

DRAFT

STATEMENT

**Regarding: Approval of the 2024 Profit and Loss Statement
and the 2025 Business Plan**

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

Pursuant to Enterprise Law dated 17th June 2020;

Pursuant to the Charter of Organization and Operation of Song Ba Joint Stock Company;

Pursuant to Resolution no. 01/2024/NQ-DHDCD dated 26th April 2024 of the General Meeting of Shareholders of Song Ba Joint Stock Company at the 2024 annual meeting.

The Board of Management of Song Ba Joint Stock Company respectfully presents to the General Meeting of Shareholders the Report on the 2024 Profit and Loss Statement and the 2025 Business Plan with specific contents as attached Report.

Best regards.

**ON BEHALF OF THE BOARD OF
MANAGEMENT
CHAIRMAN**

Recipients:

- As mentioned above;
- Member of the Board of Management;
- Board of Supervisors of SBA;
- Archiving: Company.

THAI HONG QUAN

REPORT ON THE 2024 PROFIT AND LOSS STATEMENT AND THE 2025 BUSINESS PLAN

PART I 2024 PERFORMANCE RESULTS

The 2024 General Meeting of Shareholders of the Company assigned Song Ba Joint Stock Company (Company/SBA) the key tasks of managing and operating the two hydropower plants: Khe Dien and Krong H'Nang safely and effectively, ensuring a total commercial electricity output of **220 million kWh**, total revenue of **255.83 billion VND** (of which electricity sales revenue of **250.83 billion VND**, consulting service revenue and other revenue of **5.0 billion VND**), profit after corporate income tax of **110.22 billion VND** and basic earnings per share of **VND 1,822/share**.

In 2024, the operation of electricity production faced many difficulties: prolonged heat and drought, especially at Krong H'Nang Hydropower Plant; operations were limited due to constraints imposed by the inter-reservoir operation process, the electricity market, and the electricity system. With the spirit of solidarity and overcoming difficulties, the Company made efforts to flexibly operate the plants to improve electricity prices, resolutely implement financial solutions, control, and reduce reasonable costs. Thanks to that, the Company completed the target of after-tax profit, basic earnings per share reaching **VND 1,877/1,822/share**.

1. Operations and production in 2024

a. Production and business results:

No.	Items	Plan	Performance	Rate (%)
1	Total commercial electricity output (million kWh)	220,00	192,88	87,67
-	<i>Khe Dien</i>	<i>40,00</i>	<i>50,72</i>	<i>126,80</i>
-	<i>Krong H'Nang</i>	<i>180,00</i>	<i>142,16</i>	<i>78,98</i>
2	Total revenue (billion VND)	255,83	240,04	93,83
2.1	<i>Electricity generation revenue</i>	<i>250,83</i>	<i>231,66</i>	<i>92,36</i>
-	<i>Khe Dien</i>	<i>58,23</i>	<i>66,11</i>	<i>113,53</i>
-	<i>Krong H'Nang</i>	<i>192,60</i>	<i>165,55</i>	<i>85,96</i>



No.	Items	Plan	Performance	Rate (%)
2.2	<i>Consulting services and other revenues (consulting service, finance service, etc.)</i>	5,00	8,38	167,60
3	Total cost (billion VND)	132,69	111,71	84,19
4	Profit before tax (billion VND)	123,13	128,33	104,22
5	Profit after corporate income tax (billion VND)	110,22	113,54	103,01
6	Basic earnings per share (VND/share)	1,822	1,877	103,02

b. Main results achieved:

The management, repair and maintenance of equipment and construction items are carried out well according to plan, it ensures that the operation of two plants is stable, safe and efficient. The water levels of the reservoirs at the end of 2024 are approximately at the normal rising water level.

Krong H'Nang Hydropower Plant operates effectively according to the electricity market, the average electricity price in 2024 reaches VND 1,164/kWh, an increase of 8.8% compared to the contract price, the additional revenue from the electricity market for the whole year of 2024 is **13.42 billion VND**. Khe Dien Hydropower Plant operates effectively according to the Avoidable Cost Tariff, the peak hour exploitation rate in the dry season reaches **99.74%**.

Work on occupational safety and health, environmental protection, dam safety, fire prevention, natural disaster prevention, search and rescue complies with regulations, it is safe, there is no occupational accident, and no subjective incident. Information and periodic reports are carried out seriously, fully and promptly. During the year, the Inspection Teams of relevant Ministries, Departments and Branches working at the plants all highly appreciated the management, operation and compliance with relevant legal regulations.

Disaster Prevention - Search and Rescue: In 2024, there was no flood in Krong H'Nang Reservoir; Khe Dien Reservoir overflowed freely from 06:15 on 14th December 2024 to 08:45 on 25th December 2024. Disaster Prevention - Search and



Rescue was carried out in accordance with regulations, no human casualties occurred, and construction items operated safely and stably.

- Regarding the results of the implementation of the procedure for requesting payment in lieu of continuing to plant, manage and protect replacement forests at Krong H'Nang Hydropower Plant: This content has been approved by the Company's General Meeting of Shareholders since the 2023 annual meeting. In recent years, the Company has made efforts to resolve the documents, worked with relevant agencies of Phu Yen and Dak Lak provinces to resolve the issue, and the results achieved so far 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.

2. Investment and construction work.

a. Resolving procedures to permanently stop and request to receive deposit back for Krong H'Nang 2 Hydropower Project.

The project was unanimously approved by the General Meeting of Shareholders to be permanently stopped in Resolution No.01/2024/NQ-DHDCD dated 26th April 2024. In 2024, the Company actively worked with relevant agencies and departments of Phu Yen Province to resolve related procedures to receive the project's deposit back. Specific results:

As of 20th December 2024, the Company has been refunded 2.0 billion VND in deposit and 2.9 billion VND in accrued interest by the Department of Planning and Investment of Phu Yen Province.



Completed audit and approved final settlement of project investment costs according to regulations: Total settlement value: **VND 3,741,372,482** (construction in progress and unreimbursed project VAT). The entire settlement value has been accounted for by the Company in 2024 expenses to determine business results according to regulations.

a. Putting into use and finalizing the project: Renovation and upgrading of the dining area and shift rest house - Khe Dien Hydropower Plant.

The project was approved by the General Meeting of Shareholders in Resolution no. 01/2023/NQ-DHDCD dated 21th April 2023. The Company completed and put the project into use from 29th March 2024. The approval of the investment capital settlement was completed according to regulations, the total settlement value (after tax) was VND 6,341,424,627, a decrease of VND 254,349,418 compared to the total approved investment amount.

3. Consulting services activities.

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 works, the total revenue from consulting services and other revenues in 2024 reached 8.38 billion VND (*of which: Revenue from consulting services was 3.2 billion VND; interest arising from the deposit of Krong H'Nang 2 Power Plant was 2.9 billion VND, the remaining was financial revenue and other revenues*).

The contracts focus on consulting fields for the management and operation of hydropower plants, such as: Establishing the operating procedures of the Dray H'Linh hydropower cluster reservoir and Suoi Tho reservoir; Establishing documents to extend the surface water exploitation license of the Dray H'Linh 2 hydropower plant; Establishing an emergency response plan for the A Vuong 3 hydropower dam; Monitoring the displacement of the dam in the second cycle for the Dakrong and An Phuoc hydropower plants; Repairing water level measuring equipment for hydropower plants managed by CPSC, etc.

In addition, to serve the management and operation of Khe Dien and Krong H'Nang hydropower plants according to regulations, the Company self-organized the implementation of tasks such as: Dam inspection; Construction monitoring; Establishment of emergency response plans; Dam protection plan; Design, construction supervision, etc. with a total value of more than **8.0 billion VND**.

4. Capital, financial and shareholder management.

Implement some effective financial solutions, balance cash flow well, maintain a stable financial situation, ensure production and business activities, pay dividends to shareholders and pay the State budget in accordance with regulations. Total amount paid to the State budget is 77.51 billion VND.



The company has restructured the investment loan for the Extended Khe Dien project at Orient Commercial Joint Stock Bank - Da Nang Branch to reduce interest expenses by about 500 million VND in 2024, if calculated over the entire loan period, it will reduce by about 2.6 billion VND.

The company has balanced cash flow well, paid off loan principal ahead of schedule, this helps reduce an additional VND 1.35 billion in interest payments in 2024.

The 2023 dividend payment, at a rate of 22% in cash, was paid from 25th June 2024. By 31th December 2024, 131,173/133,074 billion VND had been paid (98.60%). The total amount of dividends for 2023 and previous years that shareholders have not received is 12.6 billion VND.

Prepare financial statements, annual reports; disclose information fully, promptly and in accordance with regulations.

5. Other tasks.

Train on labor safety, fire prevention and fighting; train for upgrading and maintain the level of operation and repair staff of the two plants to meet regulations.

Pay salaries, fully and promptly resolve policies, ensure benefits for employees. Average income of employees in 2024 is 16.6 million VND/person/month. The total amount of social insurance, health insurance, and unemployment insurance paid for employees is 2.45 billion VND; Organize periodic health check-ups, provide full labor protection equipment, organize tours and study courses for employees at home and abroad; Organize and launch cultural, physical education and sports movements and activities to improve the spiritual life of employees.

Establish Executive Teams to handle important tasks: Land and reforestation at Krong H'Nang and Khe Dien Hydropower Plants; operate Krong H'Nang Hydropower Plant according to the electricity market; Develop a 05-year SBA plan and strategy from 2025 to 2030, with a vision to 2035.

Implement the Occupational Health and Safety Management System according to ISO 45001:2018, issue the Quality Policy, Occupational Health and Safety and organize the compilation of related documents in accordance with the standards.

Complete the digitization of records and documents in the archives to help the information retrieval process to be convenient and easy.

Movement of initiatives, improvements, and scientific research: In 2024, the Company had 04 improvements and 18 production rationalization solutions recognized and applied, it brought overall efficiency to the Company's operations.



PART II
PRODUCTION AND BUSINESS PLAN FOR 2025

I. Main production and business targets.

Based on the results of monitoring and analyzing the hydrological situation in the last months of 2024 and forecasting water flow in 2025, the hydrological situation tends to continue to be dry and similar to the hydrological cycle of low water years.

The competitive electricity market in 2025 has many changes compared to before, the operation of the electricity market of Krong H'Nang Hydropower Plant is expected to face many difficulties: the average CAN price in 2025 will decrease by 90% compared to 2024 (from VND 330/kWh to VND 33/kWh); Determining the contract output through the planned output according to the monthly operation method calculated and announced by NSMO (previously approved by the Ministry of Industry and Trade), this greatly affects the efficiency of revenue participating in the Electricity Market; In addition, the operation is also bound by the limited water level according to the Inter-reservoir Operation Procedure and the regulations on the weekly limited water level of the market.

From the above analysis and other related influencing factors, the Company builds the 2025 production and business plan as follows:

No.	Items	Unit	Plan for 2025
1	Total commercial electricity output	Tr.kWh	190,00
-	<i>Khe Dien Hydropower Plant</i>	<i>Tr.kWh</i>	<i>40,00</i>
-	<i>Krong H'Nang Hydropower Plant</i>	<i>Tr.kWh</i>	<i>150,00</i>
2	Total revenue	Billion VND	224,12
2.1	Electricity generation revenue	Billion VND	219,12
-	<i>Khe Dien Hydropower Plant</i>	<i>Billion VND</i>	<i>58,03</i>
-	<i>Krong H'Nang Hydropower Plant</i>	<i>Billion VND</i>	<i>161,09</i>
2.2	<i>Consulting service revenue and other revenues</i>	Billion VND	5,00
3	Total cost	Billion VND	111,09
4	Total profit before tax	Billion VND	113,03
5	Profit after tax	Billion VND	90,91
6	Basic earnings per share	VND/Share	1,503

The company expects a dividend rate of **15%** in 2025.

Regarding the 2025 dividend advance: If the business results are good and the cash flow is favorable, the Company will calculate the appropriate payment rate and time.



Therefore, to be proactive, the Company's General Meeting of Shareholders authorizes the Board of Management of SBA to decide on the rate, time, and method of dividend advance and decide on procedures related to the 2025 dividend advance.

II. Plan and solutions to implement key work activities

1. Technical management and operation of hydropower plants

Continue to research, forecast, and periodically update hydrological conditions to be proactive and flexible in planning and operating Krong H'Nang Hydropower Plant according to the electricity market and Khe Dien Hydropower Plant according to the Avoidable Cost Tariff to bring about good efficiency in electricity prices and revenue.

Well implement the renovation, upgrading, major repair, periodic maintenance and repair of equipment and construction items of plants; operate reservoirs and construction items to ensure safety, in accordance with regulations, without subjective damage incidents; incident rate does not exceed planned targets.

Strictly implement regulations on occupational safety and health and fire prevention, prevent occupational accidents and fire incidents.

Organize and carry out disaster prevention and search and rescue work well to ensure safety, compliance with regulations, proactively and flexibly fill the reservoir with water at the end of the year.

Some main tasks are as follows:

✓ *Khe Dien Hydropower Plant*

Repair and upgrade equipment of systems: Relays of H1, H2 Units; speed regulator and exciter of H1 Unit.

Test the H1 unit system according to Decision no. 25/QD-DTDL dated 26 March 2019.

Repair and replace some equipment: P132 relay and 110kV circuit breaker control cabinet of 110kV Khe Dien substation.

Renovate piers 55-56 of 35kV Khe Dien line.

Periodic testing: Metering system, equipment of 110kV substation and feeder compartments 172, 173 of 110kV Nong Son thermal power sub-station, Khe Dien hydropower plant.

Work with the Ministry of Natural Resources and Environment to apply for an Environmental License for the plant according to the provisions of Circular no. 02/2022/TT-BTNMT dated 10th January 2022.

Work with relevant agencies and units to resolve land lease area adjustments in accordance with the current status of the plant.

✓ *Krong H'Nang Hydropower Plant:*



Repair and upgrade equipment of the systems: 110kV TPP protection relay and 110kV Krong H'Nang - EaKar line; Generator - transformer protection relay of H1 unit and exciter of H2 unit.

Repair and paint to protect the outside of the pressure pipe.

Replace the insulation of the 110kV Krong H'Nang - EaKar line.

Periodically test the 110kV Krong H'Nang TPP metering system and equipment.

Inspect the circuit breaker through spillway of Krong H'Nang Hydropower Plant.

Continue working with Dak Lak Province People's Committee to pay money in lieu of the plan to continue planting and caring for Krong H'Nang planted forests: The total remaining area of replacement forest plantation that continues to process procedures to pay money is 154.8 hectares. According to the unit price for reforestation when converting forest use to other purposes in the area of Dak Lak Province People's Committee, issued with Decision no. 11/2024/QD-UBND dated 11th March 2024 of Dak Lak Province People's Committee, the total expected value to be paid is 19.8 billion VND.

2. Consulting service revenue and other revenues

Continue to maintain and promote the development of consulting services, enhance the reputation and brand of the Company. Strive for revenue from this activity and other revenues in 2025 to be 5.0 billion VND.

Continue to strengthen the self-implementation of consulting packages for 02 hydropower plants: Khe Dien, Krong H'Nang in accordance with the Company's capacity instead of outsourcing to contribute to creating jobs, increasing income for employees, such as: Making downstream flood maps and disaster prevention plans, responding to downstream emergency situations; Monitoring dam displacement, assessing the current status of dam safety; applying for an Environmental License for Khe Dien hydropower plant, etc.

3. Administrative, financial and other important work

Continue to maintain and strengthen the management work of the Board of Directors; proactively control costs well, balance cash flow well, ensure stable production and business activities and pay dividends to shareholders in 2024. Preserve and develop capital well.

Ensure cash flow to pay the principal of bond of SBA12101 (30 billion VND), issued on 31th December 2021, term of 4 years and maturity on 31 December 2025.

Build the Company's 5-year strategic orientation, period 2025-2030, vision to 2035.

Prepare plans and documents to renegotiate the power purchase and sale contract and study the plan for operating and selling electricity of Khe Dien Hydropower Plant



after the expiration of the power purchase and sale contract according to the Avoidable Cost Tariff from May 2027 according to the provisions of Circular no. 21/2024/TT-BCT dated 10th October 2024 on the operation of the competitive wholesale electricity market and Circular no. 07/2024/TT-BCT dated 12th April 2024 on the method of determining electricity generation prices and power purchase and sale contracts of the Ministry of Industry and Trade.

Regularly check and control the updating and compliance with relevant legal regulations in the management and operation of plants and in financial management, and information disclosure according to regulations.

Continue to promote emulation movements: Initiative, innovation, scientific research; Typical workers, etc. Strive to further improve the material and spiritual life of the Company's employees.

Digital transformation: Upgrade accounting software to ensure compliance with the new accounting policy. Summarize and evaluate the effectiveness of digitalization and continue to develop a digitalization plan, renovate and upgrade the IT infrastructure system, software for management at plants and the Company's offices towards automating plant operation management, online management, and reducing paperwork.

In 2024, despite facing many difficulties and challenges, thanks to the solidarity, consensus, and flexibility in the direction and implementation of the Board of Management, the Company's Board of Directors and all employees; the close attention and support from EVNCPC and relevant agencies, the Company has completed the targets of profit after tax, basic earnings per share, ensure the dividend payment rate in 2024 according to the plan, meeting the expectations of shareholders.

In 2025, it is forecasted that there will continue to be many difficulties, but with the spirit of solidarity and creativity, the entire Board of Directors and employees of SBA will strive to further promote the sense of responsibility, determine to complete the 2025 plan tasks well, bring the best efficiency to Shareholders, strive to maintain a dividend rate of 15%/year or more.

Once again, on behalf of the Board of Management, I wish you, the Delegates and Shareholders, good health and success.

Sincerely thank!

