

# ANNUAL REPORT 2024

## SONG DA INDUSTRY TRADE JOINT STOCK COMPANY (STP)

*Summary of production and business performance results in 2024, operating plan in 2025 and long-term orientations of the company.*

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## I. GENERAL INFORMATION

### 1. Overview

- Trading name: Song Da Industry Trade Joint Stock Company
- English name: Song Da Industry Trade Joint Stock Company
- Certificate of business registration No.: 0500436570 (transferred from business registration number 0303000082 issued by Hanoi Department of Planning and Investment) with initial registration dated April 18, 2003, and 14<sup>th</sup> amendment dated December 26, 2016.
- Charter capital: 80,457,440,000 VND
- Owner's investment capital: 80,457,440,000 VND
- Address (Head office): 41 Quyet Thang Street, Yen Nghia Ward, Ha Dong District, Hanoi
- Phone number: 024.33828440/024.33521290
- Website: www.stp.com.vn
- Stock code: STP

### 2. Formation and development process

#### ✦ *Formation and development process*

- Song Da Industry Trade Joint Stock Company, formerly a State-owned Enterprise, was established and put into operation on November 22, 1996 according to the Decision No. 05/TCT-TCLĐ dated November 22, 1996 by the General Director of Song Da Construction Corporation.
- Implementing the policies of the Party and the State, on April 7, 2003, the Enterprise received the Decision No. 383QĐ/BXD by the Ministry of Construction on the conversion from a State-owned enterprise into a Joint Stock Company. The Certificate of business registration No. 0303000082 was issued on April 18, 2003 by the Business Registration Division - Department of Planning and Investment of Ha Tay province.
- In September 2006, the company's shares were approved for trading under license No. 17/TTGDHN-ĐKGD dated September 20, 2006 by the Hanoi Securities Trading Center (now the Hanoi Stock Exchange). September 10, 2006 was the first trading day of STP shares with an initial listing volume of 800,000 shares.
- In May 2007, the Company changed its name to: Song Da Industry Trade Joint Stock Company.
- On June 5, 2013, the Company added business lines according to the Certificate of business registration No. 0500436570, 11<sup>th</sup> amendment.
- In 2016, the Company increased its charter capital to 80,457,440,000 VND from equity.
- Capital increase process:

Unit: VND

Year	Charter capital
2003	4,000,000,000
2005	5,000,000,000
2006	8,000,000,000
May 2007	15,000,000,000

Year	Charter capital
November 2007	35,000,000,000
2010	70,000,000,000
2016	80,457,440,000

✦ **Other events:**

- In 2007, with the excellent results achieved, at the 2007 production and business activities summary ceremony of Song Da Corporation - JSC, Song Da Industry Trade Joint Stock Company was awarded the flag of the title of Comprehensive Excellent Unit in 2007 by Song Da Corporation.
- In 2008 and 2009, the Company received the decision of the Minister of Construction recognizing the title of excellent labor collective.
- In 2009, the Company received a Certificate of merit from the Minister of Construction .
- In the period of 2009 - 2011, the Company received a Certificate of merit from the Prime Minister.
- In October 2014, the Hanoi Stock Exchange certified the company as one of the 30 most transparent companies on HNX according to the results of the 2013-2014 Information Disclosure and Transparency Assessment Program.

**3. Business lines and location**

**3.1 Business lines:**

- Production of cement packaging; paper packaging; PP, KP bags, packaging printing
- Trading in materials: All kinds of plastic granules, all kinds of kraft paper, clinker, cement, pulp, additives for the plastic industry, all kinds of white stone powder, etc.
- Import and trade of machinery and equipment for the packaging industry;
- Mineral mining and processing; Crushing of construction stone, industrial stone powder

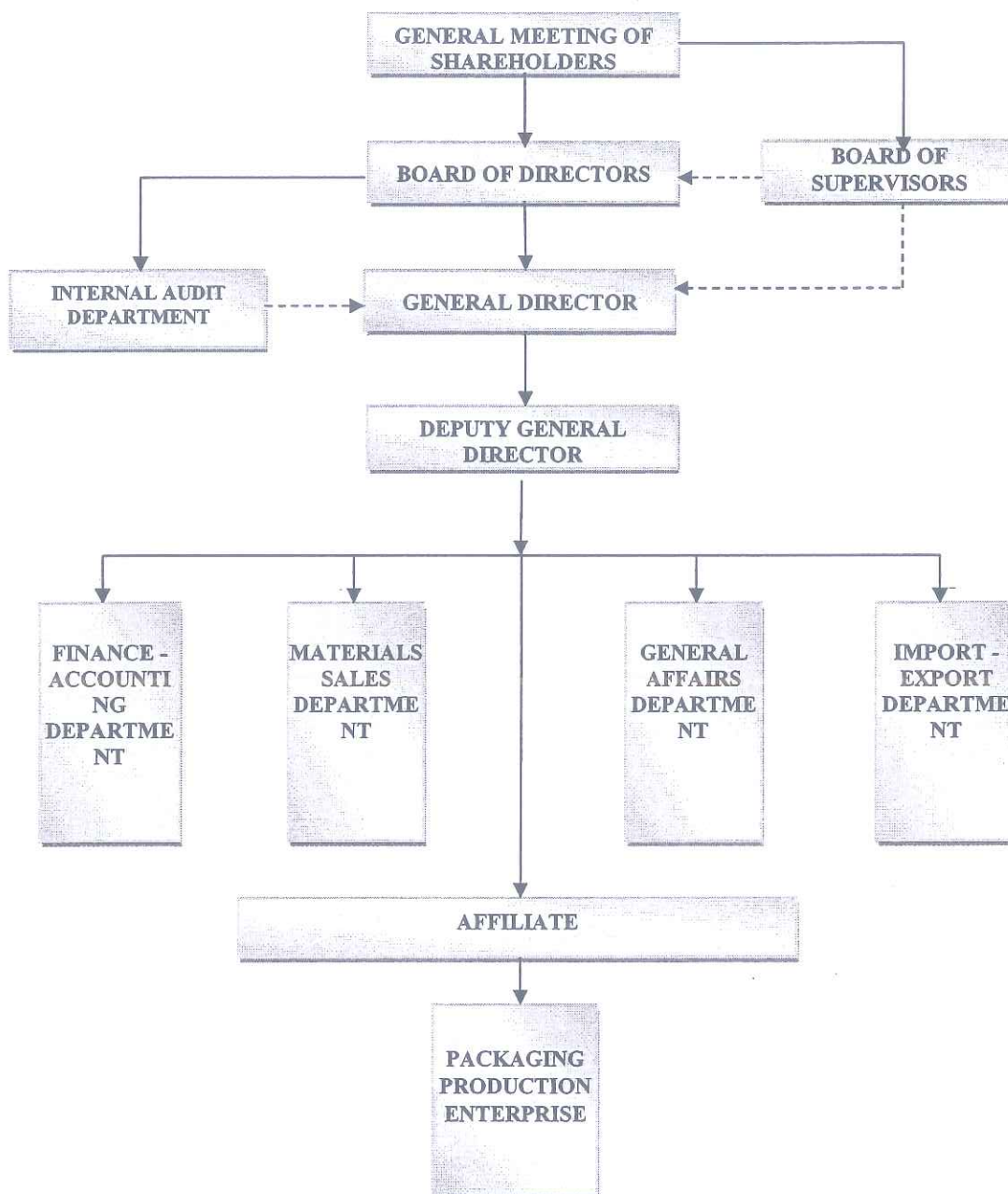
**3.2 Business location:** Vietnam

**4 Information on governance model, business organization and management apparatus**

**4.1 Governance model**

The company is organized according to the model of a joint stock company, including: General Meeting of Shareholders; Board of Directors; Board of Supervisors; General Director.

## 4.2 Management structure



## 4.3 Subsidiaries and associates:

a. Subsidiaries: None

b. Associates:

Company name: Song Da Industry Joint Stock Company

Certificate of business registration No. 1001114139, with initial registration dated May 24, 2017; 4<sup>th</sup> amendment dated October 8, 2024.

Charter capital: 50,000,000,000 VND

Contributed capital: 24,750,000,000 VND

Ownership ratio: 49.5%

Main production and business fields: Production of fibers, textiles, ropes and plastic products.

## **5 Development orientation**

### ***5.1. Main objectives of the Company:***

- Build and develop the company in the direction of maintaining and expanding the packaging industry as the core, shifting the product structure towards promoting packaging products and new products for export; combining development but maintaining a reasonable proportion of commercial business lines to seize market opportunities and promote the potential advantages of the unit, improving operational efficiency.
- Gradually expand export activities to take advantage of business opportunities to export goods exploited from the domestic market, especially focusing on exploiting and selecting export markets for packaging products, cement, and clinker.
- Develop and expand the scale, diversify products, promote the growth of packaging industry production, specifically: Focus on developing output markets for new products of the new PP packaging factory with a capacity of 2,500-3,000 tons of products/year, especially focusing on exploiting international markets to gradually increase the factory's capacity, gradually stabilize and develop sustainably.

### ***5.2. Medium and long-term development strategies***

- Maximize the Company's current resources.
- Invest in expanding business scale in traditional industries, improving production capacity, diversifying products.
- Continue to invest in machinery and equipment in stages to meet production planning needs.
- Continue to direct investment activities at Thai Binh factory in phases to gradually complete factory investment to reach a capacity of 2,600 tons of products/year.
- Exploit more effectively, achieve larger output scale in foreign markets. Establish a large customer system with great potential for stable, long-term cooperation.
- Improve and enhance the ability to apply information technology in business operations and management.
- Improve management and supervision capacity in production and business operations while building a team of knowledgeable, skilled, professional workers capable of integrating with the region and the world in the present and future.

### ***5.3. Environmental, social and community objectives of the Company***

Promote and orient all employees of the company in the work of protecting the general environment. Strictly comply with the provisions of the law on environmental protection. In addition to business activities, the company actively participates in community activities, regularly participates in support programs, charity programs, voluntary blood donation programs, etc.

## **6. Risk factors**

- Policy changes can always happen; changes can bring advantages but can also create disadvantages for the Company's business operations.
- PP plastic pellets are a post-oil product, so they are affected by changes in world oil prices. This source of raw materials is influenced and controlled by exporting countries. If the work of grasping, analyzing and forecasting the situation is not good or war and epidemic factors cause a shortage of supply, the company will face high risks due to fluctuations in raw material prices. The Company is relatively passive in terms of input materials because it has to import them from abroad.

- Other risks: Force majeure risks such as natural disasters, wars, trade wars, epidemics, fires, etc. If they occur, they can cause damage to property, people and affect the Company's overall operations. To limit these risks, the Company has purchased risk insurance for assets such as workshop, means of transport, and people. Economic and social instability in the region as well as in the world can also affect the Company's business operations. Therefore, the Company regularly and promptly grasps information about developments in the economic, political, and social situation in Vietnam as well as neighboring countries to plan optimal operations, restructure the investment scale of products that the Company deems appropriate.

## II. PERFORMANCE SITUATION IN THE YEAR

### 1. Production and business performance situation

#### 1.1 Summary of implementation of key economic and financial targets in 2024

No.	Target	Unit	Plan for 2024	Implementation in 2024	
				Value	Completion rate (%)
1	Total production and business value	Bil. VND	211.9	209.2	98.7
2	Revenue	Bil. VND	198.1	197.9	99.8
3	Payment to the budget	Bil. VND	8.0	6.3	78.8
4	Profit before tax	Bil. VND	8.0	7.9	99.8
5	Profit after tax	Bil. VND		6.1	
6	Average income of employees	Mil. VND/person/mon.	11.5	11.8	103.4
7	Consumed products				
	- Production of all kinds of packaging	Mil. products	33.0	35.0	106.3
	- Plastic pellet trading	Ton	1,000	349.8	34.9

#### 1.2 Implementation status compared to plan:

Production and business results in 2024:

- Revenue in 2024 reaches 197.9 billion VND/198.1 billion VND (plan) = 98.8% of the year plan.

- Profit before tax reaches 7.9 billion VND/8.0 billion VND (plan) = 99.8% of the year plan.

- Consumed products reaches 35.0 million bags/33.0 million bags (plan) = 106.3% of the year plan.

### 2. Organization and personnel

#### 2.1 List of Executive Board, Chief Accountant

##### ✦ Mr. Nguyen Trong Trai - General Director

Full name: Nguyen Trong Trai

Sex: Male

Date of birth: February 26, 1981

Place of origin: Phu Luong, Dong Hung, Thai Binh

Place of residence: Ha Dong-Hanoi

Professional qualifications: Master of Business Administration, Science and Technology Management

Number of shares held: 11,186 shares (Based on the list of shareholders as of March 20, 2024 provided by Vietnam Securities Depository and Clearing Corporation)

✚ **Mr. Nguyen Trong Loi - Deputy General Director**

Full name: Nguyen Trong Loi

Sex: Male

Date of birth: March 02, 1982

Place of origin: Phu Luong, Dong Hung, Thai Binh

Place of residence: Ha Dong-Hanoi

Professional qualifications: Master of Information Technology; Master of Business Administration

Number of shares held: 592,078 shares. (Based on the list of shareholders as of March 20, 2024 provided by Vietnam Securities Depository and Clearing Corporation)

✚ **Mr. Do Van Hach - Deputy General Director**

Full name: Do Van Hach

Sex: Male

Date of birth: January 03, 1985

Place of origin: Thanh Oai - Hanoi

Place of residence: Ha Dong - Hanoi

Qualification: Master of Business Administration

Number of shares held: 0 shares

✚ **Ms. Nguyen Hong Minh - Chief Accountant**

Full name: Nguyen Hong Minh

Sex: Female

Date of birth: September 27, 1981

Place of origin: Hanoi

Place of residence: Ha Dong - Hanoi

Professional qualification: Master of Finance and Accounting

Number of shares held: 0 shares

**2.2 Changes in the Executive Board, Chief Accountant: None**

**2.3 Number of employees (As of December 31, 2024)**

No.	Criteria	Qty (people)	Ratio (%)
<b>I</b>	<b>Structure by gender:</b>		
1	Female	91	55.8
2	Male	72	44.2
<b>II</b>	<b>Structure by qualifications:</b>		
1	Post-graduate	04	2.5
2	Bachelor	28	17.2
3	Associate, intermediate	10	6.1
4	Technical worker	10	6.1
5	Unskilled labor	111	68.1
	<b>Total:</b>	<b>163</b>	<b>100</b>

**2.4 Summary of policies and changes in policies for employees:**

- Average income per employee in 2024 reaches 11.8 million VND/person/month compared to the plan of 11.5 million VND/person/month, reaching 103.4% of the plan.



- Employees are arranged and assigned jobs according to the needs of the Company and their professional qualifications and capacity.
- Employees are entitled to full benefits of social insurance, health insurance, unemployment insurance, sick leave, maternity leave, vacation, ... and other welfare benefits.
- Medical work is carried out fully and seriously: Fully equipped with first aid medical equipment, medicine cabinets and medicines at main positions of the workshop. 100% of employees enjoy annual periodic health care services...
- The company regularly cares for and improves the material and spiritual life of employees, creates favorable conditions for employees to have a stable life and income, and to stay with the company for a long time.

### 3. Investment and project implementation situation

#### 3.1. Major investments:

In 2024, the company invested in contributing capital to purchase issued shares to increase the charter capital from 30 billion VND to 50 billion VND of Song Da Industry Joint Stock Company (an associate), according to the capital contribution ratio of Song Da Industry Trade Joint Stock Company at Song Da Industry Joint Stock Company of (49.5%). The capital contribution to purchase shares is 9.9 billion VND, form of capital contribution: deducted by receivables and payables of both parties at the time of capital contribution; The remaining amount is contributed in cash.

#### 3.2. Associates: *(Summary of operations and financial status of associates)*

Company name: Song Da Industry Joint Stock Company

Charter capital: 50,000,000,000 VND

Main production and business fields: Production of fibers, textiles and plastic products

Revenue in 2024 reaches 28.5 billion VND; Profit: 524 million VND

### 4. Financial situation

#### 4.1. Financial situation:

Item	2023	2024
Total asset value	181,168,841,295	176,253,474,258
Net revenue	214,941,023,085	196,514,946,840
Net operating profit	12,347,447,890	8,217,532,675
Other profits	242,137,505	-232,452,046
Profit before tax	12,589,585,395	7,985,080,629
Profit after tax	10,101,106,891	6,165,783,210

#### 4.2. Key financial indicators:

Indicator	2023	2024
<b>1. Solvency</b>		
Current payment ratio	4.00	4.00
Quick payment ratio	3.05	2.80
<b>2. Capital structure</b>		
Debt/Total assets ratio (%)	20.80	19.93
Debt/Equity ratio (%)	26.27	24.90
<b>3. Operational capacity</b>		
Inventory turnover	5.20	5.26

Indicator	2023	2024
Total asset turnover	1.19	1.11
<b>4. Profitability</b>		
Profit after tax/Net revenue ratio (%)	4.70	3.34
Profit after tax/Equity ratio (%)	7.04	4.37
Profit after tax/Total assets ratio (%)	5.58	3.50
Operating profit/Net revenue ratio (%)	5.74	4.18
<b>EPS (VND)</b>	<b>1,259</b>	<b>769</b>

## 5. Shareholder structure, changes in Owner's investment capital

### 5.1. Shares:

- Total listed shares: 8,045,744 shares
- Total outstanding shares: 8,022,063 shares
- Treasury shares: 23,681 shares
- Class of outstanding shares: Ordinary shares

### 5.2. Shareholder structure:

Based on the list of shareholders as of March 20, 2024 provided by Vietnam Securities Depository and Clearing Corporation:

No.	Shareholders	Number of shares owned	Ownership ratio (%)
<i>I</i>	<i>Classification by ownership ratio</i>		
1	Major shareholders	1,623,225	20.17
2	Small shareholders	6,422,519	79.83
	<b>Total:</b>	<b>8,045,744</b>	<b>100</b>
<i>II</i>	<i>Classification by internal structure</i>		
1	Institutional shareholders	166,665	2.07
2	Individual shareholders	7,879,079	97.93
	<b>Total:</b>	<b>8,045,744</b>	<b>100</b>
<i>III</i>	<i>Classification by location</i>		
1	Domestic shareholders	7,965,799	99.01
2	Foreign shareholders	79,945	0.99
	<b>Total:</b>	<b>8,045,744</b>	<b>100</b>
<i>IV</i>	<i>Classification by capital source</i>		
1	State shareholders	0	0
2	Other shareholders	8,045,744	100
	<b>Total:</b>	<b>8,045,744</b>	<b>100</b>

- **Changes in owner's equity during the year:** None
- **Treasury share transactions:** None
- **Other securities:** None

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

### 6.1. Environmental impact:

The environmental impact of the company's production activities is within safe limits. Environmental monitoring indicators are measured by a qualified unit twice a year and meet the permitted standards.

### 6.2. Management of raw materials:

a) Total amount of raw materials used to produce and package the company's main products and services during the year: Plastic pellets of all kinds = 3,092 tons, kraft paper used to produce cement packaging = 3,970 tons.

b) Percentage of recycled materials used to manufacture the company's main products and services: 0.5%

### **6.3. Energy consumption:**

a) Direct and indirect energy consumption: The company uses electrical energy in the product manufacturing process.

b) Energy saved through energy efficiency initiatives: None

c) Energy saving initiative reports (providing energy saving products and services or using renewable energy): The company has completed the investment in installing a rooftop solar power system with a designed capacity of nearly 300 kWh to take advantage of renewable energy sources, reduce peak season electricity load and proactively plan the company's production in the summer.

### **6.4. Water consumption:**

a) Water supply and water usage:

- Water supply: Ha Dong clean water plant

- Water usage in 2024: 1,000 m<sup>3</sup>

b) Percentage and total amount of recycled and reused water: About 10% of the water is reused thanks to the water pump system that circulates water from the wastewater source of the water filtration system used to cool the machines in the production line.

### **6.5. Compliance with environmental protection law:**

a) Number of times fined for non-compliance with environmental law and regulations: None

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

Maintain and enhance sanitation work, plant trees to create a green-clean-beautiful landscape at the company office and workshop.

Periodically inspect and monitor safety during production, ensure compliance with regulations, prevent and minimize safety risks and environmental violations .

### **6.6. Employee-related policies:**

a) Number of employees, average salary for employees:

- Number of employees: 163. Average income: 11.8 million VND/person/month.

b) Labor policy to ensure the health, safety and welfare of employees:

- Organize periodic safety instructions for employees and provide personal protective equipment for employees.

- The company has organized many activities to take care of the material and spiritual life of employees such as: visiting, attending funerals, attending weddings, giving gifts to women on March 8, October 20, organizing and giving birthday gifts to employees, rewarding excellent students, giving gifts to children on the occasion of Children's Day June 1,...

- During the year, the company organized vacation and periodic health check-up for 100% of employees.
- Organize and provide nutritious and food-safe meals by controlling food with clear origin.
- Work with centers and functional agencies in the company's operating area to organize training courses on fire prevention and fighting, etc.

c) Employee training activities:

- Average number of training hours per year, by employee and by employee classification: The company regularly conducts internal training for newly recruited employees.
- Skills development and continuous learning programs to support employees in securing employment and career development: Organize for accounting staff to participate in short-term training courses to update the legal document system and improve professional expertise.

**6.7. Report on responsibility to the local community:** The company always actively participates in all local support and charity programs.

**6.8. Report on green capital market activities according to the guidance of the State Securities Commission:** None

### III. REPORT ON ASSESSMENT OF THE BOARD OF DIRECTORS

#### 1. Assessment of production and business results

*- The world economic situation has an impact on the company's production and business activities:*

In the world economy, inflation in most major economies has cooled down, unemployment rates have decreased, the risk of economic recession has been controlled, demand for goods has begun to increase, and GDP growth in 2024, despite facing many challenges, has maintained a steady growth rate (up about 3.2%). However, high interest rates for a long time, debt difficulties and geopolitical risks in the Middle East and Eastern Europe continuing to escalate, prolonged tensions in the Red Sea continuing to disrupt the supply of basic goods and break the supply chain, plus new policies on applying US tariff barriers will significantly impact many economies, challenging the sustainable growth of the global economy.

*- Vietnam's economy:* GDP in 2024 grew positively by 7.09%, mainly contributed by the industrial and service sectors, the order situation improved, export turnover increased by 14.3%, import increased by 16.7%, the trade balance of goods for the whole year had a trade surplus of 24.7 billion USD. The consumer price index (CPI) in 2024 increased by 3.63% over the previous year, core inflation was 2.71%, reaching the target set by the National Assembly. However, the growth of the industrial production index in the last months of the year slowed down significantly compared to the previous months, which directly affected many domestic enterprises, including the company.

For the packaging industry and the company's production situation in 2024, there are still mixed advantages and difficulties.

*- About advantages:*

+ The Government's solution to boost public investment also partly supports the company to maintain the output of packaging products consumed during the year; however, production is still maintained at a low level because the projects mainly focus on traffic infrastructure using bulk cement.

+ The prices of main materials including plastic pellets, kraft paper and other raw materials generally fluctuate but the amplitude is relatively stable, so they do not have a big impact on production costs and ensures profits as planned.

+ Export activities in 2024 show signs of improvement, but slow down in the fourth quarter of 2024 due to the impact of war and escalating geopolitical tensions.

- *About existence and difficulties:*

+ Fierce competition in domestic market share and prices causes selling prices to become lower and lower, and profit margins to decrease.

+ Bidding activities to supply packaging for cement factories continue to face difficulties due to low winning bid prices and prolonged payment terms, increased capital occupation, reduced capital turnover and at a very low level compared to other industries, causing capital efficiency to decrease.

However, with the efforts and flexibility in management of the Board of Directors, the Board of Management, and the solidarity and efforts of the employees in the company, all targets in 2024 are basically achieved according to the set plan.

**\* Other activities:**

- *Market work:* In general, the company's domestic product market search activities in 2024 encountered many difficulties, mainly maintaining old customers. At many times, cement factories saw a sharp decline in output and maintained weak demand throughout the year. The export market in the first quarter of the year began to show signs of improvement but slowed down in the last quarter of the year. However, due to advance assessments and forecasts, the company has built a product consumption plan from a cautious and reasonable perspective, so the product consumption results in 2024 still completed 106% of the plan.

- *Capital recovery work:* Total capital recovery in 2024 completed the set plan. Capital recovery reached 212.4 billion VND/220 billion VND according to the plan = 96%. Capital recovery work is still very difficult, the amount to be recovered has decreased but is still high. During the year, the bad debt of the Geological Company was completely resolved.

- *Production management, machinery and equipment, product quality:* Production management and product quality are maintained stably throughout the year. Production management and product quality are implemented according to ISO 9001 and ISO 22000 standards.

Machinery and equipment always ensure to follow repair and maintenance plans with appropriate spare parts and supplies. Machinery and equipment are cleaned every shift and every week to ensure proactive machinery and equipment for production.

- *Safety and fire prevention and fighting:* Occupational safety work is of concern to the company's Board of Directors. Fire prevention and fighting activities of the company are maintained, with regular checking the site and status of fire prevention and fighting equipment.

**2. Progress made by the company:**

- In 2024, the Company's Board of Directors continues to strengthen management activities, improve the quality of management and operations, and be flexible in expanding the market for packaging products, focusing especially on exploiting export markets to improve the capacity to supply products to international markets.

- Improvements in organizational structure and management policies: The company's organizational and management structure is relatively stable, and functional departments enhance their advisory role in the company's administrative and operational work.
- The determination and solidarity of the company's Board of Directors have greatly contributed to the successful implementation of the company's economic targets in 2024.

### **3. Future development plan:**

- The main targets of the company's production and business plan for 2025 are as follows:

+ Total output value:	202.36 billion VND
+ Total revenue:	190.80 billion VND
+ Profit before tax:	8.0 billion VND
+ Average income of employees:	11.5 million VND/person/month
+ Payment to the state budget:	8.0 billion VND
+ Main product volume:	33.0 million bags of all kinds
+ Expected dividend payout ratio	7% ÷ 10%/year

## **IV. BOARD OF DIRECTORS' ASSESSMENT OF THE COMPANY'S OPERATIONS**

### **1. Board of Directors' assessment of the company's operations**

#### **1.1. Regarding management organization and direction of production activities:**

- The human resource structure is arranged reasonably in the direction of increasing the proportion of direct labor. The management of Functional Departments and Enterprise has been arranged by the Company's Board of Directors to meet production requirements in each period.
- The work of rectifying workers' awareness is done regularly and achieves good results, helping the operation of the Packaging Enterprise to be more effective.
- Training and development for managers and employees is carried out regularly.
- Cost monitoring and analysis activities are carried out regularly and continuously, contributing to limiting waste in production. The company has researched and improved techniques to reduce product costs to the maximum possible level on the basis of ensuring product quality.

#### **1.2. Regarding investment:**

- In 2024, the company invested in contributing capital to purchase issued shares to increase the charter capital from 30 billion VND to 50 billion VND of Song Da Industry Joint Stock Company (an associate), according to the capital contribution ratio of Song Da Industry Trade Joint Stock Company at Song Da Industry Joint Stock Company of (49.5%). The capital contribution to purchase shares is 9.9 billion VND, form of capital contribution: deducted by receivables and payables of both parties at the time of capital contribution; The remaining amount is contributed in cash.
- The company has been installing a solar power system: phase 1 in the office building with a capacity of 40kwh, phase 2 in the workshop roof area with a capacity of 250kwh. The total investment is nearly 2 billion VND. After the investment, the company will save significantly on electricity costs, especially in the summer, the peak season when the power company requires a reduction of up to 30% of the capacity used.

### **1.3. Regarding financial work:**

- The company's 2024 financial statements were independently audited (A&C Auditing and Consulting Company Limited) and obtained unqualified opinion.
- Manage the company's assets and capital, financial revenues and expenditures in accordance with regulations; arrange sufficient capital to serve the unit's production and business activities.
- The company's financial situation is healthy. Capital management and use, and debt management are strictly controlled, ensuring financial safety.

### **1.4. Regarding business and export activities:**

- The export market in 2024 began to show better developments; orders gradually increased and were relatively stable. However, the decrease in orders in the last quarter of the year along with the export trend of domestic enterprises in general at the end of the year showed that the industrial production index was showing signs of slowing down due to the impact of the war. Total export products of the year completed the set plan and increased by 23% compared to the same period last year and contributed nearly 30% of the company's revenue structure in 2024.

### **1.5. Regarding market work, product quality management, mechanical management - safety - labor protection:**

- The exploitation of the domestic market in 2024 encountered many difficulties. The export market showed good signs, which greatly supported the implementation of the company's annual production and business plan. The company actively participated in many bidding packages to supply bags to cement factories; however, the winning bid prices of some units were still low.
- The quality of the 2024 packaging is stable and better, always meeting the technical requirements of customers.
- The company has done a good job of maintaining, servicing and repairing machinery and equipment, ensuring that the equipment system is always ready to operate to meet usage efficiency, without affecting production progress and product quality.
- The activities of the Safety and Hygiene network and the Safety and Labor Protection Department at the packaging enterprise have been put into order, ensuring safe working conditions for the Company's officers and employees.

### **1.6. Labor and salary work**

- The implementation of reasonable and timely salary and bonus payments contributes to encouraging employees to enthusiastically produce and achieve high efficiency. Policies related to employees such as social insurance, health insurance, unemployment insurance, retirement regime, etc. and other employee benefits are fully implemented in accordance with current laws.
- The company takes care of the material and spiritual life of employees, ensures jobs and income for employees, creates favorable conditions for the company's mass organizations to maintain regular activities, and together with the Trade Union, Youth Union and Women's Union, organizes many activities to visit and give gifts to women on the occasion of March 8, organize and give birthday gifts to employees, subsidize and visit employees in difficult circumstances, etc. On public holidays, the Company timely pays bonuses to encourage employees.

- The company always cares and focuses on human resource training, encourages and creates favorable conditions for employees to demonstrate their capacity and develop their skills.

## **2. Board of Directors' assessment of the performance of the company's Board of Management**

- The Board of Management has operated in compliance with the law, the company's charter as well as the direction of the Board of Directors. The Board of Management has made great efforts in managing production and business activities in 2024.
- The General Director has implemented the Resolution of the General Meeting of Shareholders and the Board of Directors, closely following the 2024 production and business plan targets.
- The Company's semi-annual and annual financial statements are audited by an independent auditor. The 2024 financial statements obtain unqualified opinion.
- The Board of Management has fully implemented the directives, resolutions and decisions of the Board of Directors. The Board of Management has proactively and promptly handled issues arising in the management and operation of production and business activities.
- During the operation process, the Board of Management regularly reports on monthly and quarterly work results so that the Board of Directors can grasp the implementation progress and promptly give instructions in accordance with reality.

## **3. Plans and orientations of the Board of Directors in 2025:**

- Focus on maintaining and developing traditional industries on the basis of selective customers to build a stable customer system, brand and reputation.
- Expand domestic packaging consumption market. Invest in production lines for new product types to serve market demand.
- Supplement high-quality human resources to seek and develop export markets.
- Withdraw capital from ineffective projects or investment fields outside the industry when conditions permit.
- Continue to improve management capacity, closely follow the actual situation to support the Executive Board in developing production and business according to the set plan and objectives.

## **V. CORPORATE GOVERNANCE**

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

#### **1.1. Members and structure of the Board of Directors:**

<b>No.</b>	<b>Full Name</b>	<b>Position</b>	<b>Number of shares held (*)</b>	<b>SH ratio %</b>	<b>Positions held at other organizations</b>
1.	Nguyen Trong San	Chairman of the Board of Directors (BOD)	397,407	4,939	Chairman of the Board of Directors of Song Da Industry Joint Stock Company
2.	Nguyen Trong Trai	Member of the BOD - General Director	11,186	0.139	Member of Board of Directors of Hanoi Infrastructure Development Joint Stock Company. Chairman of the Board of Directors of Nam Anh-Invest Investment Joint



No.	Full Name	Position	Number of shares held (*)	SH ratio %	Positions held at other organizations
					Stock Company
3.	Nguyen Trong Loi	Member of the BOD – Deputy General Director	592,078	7,359	Director of Song Da Industry Joint Stock Company.
4.	Nguyen Quang Thieu	Member of the BOD	181,444	2,255	
5.	Phung Thi Huyen	Independent Member of the BOD	-	-	Deputy Head of Organization and Personnel Department, Office of the Party Committee of Hanoi Industrial and Export Processing Zones

(\*) Number of shares held at the closing date of the ownership list March 20, 2024

**1.2. Subcommittees of the Board of Directors:** No subcommittees

**1.3. Activities of the Board of Directors:**

- In 2024, the Board of Directors has implemented the functions, tasks and powers as prescribed, as well as managed and directed the company's activities in accordance with the law, the company's charter and resolutions of the General Meeting of Shareholders.
- Monitor and guide production and business activities, support the executive board in carrying out production and business activities, market activities, and debt collection activities. Direct the Board of Management and functional departments to organize production and business activities in accordance with the law, preserve capital and generate profits.
- During the year, the Board of Directors held 06 regular meetings and issued resolutions approving the contents to manage and direct the company's operations. In addition, the Board of Directors organized to collect members' opinions in writing and approved the Company's strategic orientation issues to implement the Resolution of the 2024 Annual General Meeting of Shareholders and resolve issues arising in the company's production and business activities. (The list of Resolutions/Decisions of the Board of Directors in 2024 is published in STP's 2024 Corporate Governance Report).
- The Board of Directors' resolutions are issued according to the order and procedures prescribed in the Law on Enterprises and the Company's Charter. The meetings convened by the Board of Directors are attended by all members of the Board of Directors, the Board of Management, and the Board of Supervisors.
- In 2024, the Board of Directors held meetings and promptly directed the following main contents: Assigning cost plan and production and business plan for 2024; Approving contract transactions with related companies and persons; Paying dividends for 2023 at a rate of 10%/year on May 15, 2024; Selecting an auditor for the 2024 Financial Statements; Establishing an internal audit department and issuing internal audit regulations; Contributing capital to purchase issued shares to increase the charter capital of Song Da Industry Joint Stock Company (associate); Approving the signing of a contract for installation of a rooftop solar power system for the workshop; Assigning a contract signing limit for 2025,...
- Attend meetings with the Board of Management and functional departments to grasp the production and business operation process to promptly direct and propose solutions to implement the production and business plan.

- The Board of Directors always closely follows the actual situation of the unit, creating favorable conditions for the Board of Management to proactively complete production and business tasks, work with the Board of Management to resolve difficulties and problems arising in production, and maintain quality assurance according to customer requirements.
- The Board of Directors has done a good job of providing documents and information for the Board of Supervisors to inspect and supervise the Board of Directors and the Board of Management in managing and operating the company.

#### 1.4. Activities of independent non-executive Board member.

- Perform the functions of a member of the Board of Directors, participate in corporate governance according to the Company's Charter, regulations on the organization and operation of the Board of Directors and current provisions of law.
- Participate in research, strategy development and production and business plan of the Company.
- The independent Board member has fulfilled her role in working with the Board members to direct, supervise and urge production and business activities.
- Perform other tasks as assigned by the Chairman of the Board of Directors and the Board of Directors.

## 2. Board of Supervisors

### 2.1. Members and structure of the board of supervisors:

No.	Full Name	Position	Number of shares held (*)	Ratio %	Note
1	Nguyen Tuan Quan	Head of Board of Supervisors	0	0	Appointed on April 28, 2023
2	Bui Minh Tuan	Member of Board of Supervisors	0	0	Reappointed on April 24, 2023
3	Nguyen Thi An	Member of Board of Supervisors	0	0	Reappointed on April 24, 2023

(\*) Number of shares held at the closing date of the ownership list March 20, 2024

### 2.2. Activities of the board of supervisors:

- Attend the company's 2024 Annual General Meeting of Shareholders to record shareholders' decisions and opinions on the company's requirements and plans for the year.
- Conduct periodic control planning and assign tasks to each member, study documents and evaluate the company's performance.
- Review and appraise the General Director's business performance report, the Board of Directors' management assessment report, and the company's financial statements for 2024; ensure that the reports fully and honestly reflect the company's business performance and financial status at the time of reporting.
- Participate in the Board of Directors' meetings and some working sessions of the Management Board on the annual business production plan and report on the implementation status.
- The company's Board of Supervisors has inspected the accounting and financial reporting work; inspected accounting books and documents, investment work, bidding work, contract signing and implementation in production and business activities and other documents at the company.

- Organize the appraisal of the company's management and operation assessment report in 2024, review the audit report, auditor's opinions and the issuing audit unit.
- In 2024, the Board of Supervisors held 2 meetings to discuss contents in accordance with the Board of Supervisors' inspection and supervision tasks.

No.	Member of the Board of Supervisors	Number of meetings attended	Meeting attendance rate	Voting ratio	Reason for not attending
1	Mr. Bui Minh Tuan	2	100%	100%	
2	Mr. Nguyen Tuan Quan	2	100%	100%	
3	Ms. Nguyen Thi An	2	100%	100%	

### 3. Transactions, remuneration and benefits of the Board of Directors; Board of Management and Board of Supervisors

#### 3.1 Remuneration and benefits of the Board of Directors, Board of Management, Chief Accountant and Board of Supervisors of the Company.

*Unit: Dong*

No.	Full name	Position	Implementation in 2024		
			Salary, bonus, allowance	Remuneration	Total amount
1	Nguyen Trong San	Chairman of the BOD	375,968,181		375,968,181
2	Nguyen Trong Trai	Member of the BOD, General Director	359,884,090	48,000,000	407,884,090
3	Nguyen Trong Loi	Member of the BOD, Deputy General Director	286.125.363	48,000,000	334.125.363
4	Nguyen Quang Thieu	Member of the BOD	276.144.010	48,000,000	324.144.010
5	Phung Thi Huyen	Member of the BOD	500,000	48,000,000	48,500,000
6	Do Van Hach	Deputy General Director	289,387,749		289,387,749
7	Nguyen Hong Minh	Chief Accountant	249,946,432		249,946,432
8	Nguyen Tuan Quan	Head of the Board of Supervisors		144,000,000	144,000,000
9	Bui Minh Tuan	Member of the BOS		36,000,000	36,000,000
10	Nguyen Thi An	Member of the BOS		36,000,000	36,000,000

#### 3.2 Share transactions of internal shareholders: None

#### 3.3 Contracts or transactions with internal shareholders (transactions of internal shareholders/major shareholders and related persons with the company itself).

No.	Implementing unit	Related person	Transaction content
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No.	Implementing unit	Related person	Transaction content
1	Song Da Industry Joint Stock Company	Member of the BOD	Sell machinery and equipment no longer needed
2	Song Da Industry Joint Stock Company	Member of the BOD	Buy textiles, colored plastics
3	Song Da Industry Joint Stock Company	Member of the BOD	Sell all kinds of plastic

## VI. FINANCIAL STATEMENTS

### 1. Audit opinion

- Independent auditor: A&C Auditing and Consulting Company Limited.
- Auditor's opinion:

In our opinion, the Financial Statements present truly and fairly, in all material respects, the financial position of Song Da Industry Trade Joint Stock Company as at December 31, 2024, and its results of business operations and cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese enterprise accounting regime and legal regulations related to the preparation and presentation of the Financial Statements.

### 2. Audited financial statements:

The audited financial statements for 2024 include: Balance sheet; Income statement; Cash flow statement; Notes to the financial statements in accordance with the law on accounting and auditing.

- Address for publication of Financial Statements: [www.stp.com.vn](http://www.stp.com.vn)

Hanoi, March 21, 2025

**LEGAL REPRESENTATIVE  
GENERAL DIRECTOR**



*Nguyen Trong Trai*