.26**	**143.45%**
B	**FINANCIAL PLAN**				
I	**Sales**	**10^9 VND**	**1,820.22**	**2,578.17**	**141.64%**
1	Revenue, income	10^9 VND	1,776.45	2,527.88	142.30%
2	Output VAT	10^9 VND	43.77	50.28	114.88%
II	**Profit**				
1	Profit before tax	10^9 VND	28.00	35.69	127.48%
2	Profit after tax	10^9 VND	22.40	23.65	105.56%
III	**Dividend**		**8%**	**8%**	**100%**
IV	**Ending Owner's equity**	**10^9 VND**	**479.18**	**480.43**	**100.26%**
1	Charter capital	10^9 VND	259.99	259.99	
	Including: Capital contribution of Song Da Corporation	*10^9 VND*	*166.82*	*166.82*	
2	Share premiums	10^9 VND	43.13	43.13	
3	Investment and development fund	10^9 VND	143.06	143.06	
4	Investment and development fund	10^9 VND			
5	Other funds	10^9 VND	10.60	10.60	
6	Retained earnings	10^9 VND	22.40	23.65	105.56
V	**Ending total assets**	**10^9 VND**	**1,799.39**	**1,596.79**	**88.74%**
VI	**Ending receivables**	**10^9 VND**	**1,320.22**	**1,116.36**	**84.56%**
	Dept to Charter Capital Ratio	time	5.08	4.29	84.52%
	Debt to Equity Ratio	time	2.76	2.32	84.19%
VII	**Investment cost**	**10^9 VND**	**40.00**	**25.20**	**63.01%**

In 2024, the Company will fulfill and exceed the targets approved by the Annual General Meeting of Shareholders in Resolution No. 01/2024/SD5-NQ-DHDCD dated June 7, 2024, specifically as follows:

- Complete 143.45% of the planned output;

- Complete 142.30% of the planned revenue;

- Complete 127.48% of the planned profit before tax, 105.56% of the planned profit after tax.

III. MONITORING THE PERFORMANCE OF THE BOARD OF DIRECTORS

In 2024, the Company's Board of Directors worked with a high sense of responsibility, making timely decisions and directions, specifically as follows:

1. Directing the successful organization of the 2024 Annual General Meeting of Shareholders on June 7, 2024 and the 2024 Extraordinary General Meeting of Shareholders on December 6, 2024. The General Meetings were convened and organized in accordance with the procedures and regulations of the Law and the Company's Charter.
2. Organizing 04 official Board of Directors meetings in accordance with regulations. The meetings were convened and organized in accordance with the procedures and regulations of the Law and the Company's Charter with the full participation of the members; the resolutions at the meetings were approved with 100% consensus.
3. The Board of Directors directed and closely monitored the progress and organization of construction at the construction sites, requested General Director and Deputy General Directors to timely report on the construction status, and speed up the progress of the key projects.
4. Resolutely direct the contract settlement work at designated projects (Son La, Nam Chien, Ban Ve, Xekman 3 Hydropower Project, etc) and bidding projects (Hoa Phat - Quang Ngai Steel Complex, VNT19 Pulp Paper Mill Plant, Song Cho 1 Reservoir Project, etc). By December 31, 2024, there are still a number of projects that have not completed the settlement, including Ban Ve, Xekman 3, Tuyen Quang Hydropower Project, and some bidding packages of Hoa Phat – Quang Ngai Steel and Iron Production Complex Project and Tan My Reservoir Project).
5. Closely direct the collection of debts and unfinished value at the key projects, especially for large-value debts that are slow to be collected by the Employer and general contractors at Hoa Phat and Bac Me projects. However, the value of debts and outstanding amount at the end of the year to be collected is still large, accounting for 59.1% of total assets.
6. Direct the General Director and Deputy General Directors to analyze the results of production and business in the first 6 months and the year, and report the analysis results to the Board of Directors.
7. Direct the development of the plan for restructuring Song Da 5 Joint Stock Company for the period 2025 - 2030; Develop, amend and supplement internal management regulations and rules in accordance with legal regulations and meet management requirements.
8. In 2024, the Board of Directors issued a total of 63 resolutions and 18 decisions within its authority. Resolutions and decisions of the Board of Directors are issued within its authority, in accordance with the Company Charter and legal regulations. The Board of Directors closely monitors the implementation of issued resolutions and decisions through the General Director's periodic reports;
9. Directing the marketing and bidding work for job seeking, the results achieved in 2024 with the total value of signed bidding packages reaching 1,315.07 billion VND.
10. Directing the payment of dividends in 2023 on April 15, 2025.

11. The Board of Directors of the Company has prepared a report on the activities of the Board of Directors in 2024 and the 2025 operation plan to submit to the 2025 Annual General Meeting of Shareholders. In which, the report specifically assessed the Company's activities from the implementation of strategic orientation, restructuring & corporate governance, investment work, job search bidding, cost management, health and safety and environment work. The report demonstrates the close direction and supervision of all aspects of production and business activities, in accordance with the reality, rights and obligations of the Board of Directors as stipulated in the Charter and in accordance with current legal regulations.

In summary, the activities of the Board of Directors in 2024 fully complied with the management regulations of Song Da Corporation - JSC, follow with the company charter and current legal regulations.

IV. MONITORING THE PERFORMANCE OF THE GENERAL DIRECTOR

Based on the Resolution of the General Meeting of Shareholders, the close direction and responsibility of the Board of Directors, the Executive Board has organized and implemented the production and business plan with high determination in the context of many difficulties and challenges. Specifically:

1. Performance achieving 143.5% of the output plan (2,589.26 billion VND/1,805 billion VND); 142.3% of the revenue plan (2,527.88 billion VND/1,776.45 billion VND); 127.48% of the pre-tax profit plan (35.69 billion VND/28 billion VND); 105.56% of the after-tax profit plan (23.65 billion VND/22.4 billion VND); Average income of employees reached 15.58 million VND/person/month;
2. Organizing production and construction work at the site basically ensures safety, quality, and meets the progress targets signed with the investor and main contractor. Being trusted and highly appreciated by the investor and main contractor.
3. Organize the mobilization and timely meet to capital needs for production and construction work with competitive capital costs, use mobilized capital for the right purposes, maintain a reasonable financial structure, maintain a high credit rating with banks and credit institutions.
4. Organize the implementation of capital collection and debt recovery to the account, reaching 123.18% of the plan (2,184.34 billion VND/1,773.31 billion VND) to facilitate maintaining the company's solvency and meet capital needs for production and construction.
5. Implement marketing and bidding for project seeking with a total contract value signed in 2024: 1,315.07 billion VND;
6. Implement dividend payment for 2023, expected on April 15, 2025 according to the resolution of the Board of Directors;
7. Complete obligations to the State Budget;

Within the limits of documents and records that the Board of Supervisors has accessed and controlled. The Board of Supervisors found that the General Director's production and business management operations in 2024 fully complied with internal management regulations, resolutions of the General Meeting of Shareholders, the Company's Charter and legal regulations, specifically:

✓ The decisions of the General Director are issued within the authority;

- ✓ Information disclosure is timely and complete in accordance with the Securities Law and relevant laws;
- ✓ Obligations to the State budget are fully and timely implemented;
- ✓ Policies for employees are promptly resolved in accordance with the provisions of the Law;
- ✓ The obligation to pay dividends to shareholders is implemented, although still slower than current regulations;

V. RESULTS OF MONITORING THE COMPANY'S FINANCIAL SITUATION

1. Financial report appraisal

After appraising the financial report ending on December 31, 2024 audited by A&C Auditing and Consulting Co., Ltd., the Board of Supervisors would like to report the appraisal results as follows:

1.1. On implementation of accounting and financial reporting regime.

The Company's 2024 financial statements have been prepared on the basis of selecting appropriate accounting policies and applying them consistently, making relatively reasonable assessments and estimates, complying with regulations, accounting standards and Vietnamese accounting regimes. Additional information not specified in the accounting standards is presented by the Company relatively clearly and fully in the notes to the financial statements.

1.2. Regarding the figures in the 2024 financial report.

The Board of Supervisors agrees with the figures presented in the financial statements prepared at the end of December 31, 2024, which were audited by A&C Auditing and Consulting Co., Ltd. Accordingly, the Company's 2024 financial statements, in terms of material aspects, fairly honestly and reasonably reflect the financial situation, business results and cash flows at the end of December 31, 2024.

(Details are attached with the audited 2024 financial statements)

2. Evaluation of the Company's financial situation.

Indicators	2022	2023	2024
A. Profitability ratio			
1. ROS(Operating profit/Net sales)	0.97%	0.93%	1.01%
2. ROA(Net Income/Average total asset)	1.08%	1.29%	1.53%
3. ROE(Net Income/Owners' Equity)	3.68%	4.41%	4.92%
B. Solvency ratio			
4. Liquidity ratio	0.143	0.097	0.178
5. Quick Ratio	0.841	0.91	0.903
6. Current Ratio	1.2485	1.31	1.333
C. Financial Ratio Reflects Capital Structure			

7. Debt ratio (Total liabilities/Total assets)	0.731	0.68	0.699
8. Debt to Equity Ratio	2.72	2.13	2.32
9. Current assets/current liabilities ratio	0.80	0.76	0.75
D. Capital Preservation and Growth			
10. Capital Preservation Ratio	0.991	1.008	1.005

- In 2024, the index reflecting the Company's profitability will be improved compared to 2022 and 2023. However, it is still very low. The Company's Board of Directors needs to analyze specifically and have practical solutions to improve production and business efficiency.

✓ The solvency indicators at the end of 2024 show that the company's solvency is still guaranteed.

✓ The indicators reflecting the capital structure are still within appropriate and allowable limits.

✓ The use of capital has basically only reached the conservation threshold, there is no accumulation, and the enterprise's capital source has not been developed;

(Note: The above indicators are only meaningful in terms of time, with a large proportion of unfinished value and receivables, the recovery of the Company's unfinished value and receivables has a decisive meaning for the indicators reflecting the financial situation).

VI. EVALUATION OF COORDINATION BETWEEN THE BOARD OF SUPERVISORS WITH THE BOARD OF DIRECTORS, GENERAL DIRECTOR, DEPUTY GENERAL DIRECTORS AND SHAREHOLDERS.

1. The coordination of activities between the Board of Supervisors, the Board of Directors, the General Director, Deputy General Directors and Shareholders is carried out on the principle of stability and sustainable development of the Company, ensuring the rights of Shareholders in accordance with the provisions of the Laws and the Company's Charter.
2. In 2024, the Board of Supervisors closely coordinated with the Board of Directors and the General Director and Deputy General Directors in performing assigned functions and tasks. The Board of Directors and the Board of Management created favorable conditions for the Board of Supervisors to perform their tasks, promptly providing information and documents related to the Company's operations.
3. The Board of Supervisors has closely coordinated with the Board of Directors and the General Director and Deputy General Directors in the inspection and supervision work at affiliated units as well as at the company's executive management boards to take timely measures to handle existing problems in order to improve the efficiency and effectiveness of management, ensuring full compliance with internal management regulations and current regulations of the Law.
4. The Board of Supervisors fully participated in the meetings of the Board of Directors; The opinions of the Board of Supervisors at the meetings had been considered and implemented by the Board of Directors and the General Director and the Deputy General Director to ensure the benefits of the Company.

5. The Board of Supervisors supervised the preparation of quarterly financial reports and annual reports, coordinated well with the Board of Management in providing financial information and information on production and business results to competent state agencies and shareholders;

6. In 2024, the Board of Supervisors did not receive any claims from shareholders.

VII. RECOMMENDATIONS OF BOARD OF SUPERVISORS

1. Regarding marketing and bidding for job seeking: The Company needs to promote the marketing and bidding work in the domestic market and the Lao market to supplement the source of work for 2025 and the following years; Train and supplement the staff in charge of bidding work to master the provisions of the Law on Bidding to ensure that participation in bidding complies with the provisions of the Law.

2. Implement final settlement of construction packages at the Hoa Phat Steel Complex - Quang Ngai Phase 2 project; Coordinate with Song Da Corporation to finalize Ban Ve, Xekman3, Tuyen Quang Hydropower projects.

3. Work with the Law Consulting Firm, consolidate documents, provide timely as required by the Court, ensure that the judgments have a comparative advantage for the Company.

4. The Company's production and business assignment and analysis work needs to be substantive, timely and linked to the management and operational roles and responsibilities of the Construction Management Boards.

5. The Company needs to effectively promote the areas that have been digitally transformed (BIM models, accounting software, material and equipment management software; online conference...) and continue to carry out digital transformation in other business activities of the Company (bidding field; internal economic management; legal affairs, etc).

VIII. ACTIVITY PLAN OF 2025 BOARD OF SUPERVISORS

With the functions and tasks of the Board of Supervisors and based on the Company's production and business directions and tasks in 2025, the Board of Supervisors develops and submits to the General Meeting of Shareholders the 2025 operation plan as follows:

1. Supervise the activities of the Board of Directors and General Director in 2025 in the following tasks: (Management and operation of Song Da 5 Joint Stock Company; Exercise the rights and obligations of the Board of Directors and General Director in accordance with the provisions of the Law and the Company's Charter; Organization and implementation of resolutions of the General Meeting of Shareholders; Issuance of resolutions and decisions of the Board of Directors and organization of implementation to ensure enforcement and compliance with the Law, the Company's Charter, and resolutions of the General Meeting of Shareholders).

2. Supervise the financial situation, balance of capital and cash flow; operational efficiency and debt payment ability; capital usage, management and preservation; implementation of quarterly production and business plans in 2025;

3. Inspect and supervise the implementation of economic contracts in 2025 and related years (if required).
4. Review the financial statements ending on December 31, 2024, semi-annual financial statements; Review documents and reports of the Board of Directors in 2025;
5. Prepare and submit the report of the Board of Supervisors at the 2025 General Meeting of Shareholders;
6. Continue to inspect and evaluate the company's internal control system in conjunction with the management of production and business costs, management of construction contracts, subcontracts and contracts for the purchase of materials and equipment, including: (Inspecting and evaluating the organizational model of functional departments, project management boards; Inspecting the issuance and implementation of regulations on decentralization and delegation of authority from the Board of Directors, General Directors, Directors of the Management Boards; Inspecting and evaluating the issuance and implementation of regulations on management of specialized fields (Procurement regulations; import - export; contract settlement; ...)
7. Review the existing issues in the management of receivables, management of unfinished output, especially for overdue receivables and unfinished volume values at completed projects but not yet settled;
8. Review the assessment of production and business efficiency at a number of key projects including: Nam Emoun hydropower project, Hoa Phat - Quang Ngai Steel Complex Project; Nam Phak Hydropower Project, Song Cho 1 Reservoir Project.
9. Organize regular and ad hoc meetings of the Board of Supervisors to implement control tasks in 2025.
10. Check and control accounting documents and accounting records in 2025 and related years (ifrequired).
11. Participate in regular meetings of the Board of Directors and give comments at the meetings;
12. Other tasks according to the functions and tasks of the Board of Supervisors.

FOR AND ON BEHALF OF BOARD OF SUPERVISORS
HEAD OF BOARD OF SUPERVISORS

Pham Quang Tuan