

REPORT

2024 Operational Activities, 2025 Plan

A. Operational work in 2024

I. Product situation assessment:

The year 2024 was an extremely challenging one for the steel, cement, and construction materials industry in general, and for Song Da Cao Cuong Joint Stock Company (SCL) in particular. Never before has the Prime Minister had to directly chair a meeting to address and resolve difficulties for the construction materials industry. The construction market saw the development of small-scale projects with highly competitive selling prices. Amid these tough conditions, the company's leadership promptly issued directives closely aligned with the actual situation, such as: leveraging internal scientific and technological strengths built over many years of establishment and development, coupled with the unity and creativity of the workforce; providing specific guidance to adjust sales policies and flexibly adapt pricing to market conditions; introducing technological solutions in production to save costs and reduce product prices; and optimizing production management, operations, and investments. As a result, the initial steps taken in 2024 helped overcome difficulties, laying the groundwork for 2025, with specific details as follows:

1. Dry fly ash products: Dry fly ash is a byproduct of coal-fired thermal power plants, widely used in the construction industry, particularly as an additive for cement and concrete. In 2024, the dry fly ash product continued to maintain its market position. The company successfully sustained its supply of domestic fly ash and exported fly ash as a cement additive for customers in the Southeast Asian market under signed contracts. Currently, the company is capable of supplying the market with 1 million tons of dry fly ash per year.

2. Processed coal product: This is a byproduct generated during the production of fly ash. In 2024, the production of processed coal remained stable and continued to enjoy strong consumption.

3. AAC autoclaved lightweight block and ALC panel products: In 2024, the company upgraded and improved its AAC autoclaved lightweight block factory to increase productivity and meet market demand. Despite 2024 being a challenging year for the real estate and construction markets, the company successfully maintained and expanded its market for lightweight blocks and panels, penetrating large-scale projects and developments. In addition to supplying these products domestically, the company took initial steps to export them to the Philippines market. Furthermore, the company is currently applying for a Green Building Product Certification in Singapore, a condition that could unlock significant opportunities for exporting AAC lightweight blocks and ALC panels to international markets in the future.

4. Dry mortar products: As one of the company's flagship products, in 2024, it continued to supply dry mortar to projects by Vin, Delta, and several other



developments. Additionally, the company expanded its market reach through distributors and agents to serve individual civil construction households

5. Tile and stone adhesive, grout products: Consumption of these products remains limited compared to market demand, as there are currently many locally produced adhesive brands offering mass production at highly competitive prices. This creates significant pressure on the production and sales of these products. In 2024, the company introduced several timely sales policy decisions to boost the consumption of these products.

6. Labor:

In 2024, the company's labor situation began to stabilize after recruiting additional personnel to fill vacant positions. The company also took decisive steps to implement on-site training to master technology and enhance the skills of its workforce. To boost production capacity, expand markets, improve competitiveness, and advance the digital transformation revolution, the company is currently recruiting business development staff for market expansion, mechanical technicians, and IT engineers.

7. Technical Infrastructure: Over 18 years of establishment and development, the company has built a substantial technical infrastructure, which serves as a favorable foundation for its growth..

8. Investment in Upgrading Production Plants: In 2024, the company continued to invest in upgrading technical infrastructure, renovating equipment, and enhancing technology across its factories, specifically:

- For the mortar and tile, stone adhesive production line: The company invested in an automated robot system for the mortar and adhesive production line to optimize production, minimize risks, and reduce errors. This technology also helps reduce labor demands, lower costs, and create a safer working environment for workers..

For the lightweight block production line: The company upgraded existing equipment, constructed a 10-ton steam boiler, and purchased new machinery to enhance production capacity. The company's technical and technological team collaborated with domestic and international experts to research and improve technology and techniques, enhancing product quality, increasing market competitiveness, and preparing for the diversified production of products tailored to customer needs.

9. Investment in the Construction Materials Production Complex at Vinh Tan, Binh Thuan::

The company completed the construction of a temporary ash and slag separation line to process and consume ash and slag from the Vinh Tan thermal power plant cluster in Binh Thuan. This line is currently in the trial operation phase and awaiting environmental permits. Once fully operational, it will produce construction materials for both domestic and export markets.

In 2025, in addition to the temporary ash and slag separation line, the company plans to invest in Phase 2: constructing a construction materials production complex, including mortar, tile/stone adhesive, green cement, precast concrete components, AAC autoclaved lightweight blocks, ALC panels, and rooftop solar energy systems, among others.

Investment in the silo storage system and ash/slag pumping system at Vinh Tan International Port: The silo storage and ash/slag pumping system has been operating safely and efficiently. This investment holds a strategic position, showcasing the company's capabilities and contributing significantly to its fly ash export activities.

10. Finance:

- In addition to depreciation costs, loan interest represents a significant expense, and the recovery of old receivables remains challenging due to delays in payment from some customers, putting financial pressure on the company. However, thanks to the relentless efforts of the leadership and workforce, along with effective cooperation from banks and credit institutions, the company has managed to maintain financial balance and operate efficiently.

II. Audited 2024 Results

1. Main Indicators:

No	Content/Indicators	Unit	Plan 2024 ¹	Implementation 2024	Plan/Implementation 2024 (%)
I	Production and consumption output				
1	Wet fly ash production	Ton	200.000	192.220	96,1
2	Dry fly ash production	Ton	170.000	251.299	147,8
3	Recovered coal	Ton	62.000	65.954	106,4
4	Dry mortar production	Ton	318.000	311.671	98
5	Block and stone adhesive production	Ton	8.000	7.166	89,6
6	AAC lightweight block production	M3	70.000	65.503	93,6
7	Panel production	M3	25.000	26.347	105,4
II	Financial results				
1	Total Revenue	Billion Đ	408,96	431,07	105,4
2	Profit Before Tax	Billion Đ	31,59	33,60	106,4
3	Corporate Income Tax Expense	Billion Đ	6,32	7,04	111,4
4	Profit After Tax	Billion Đ	25,27	26,57	105,1
III	Investment	Billion Đ	215,00	325,45	151,4
IV	Bank Guarantee	Billion Đ	40	22,52	56,3
V	Labor, Salary Average				
1	Total number of employees in the whole Company	Person	334	336	100,6

¹ Adjustment plan

No	Content/Indicators	Unit	Plan 2024 ¹	Implementation 2024	Plan/Implementation 2024 (%)
2	Payments for employees	Billion Đ	54,1	55,6	102,8
3	Average income/person/month	Million Đ	13,5	13,8	102,2

- Announcement Information: Over the past year, the company has carried out timely and complete disclosure of corporate information in accordance with the regulations and requirements of the State Securities Commission and the Ministry of Finance.

- Auditing Activities: Auditing tasks were conducted promptly and in compliance with the regulations of the Ministry of Finance.

- Management Regulations: Throughout the year, alongside implementing the rules and regulations issued by the Board of Directors, the Board of Management also issued several specific regulations to effectively organize and execute management tasks and ensure efficient application.

- Party Organization, Trade Union, and Youth Union: The company has consistently facilitated, coordinated with, and supported all activities of these organizations. Their operations have positively influenced the awareness and sense of responsibility among employees, providing strong support for the company's production and business activities over the past year.

- Social Activities: In its relationship with the local community and residents, the company has actively collaborated and participated in charitable initiatives launched by local authorities and organizations. These include contributions to funds for the poor, families in difficult circumstances, the Gratitude Fund, the Red Cross Fund, as well as donations for the construction of welfare projects and participation in local charitable movements and campaigns.

B. Plan for 2025

1. Difficulties:

In 2025, the overall outlook for the construction materials industry shows initial signs of recovery. However, numerous challenges persist due to the government's ongoing transition and consolidation of provincial and district administrative structures, which impacts the implementation of construction investment projects.

Up to now, the company has essentially completed the investment in Phase 1 of the ash and slag separation line. It is expected that an environmental permit will be obtained in April, allowing the project to officially commence operations. Once the project becomes operational under the signed contracts, arranging working capital to support production will pose a challenge for the management. Additionally, in 2025, the company plans to invest in constructing a plant to process ash and slag for producing construction materials, specifically a factory for manufacturing panels, ready-mixed dry mortar, and aggregate blocks at the Bac Binh Giang Lake area. The company also intends to initiate feasibility studies for Phase 2 of the Binh Thuan complex. Consequently, the company will face pressures related to capital for both investment and production-business activities.

- **Market:** Currently, consumers' preference for traditional construction materials remains strong, limiting the penetration of SCL's construction material products into the civil construction market. Furthermore, the market offers numerous alternative products of the same type, which can be substituted with more optimized solutions or highly competitive pricing.

- **Limited Policy Support:** Although the government encourages the development of non-fired construction materials and the processing of solid waste from thermal power plants and chemical fertilizer factories, the preferential policies are not yet robust enough to significantly drive the growth of these products, resulting in slower market development than anticipated.

2. Convenient:

Over 18 years of establishment and development, with a solid foundation and the 2025 action theme of "Scientific and Technological Revolution, Digital Transformation - Sustainable Development," the company has implemented a series of solutions. These include collaborating with Misa to develop digital management software for the entire company; introducing programs for ordering scientific and technological improvements for production plants and functional departments; and researching and developing new products compatible with the company's existing technological lines. These efforts have created momentum to successfully achieve the 2025 production and business plan. Notably, in the early months of 2025, the company introduced its blast furnace slag cement product, which meets standards for market supply. Recently, the company signed a contract to supply this product for the Gia Binh Airport project, a critical milestone in expanding the product's presence nationwide.

- Currently, the company's products and brand are increasingly trusted by customers and partners, a vital factor in product consumption and market expansion.

- The ash and slag separation line project, completed in investment, is expected to officially commence operations by late April 2025. This will facilitate the development of project-related products for consumption in the South Central and Southern markets, as well as for export, leveraging competitive advantages from its geographic location and the Vinh Tan International Port.

- + **Fly Ash Product:** The company's fly ash is supplied for the construction of large hydroelectric dams. The company has invested in and upgraded its fly ash production plant while advancing scientific and technological innovations to enhance supply capacity, reduce production costs, improve market competitiveness, stabilize product quality, and produce high-quality fly ash tailored to specific customer requirements. Building on these strengths, along with technological advancements in production, the company continues to expand its domestic market and export to Southeast Asian countries and beyond.

- + **Tile - Stone Adhesive, Grout, and Ready-Mixed Dry Mortar Products:** The company continues to maintain and expand its network of product distributors while improving technology, enhancing productivity, and elevating product quality to reduce costs and offer competitive pricing compared to existing market suppliers. Additionally, the company is intensifying efforts to develop the market and shift consumer perceptions away from traditional mortar. In 2025, the company will further strengthen the supply of ready-mixed dry mortar to distributors and agents nationwide, while expanding market penetration for projects beyond Vinhomes, such as Sungroup,

Contecons, Ricons, and fulfilling contracts with contractors like Vincons and Delta. This is supported by SCL's two production complexes in Pha Lai and Vinh Tan, Binh Thuan.

+ AAC Autoclaved Lightweight Block and ALC Panel Products: The company is collaborating with distributors to supply AAC lightweight blocks and ALC panels to major domestic projects and developments. These products have also been exported to the Philippines market. In 2025, after completing the application for Green Building Product Certification in Singapore, the company will accelerate the export of AAC lightweight blocks and ALC panels to global markets. Given current market demand, advanced construction solutions, and the products' advantages—such as excellent soundproofing, heat insulation, fire resistance, fast construction time, and environmental friendliness—market development and product consumption are expected to grow steadily.

+ Blast Furnace Slag Cement Product: This is a new product from the company, currently supplied to the market in compliance with technical standards. Recently, the company signed a contract with the direct contractor for the Gia Binh Airport project, a nationally significant development, laying the groundwork for broader commercial exploitation in the domestic market. Additionally, the company has signed commitments with cement and slag suppliers to jointly commercialize this product in the market.

+ Labor: The company boasts a workforce with years of experience, a strong sense of responsibility, and deep dedication to the company.

3. 2025 Plan Data

- From the analysis and assessment of the advantages and difficulties in 2024, the Board of Management has developed the 2025 plan and tasks to submit to the Board of Directors and the General Meeting of Shareholders:

1. Main indicators:

No	Content/Indicators	Unit	2024	2025	2025/2024 (%)
I	Production and consumption output				
1	Wet fly ash production	Ton	192.220	500.000	260
2	Dry fly ash production	Ton	251.299	610.000	243
3	Recovered coal	Ton	65.954	96.500	146
4	Dry mortar production	Ton	311.671	530.000	170
5	Block and stone adhesive production	Ton	7.166	20.000	279
6	AAC lightweight block production	M3	65.503	100.000	153
7	Panel production	M3	26.347	50.000	190
8	SCL Blast Furnace Slag Portland Cement			50.000	
II	Financial results				
1	Total Revenue	Billion Đ	431,07	754,75	175
2	Profit Before Tax	Billion Đ	33,60	80,76	240

No	Content/Indicators	Unit	2024	2025	2025/2024 (%)
3	Corporate Income Tax Expense	Billion Đ	7,04	15,34	218
4	Profit After Tax	Billion Đ	26,57	61,38	231
5	Previous Year's Retained Profit	Billion Đ	0,41		
6	Total Cumulative Profit After Tax	Billion Đ	26,98	61,38	228
III	Investment	Billion Đ	325,45	220	68
IV	Bank Guarantee	Billion Đ	22,52	50	222
V	Labor, Salary Average				
1	Total number of employees in the whole Company	Person	336	410	122
2	Payments for employees	Billion Đ	55,6	71,3	128
3	Average income/person/month	Million Đ	13,8	14,5	105

(See attached table for detailed data).

4. Details of investment work in 2025:

- Continue to invest, construct, and research technological advancements for the two complexes in Pha Lai and Binh Thuan.

- Invest in and construct the project: An ash and slag processing plant to produce construction materials, specifically: an ALC panel production plant with a capacity of 200,000 m³/year, a ready-mixed dry mortar production line, tile/stone adhesive production line, lightweight aggregate block production line, and a line for chopping tree branches and various types of wood as fuel material. This will be located at the site of the old ash and slag processing plant at Bac Binh Giang Lake – Pha Lai.

- Conduct feasibility studies and implement the investment policy for Phase 2 of the project: Production of construction materials including mortar, tile/stone adhesive, green cement, precast concrete components, AAC autoclaved lightweight blocks, ALC panels, and rooftop solar energy systems at Vinh Tan, Binh Thuan.

- Continue to invest in research and technological improvements for production, renovate and upgrade existing production lines, invest in additional production machinery and equipment, and refurbish workshops and offices to meet current production and business demands.

5. Work to be continued:

- Establish representative offices and promote commercial activities to market the company's products in Southeast Asian countries. In 2025, export AAC lightweight blocks, ALC panels, tile/stone adhesives, and other products to the Philippines, Singapore, and other markets in the region. Maintain and expand partnerships with major corporations in Southeast Asia for construction material distribution; open a representative office in Da Nang.

- Continuously innovate and enhance production technology to reduce costs, lower production expenses, and improve competitiveness.

- Maintain contracts for purchasing and processing ash and slag from reliable sources to ensure production continuity.

- Sustain and expand the domestic and export markets for dry fly ash, dry mortar, tile -stone adhesives, lightweight blocks, and panels.

- Identify suitable solutions to reduce transportation costs for domestic sales and exports.

- Allocate appropriate funding for market development to enhance competitiveness in quality and pricing, as well as for communication and brand-building efforts for the company's products.

- Expand the network of agents and strengthen the sales team, ensuring sufficient quantity and quality of personnel.

- Enhance product promotion through social media channels, newspapers, radio, television, conferences, seminars, the company website, flyers, etc.

- Maintain existing markets and develop tailored policies for each customer to balance sales revenue and the company's benefits; implement appropriate commission and discount schemes based on customers' purchase volumes.

- Strengthen collaboration with consulting firms, design companies, and construction contractors to integrate the company's products into projects from the design phase; simultaneously develop distribution channels such as distribution companies and agents.

- Leverage the company's membership in the Construction Materials Association, the Concrete Manufacturing Enterprises Association, the Southeast Asia Dry Mix Mortar Association (SEADMA), and other associations through seminars, conferences, and forums to develop and seek opportunities in potential domestic and international markets.

- Enhance management across all aspects, research, and improve technology to save production costs and reduce product prices.

- Utilize capital efficiently; minimize inventory of materials, goods, and finished products to the greatest extent possible.

- Effectively organize the collection of sales revenue and debt recovery.

- Continue refining the company's organizational structure, from production plants to specialized departments and representative boards. Further improve and innovate internal management mechanisms. Fully implement policies for employees, establish recruitment and retention mechanisms for the workforce amid rising labor costs. Continue recruiting high-quality personnel as needed, including sufficient staff

for sales, mechanical engineering, product quality management, and technical workers. Provide training to enhance the skills of the current workforce and improve employee benefits.

- Coordinate activities with the Party organization, Trade Union, and Youth Union to strengthen comprehensive leadership across all aspects of the company's operations, fostering unity and cohesion throughout the organization.

C. Conclude

The above is a report on the results achieved in production, business, and investment activities in 2024, as well as the production, business, and investment plan for 2025, submitted to the General Meeting of Shareholders. We look forward to receiving constructive feedback from the shareholders. We firmly believe that with the valuable contributions from our esteemed shareholders and the focused, creative, dedicated, and diligent leadership of the Board of Directors and the Board of Management, the production, business, and investment goals for 2025, as approved by the General Meeting of Shareholders, will be effectively implemented. This will enhance income for employees, fulfill obligations to the State, and deliver dividends to shareholders.

On this occasion, allow me, on behalf of the company's management, to extend our heartfelt gratitude to all distinguished delegates, Party and government leaders at all levels, business partners, banks, credit institutions, research institutes, scientists, shareholders, and the entire workforce of the company. We sincerely wish you all good health, happiness, and success.

Sincerely thank you!

Recipients:

- BOD, BOM.
- BOS.
- Shareholders (Report).
- Save office./.

GENERAL DIRECTOR



Vu Van Chien

SONG DA CAO CUONG JOINT STOCK COMPANY

PRODUCTION PLAN, REVENUE, PROFIT FOR 2025

No.	EXPLANATION	Unit	2024	Plan for 2025	2025/2024 (%)
A	BUSINESS PRODUCTION				
I	Production volume				
1	Wet fly ash	Ton	192.220	500.000	260%
2	Selected coal	Ton	65.954	96.500	146%
3	Dry fly ash	Ton	251.299	610.000	243%
4	Lightweight ACC blocks (various types)	M3	65.503	100.000	153%
5	Panels (various types)	M3	26.347	50.000	190%
6	SCL mortar (various types)	Ton	311.671	530.000	170%
7	SCL tile adhesive (various types)	Ton	7.166	20.000	279%
8	SCL blast furnace slag Portland cement	Ton		50.000	
II	Total revenue of the company	1000đ	431.065.753	754.750.000	175%
II.1	Business production revenue	1000đ	408.516.054	718.282.000	176%
1	Wet fly ash	1000đ	1.128.893	0	0%
2	Selected coal	1000đ	45.537.784	68.515.000	150%
3	Dry fly ash	1000đ	30.936.722	78.265.000	253%
4	Lightweight ACC blocks (various types)	1000đ	64.708.382	97.000.000	150%
5	Panels (various types)	1000đ	55.718.889	105.500.000	189%
6	SCL mortar (various types)	1000đ	191.814.001	273.712.000	143%
7	SCL tile adhesive (various types)	1000đ	18.671.384	48.540.000	260%
8	SCL blast furnace slag Portland cement	1000đ		46.750.000	
II.2	Revenue from other products and services	1000đ	19.202.225	32.468.000	169%
II.3	Revenue from financial activities	1000đ	650.091	1.000.000	154%
II.4	Other income	1000đ	2.697.382	3.000.000	111%
III	Revenue deductions	1000đ	19.340.472	27.000.000	140%
IV	Total expenses	1000đ	378.122.853	646.989.000	171%
V	Profit before tax (V=II-III-IV)	1000đ	33.602.428	80.761.000	240%
	Provision for Science and Technology Development Fund (5%)	1000đ		4.038.050	
	Business income tax	1000đ	7.036.276	15.344.590	218%
VI	Net profit after tax	1000đ	26.566.151	61.378.360	231%

No.	EXPLANATION	Unit	2024	Plan for 2025	2025/2024 (%)
	Accumulated losses/profits from previous years	1000đ	409.472	0	0%
VII	Total net profit after tax accumulated	1000đ	26.975.624	61.378.360	228%
VIII	Provision for funds	1000đ	5.844.553	15.344.590	263%
1	Provision for production development fund (5%)	1000đ	1.328.308	3.068.918	231%
2	Provision for welfare fund (10%)	1000đ	2.656.615	6.137.836	231%
3	Provision for reward fund (5%)	1000đ	1.328.308	3.068.918	231%
4	Board of Management bonus fund	1000đ	531.323	3.068.918	578%
IX	Remaining net profit after tax for dividend distribution	1000đ	21.131.070	46.033.770	218%
*	Profit for dividend distribution	1000đ	20.153.555	44.786.000	222%
1	Dividend payout ratio	%	9,0	20,0	222%
2	Dividend amount per share	Dong	900	2.000	222%
*	<i>Evaluation of some basic indicators</i>				
1	Pre-tax profit margin / Total revenue	%	7,8%	10,7%	137%
2	Post-tax profit margin / Charter capital	%	11,9%	27,4%	231%
3	Basic earnings per share (Earnings / 22,393,074 shares)	1000đ	1,19	2,74	231%
B	INVESTMENT	1000đ	325.454.715	220.000.000	68%
1	Asset investment in Pha Lai	1000đ	73.959.838	190.000.000	257%
2	Asset investment in Vinh Tan	1000đ	251.494.877	30.000.000	12%
C	LABOR AND SALARY				
I	Labor				
1	Total number of employees in the Company	Person	336	410	122%
1,1	Indirect labor	Person	82	115	140%
1,2	Direct production labor	Person	254	295	116%
II	Salary				
2,1	Total salary fund and salary characteristics	Billion đ	55,6	71,3	128%
2,2	Average income of employees	M/p/m	13,8	14,5	105%