

REPORT

On the 2024 Board of Management's performance results and goals and tasks in 2025

To: The General Meeting of Shareholders of Song Ba Joint Stock Company

Pursuant to the Charter of organization and operation of Song Ba Joint Stock Company (the Company) and the Resolution no. 01/2024/NQ-DHCD dated 26th April 2024 of the General Meeting of Shareholders at the 2024 annual meeting, the Board of Management of the Company respectfully sends to the Board of Management the report on the results of the Board of Management's activities in 2024 and the goals and tasks for 2025 as follows:

I. Evaluation of the Company's operations in 2024

In 2024, the hydrological situation at Khe Dien and Krong H'Nang reservoirs will be dry and unusual, especially at Krong H'Nang reservoir, the drought will last until the first half of November 2024, greatly affecting the output and operational efficiency of the plants.

The operation of the electricity market at Krong H'Nang Hydropower Plant faces many difficulties due to constraints imposed by the inter-reservoir operation process, regulations on weekly water level limits of the electricity market and the determination of contract output through planned output according to the monthly operation method calculated and announced by NSMO. From 26th November 2024 to 15th December 2024, the plant had to temporarily stop operating due to insufficient water to meet the required reservoir water level. On 15th December 2024, thanks to localized rain, the water flow to the reservoirs was improved, the Board of Management closely followed the situation, directed the Company to make efforts to resolve related issues so that the Units could operate continuously until the end of the year; At the same time, effectively implement control solutions and reduce costs appropriately. Therefore, although output and revenue did not meet the plan, it exceeded the business targets of after-tax profit and basic earnings per share of **VND 1,877/1,822/share**.

1. Results of implementing the contents of the Resolution of the 2024 General Meeting of Shareholders

a. Results of implementing key business targets and managing the plant's operations:

- Results of implementing key business targets:

- + Total commercial electricity output of 02 plants: 192.88/220.00 million kWh, reaching 87.67% of the plan
- + Total revenue: **240.04/255.83** billion VND, reaching **93.83%** of the plan (*of which: From electricity production of 231.66 billion VND and from consulting service, finance service, other revenues of 8.38 billion VND*);
- + Profit after corporate income tax: 113.54/110.22 billion VND, reaching 103.01% of the plan
- + Basic earnings per share: **VND 1,877/1,822/share**, reaching 103.02% of the plan.

Consulting service: In 2024, the Company signed 20 new contracts with a total after-tax value of 3.9 billion VND. Adding the contracts signed before 2024 and other activities, the total revenue from consulting service and other revenues in 2024 reached 8.38 billion VND.

b. Selection of an auditor for the 2024 Company's financial statements

The Company has selected AAC Auditing and Accounting Company Limited as a contractor, one of three units approved by the General Meeting of Shareholders to review the 6-month financial statements and audit the 2024 financial statements according to regulations.

c. Implementation of the 2023 profit distribution plan

Despite the financial situation and cash flow facing many difficulties due to the decline in electricity output and revenue, the Board of Management has directed the Company to resolve related procedures and strive to balance cash flow to pay 2023 dividends to shareholders in accordance with the plan approved by the General Meeting of Shareholders. The 2023 dividend (22% cash rate) has been paid since 25th June 2024. By 31th December 2024, 131,173/133,074 billion VND (98.60%) has been paid.

Regarding 2024 dividend advance: Due to the difficult production and business situation in 2024, the Company does not make advance payments on dividends.

d. Resolve procedures for permanent suspension and request to receive deposit back for Krong H'Nang 2 Project

The Board of Management has directed the Company's Board of Directors to strive to implement the policy agreed upon by the General Meeting of Shareholders in Resolution no. 01/2024/NQ-DHDCD dated 26th April 2024. To date, it has been completed, the Department of Planning and Investment of Phu Yen Province has refunded 2 billion VND in deposit and paid 2.9 billion VND in interest; the Board of Management has approved the final settlement of project investment costs and the entire settlement value (**VND 3,741,372,482**) is accounted for in 2024 expenses to determine business results according to regulations.

e. Resolve procedures for requesting payment in lieu of continuing to plant, manage and protect replacement forests at Krong H'Nang Hydropower Plant:

The Board of Management has resolutely directed the Company to work with relevant agencies of Phu Yen and Dak Lak provinces to resolve the issue. To date, the specific results are as follows:

+ Phu Yen Province: The Company has worked with local departments and branches and received approval from the People's Committee of Phu Yen Province to pay for replacement forestation for the remaining 5.2 hectares on 05th November 2024, equivalent to VND 457,907,000. On 16th November 2024, the Company completed the payment to the Forest Protection and Development Fund under the Department of Agriculture and Rural Development of the province as prescribed.

+ Dak Lak Province: The total area of replacement forest is 175 hectares. Of which, 20.2 hectares overlap with the land of Ea So Ea So Natural Conservation Area and has been handed over by the Company to Ea So Natural Conservation Area for management since 18th April 2023 according to regulations. The remaining area of 154.8 hectares: Up to now, all Departments and Branches have agreed on the policy of paying for replacement forest planting and on 15th January 2025, the Department of Agriculture and Rural Development of Dak Lak Province is the focal unit and presiding unit, the unit has issued Report no. 14/BC-SNN on proposing the Dak Lak Province People's Committee to consider and agree to allow SBA to pay for replacement forest planting for this remaining area. In the coming time, after being approved by Dak Lak Province People's Committee, the Company will handle the next procedures to pay money according to regulations.

f. Approve a number of major repair items and necessary construction investments in accordance with the production and business plan in the first 6 months of 2025.

Implement the policy approved by the 2024 General Meeting of Shareholders, the Board of Management held a meeting to review and approve the list and cost estimates of major repair items in 2025. Direct the Company to calculate and allocate costs to develop the 2025 production and business plan to submit to the General Meeting of Shareholders for approval and implementation.

2. Business Administration

Corporate governance is always of interest to the Board of Management, with emphasis on directing implementation in all aspects of the Company's operations to improve quality, work efficiency and reasonably save operating costs.

Disclose complete, accurate and timely information on production and business activities to relevant authorities and the Company's shareholders in accordance with regulations.

Preserve and develop capital sources, balance cash flow well to ensure stable production and business activities, pay dividends and pay the State budget according to regulations. The total amount paid to the State budget in 2024 is 77.51 billion VND.

In 2024, the Company ensures stable jobs and income for employees. Fully and promptly resolve policies, ensure benefits for employees, pay salaries and bonuses on time. Employees' average income in 2024 is 16.6 million VND/person/month.

Comply with state regulations on electricity production and business activities, labor safety, fire prevention, environmental protection, dam safety, natural disaster prevention - search and rescue. During the year, there were no fire incidents or labor accidents. In 2024, the inspection teams of relevant authorities who came to work at Krong H'Nang and Khe Dien Hydropower Plants highly appreciated the management, operation and implementation of regulations according to the law.

II. Performance of the Board of Management and members of Board of Management in 2024

1. Information about members of the Board of Management, meetings and decisions of the Board of Management

The Board of Management consists of 05 members. The Board of Management has held regular meetings as prescribed (01 time/quarter) and other extraordinary meetings to resolve regular and urgent matters. The Board of Management invited the Company's Board of Supervisors to attend all meetings. Therefore, the direction and management work was carried out quickly, meeting the Company's operational requirements.

Information about members of the Company's Board of Management and meetings of the Board of Management:

No.	Member of the Board of Management	Position	Number of meetings attended	Meeting attendance rate
1	Mr. Thai Hong Quan	Chairman of the Board of Management	7/7	100%
2	Mr. Dinh Chau Hieu Thien	Member of the Board of Management, the Company's General Director	7/7	100%
3	Mr. Pham Phong	Member of the Board of Management	7/7	100%
4	Mr. Hoang Xuan Qui	Member of the Board of Management	7/7	100%
5	Mr. Hoang Nam Son	Independent Member of the Board of Management	7/7	100%

In 2024, the Board of Management issued 06 Resolutions, 24 Decisions and many documents to resolve important issues during the operation process. The contents of the Board of Management's Resolutions were all agreed upon by 100% of the members.

The Board of Management approved a number of important contents: The Company's quarterly production and business plan; content and agenda of the 2024 Annual General Meeting of Shareholders; selection of an auditor for the Company's 2024 financial statements; dividend payment plan for 2023; Regulations on decentralization of management of the Board of Management to the Company's General Director; dismissal and appointment of the person in charge of corporate governance; reappointment of the Director of the Company's Branch - Dam Safety Consulting and Inspection Center; restructuring of long-term loans to serve investment in the Expanded Khe Dien project and supplementing the short-term loan limit at Shinhan Bank Vietnam to serve production and business activities.

The Company's information and communication work to shareholders is focused on through the Company's website (<http://www.songba.vn>).

The Board of Management has carried out the management of the Company in accordance with the Charter, Resolutions of the General Meeting of Shareholders, Regulations on the Board of Management's operations and related regulations, so all activities of the Board of Management to the Executive Board have been carried out promptly and effectively. The members of the Board of Management have demonstrated a high sense of responsibility and have performed well their leadership role in all aspects of operations, for the sustainable development of the Company and the interests of shareholders.

2. Salary and remuneration of the Chairman of the Board of Management and members of the Board of Management:

- Salary of full-time Chairman of the Board of Management: 51,516 million VND x 01 person x 12 months = 618,192 million VND
- Remuneration of Members of the Board of Management: 8,776 million VND x 3 people x 12 months = 315,964 million VND (*Mr. Dinh Chau Hieu Thien is a member of the Board of Management cum General Director, so he does not receive remuneration*).

3. Regarding transactions between the Company and members of the Board of Management and their related persons and transactions between the Company and companies in which members of the Board of Management are founding members or business managers within the last 3 years prior to the time of the transaction.

Currently, the Company is signing the power purchase and sale contract of Khe Dien Hydropower Plant with the Central Power Corporation and the power purchase and sale contract of Krong H'Nang Hydropower Plant with Vietnam Electricity, these transactions have been approved by the General Meeting of Shareholders in Resolution no. 01/2023/NQ-DHDCD dated 21th April 2023.

In 2024, based on the provisions of the Enterprise Law, the Board of Management approved transactions between the Company and a number of companies related to

major shareholder of Central Power Corporation (*with transaction value $\leq 35\%$ of total assets*), including:

- Manage the operation of feeder 172 at 110kV EaKar substation connecting Krong H'Nang Hydropower Plant to the National Grid with Dak Lak Electricity Company

- Consult on the application for extending the license for exploiting and using surface water for Dray H'Linh 2 Hydropower Plant with Hydro Power Joint Stock Company – Power No.3.

- Periodic testing of feeder equipment 172 - 110kV Eakar substation; Testing of equipment of H1 unit after overhaul, periodic testing of equipment of H3 unit and equipment of 35kV substation of Khe Dien Hydropower Plant with Central Electrical Testing Company Limited.

- Supply and replace 4G modem to collect remote measurement data of Khe Dien Hydropower Plant's power metering system with the Central Power Electronic Measurement Equipment Manufacturing Center.

3. Activities of independent members of the Board of Management and the results of the independent members' assessment of the Company's Board of Management's activities

The Board of Management has 01 independent member, Mr. Hoang Nam Son, who is directly assigned to be in charge of issues related to the Company's risks; monitoring and directing the organization and construction of the system of regulations and rules applied in the Company. The independent member has performed well the assigned tasks, he/she has contributed to the successful completion of the Company's Board of Management' overall tasks.

Independent members have evaluated the performance of the Board of Management: Working carefully, effectively, closely monitoring the Company's activities, demonstrating a high sense of responsibility for the Company's overall development and the interests of shareholders; The Board of Management has closely monitored and directed the Executive Board in the Company's activities; has supervised the General Director, other managers and all aspects of the Company's activities according to the Charter and Regulations of the Board of Management; the members of the Board of Management have performed well their directing roles in the Company's production and business activities.

4. Results of supervision of the General Director and management staff of the Company.

To facilitate direction, management, and implementation of work, in 2024, the Board of Management has developed and re-issued the Regulations on decentralization of management of the Board of Management to the Company's General Director.

The General Director has performed well the functions and tasks of production and business management, seriously organized the implementation of the contents of the Board of Management' Resolutions; and properly implemented regulations on policies for employees. The Board of Management highly appreciated the leadership and management capacity of the General Director. At the end of 2024, although the basic business targets on output and revenue were not achieved, the basic earnings per share target assigned by the General Meeting of Shareholders was well achieved.

In addition to the General Director, the Company's management staff includes: 02 Deputy General Directors, Chief Accountant and leaders of relevant functional departments. The Board of Management assesses that the Company's managers have strictly complied with the law, the Charter and internal management regulations. The managers have strived to fulfill their roles well, contributing to bringing good results to the Company.

III. Main goals and tasks in 2025

The Board of Management continues to strengthen its leadership role and direct the Company's Executive Board in production and business activities in accordance with regulations to complete the main goals and plans for 2025, as follows:

Regarding the operation of Krong H'Nang and Khe Dien Hydropower Plants: Organize safe operation of the plants, effectively exploit water resources and electricity prices; Total commercial electricity output reached 190.00 million kWh, total electricity sales revenue reached 219.12 billion VND.

Control and reduce costs reasonably, take advantage of every opportunity to increase revenue, strive to achieve a basic earning per share of VND 1,503/share or more.

Control and balance cash flow well, ensure stable production and business activities and pay dividends in 2024 to shareholders, pay principal of SBA12101 bond lot on schedule; Preserve and develop the Company's capital well.

Resolve the preparation work to renegotiate the power purchase and sale contract and operate Khe Dien Hydropower Plant effectively after the expiration of the power purchase and sale contract according to the Avoidable Cost Tariff from May 2027.

Consulting services: Continue to maintain, expand, develop, and strive for revenue from consulting services and other revenues in 2025 to be 5.0 billion VND.

Dear Ladies and Gentlemen!

Above is the report of the Company's Board of Management in 2024, goals and tasks in 2025. We look forward to receiving constructive comments from shareholders.

Wishing you, delegates and shareholders, good health, happiness and success.

Sincerely thanks!

**ON BEHALF OF THE BOARD OF
MANAGEMENT**

Recipients:

- As mentioned above;

- Board of Supervisors;
- Member of the Board of Management;
- Archiving: Company

CHAIRMAN

THAI HONG QUAN