

THE BOARD OF SUPERVISORS

Hai Duong, March 20, 2025

**REPORT OF THE BOARD OF SUPERVISORS
PRESENTED AT THE 2025 ANNUAL GENERAL MEETING OF
SHAREHOLDERS**

Dear: General Meeting of Shareholders of Cao Cuong Song Da Joint Stock Company

Performing the functions and duties of the Board of Supervisors as stipulated in Articles 104 and 105 of the 2020 Law on Enterprises and Article 39 of the Charter of Song Da Cao Cuong Joint Stock Company.

The Board of Supervisors respectfully presents to the General Meeting the results of the inspection and supervision of the production and business activities of Song Da Cao Cuong Joint Stock Company for the fiscal year ending on December 31, 2024, as follows:

I. ACTIVITIES OF THE BOARD OF SUPERVISORS:

The Board of Supervisors of Song Da Cao Cuong Joint Stock Company for the 2022-2027 term consists of 03 members, including Mr. Dao Xuan Quynh, Head of Board of Supervisors, Ms. Nguyen Thi Thu Hoai and Ms. Bui Thi Ve, members of the Board of Supervisors. In 2024, the Board of Supervisors perform its functions and duties through the following main activities:

- Planning, assigning tasks to inspect and supervise activities for each member of the Board of Supervisors;
- Supervising the implementation of the Resolution of the 2024 General Meeting of Shareholders;
- Supervising the implementation of the Internal Management Regulations, the Charter of Organization and Operation of the Company, and compliance with the provisions of the Law by the Board of Directors and the Board of Management in the process of operating the Company's activities;
- Reviewing and appraising the Interim Financial Statements and the 2024 Financial Statements;

- Review the settlement of investment items, the implementation of processes, procedures, and basic construction investment procedures and investment project documents;

- Check the inventory management process; the procurement process of materials and goods;

- Review the implementation of obligations to the State budget.

During the year, the Board of Supervisors held meetings to approve the results of controlling the work of assigned members. In addition, the Board of Supervisors members also regularly contacted and exchanged information with each other, with members of the Board of Directors, the Board of Management, and functional departments to promptly grasp issues arising in the Company's production and business activities, and propose opinions to functional departments to enhance the Company's management efficiency in 2024.

II. SUPERVISION RESULTS

1. Supervision of the Board of Directors and the Board of Management

The Board of Directors and the Board of Management have fully complied with the provisions of the Law in the management and operation of the Company. The members of the Board of Directors, the Board of Management and the management staff have properly performed their assigned functions and tasks in accordance with the provisions of the Law on Enterprises, the Company Charter and the Resolution of the General Meeting of Shareholders.

The structure of the Board of Directors of the Company consists of 05 members.

In 2024, the Board of Directors held 10 centralized meetings, the meetings of the Board of Directors were convened and organized in accordance with the provisions of the Law on Enterprises, the Charter of the Company's organization and operation, as well as the regulations on the organization and operation of the Board of Directors. The members of the Board of Directors participated in all meetings, worked democratically and responsibly in discussing and voting on issues. The Board of Supervisors found that the Board of Directors and the Board of Management have seriously performed their responsibilities, decisions on production and business plans, construction investment and other issues have been discussed, agreed upon, and only voted upon when there is a high level of consensus.

The Resolutions of the Board of Directors have been issued in a valid and timely manner based on the minutes of the Board of Directors' meetings, within the authority prescribed in the the Law on Enterprises and the Company's Charter.

In 2024, the Board of Directors has closely followed the Resolutions and Decisions of the General Meeting of Shareholders and the Board of Directors, proactively

organized and implemented the production and business plan to achieve the best results.

2. Appraisal of the 2024 Financial Statements and the results of the implementation of the 2024 amendment plan

The Supervisory Board agrees with the 2024 Financial Statements prepared by the Board of Directors and audited by Vietnam Auditing and Valuation Company Limited. The report has honestly and reasonably reflected the financial situation as of December 31, 2024, in accordance with current accounting standards and regulations.

The preparation, recording, circulation, use and preservation of accounting documents and books are complete, timely, scientific, and in accordance with current accounting regulations. Through the inspection of selected samples of the Company's expenses, there are no unusual problems.

The basic indicators are specifically shown as follows:

2.1. Basic financial indicators as of December 31, 2024:

| Target | Unit | 31/12/2024 |
|--------------------------------------|-------|------------|
| + Asset structure | | |
| - Long-term assets/Total assets | % | 70,55 |
| - Short-term assets/Total assets | % | 29,45 |
| + Capital structure | | |
| - Liabilities/Total capital | % | 56,48 |
| - Equity/Total capital | % | 43,52 |
| + Profit margin | | |
| - Profit after tax/Total assets | % | 4,26 |
| - Profit after tax/Net revenue | % | 6,51 |
| - Profit after tax/Equity | % | 9,79 |
| - Profit after tax/Chartered capital | % | 14,24 |
| + Liquidity ratio | | |
| - Current ratio | Times | 0,52 |
| - Quick ratio | Times | 0,40 |
| - Instant ratio | Times | 0,14 |

2.2. Key indicators reflect the results of implementing the 2024 production and business plan.

| Target | Unit | Adjustment | Implementation | Achieved % |
|--------|------|------------|----------------|------------|
|--------|------|------------|----------------|------------|

| | | Plan 2024 | 2024 | of plan |
|-----------------------------|---------------------------------|----------------------|-------------|---|
| Net Revenue | <i>Billion đ</i> | 408,96 | 431,07 | 105,40% |
| Profit Before Tax | <i>Billion đ</i> | 31,59 | 33,60 | 106,38% |
| Profit After Tax | <i>Billion đ</i> | 25,27 | 26,57 | 105,13% |
| Provision for Funds 25% | <i>Billion đ</i> | | | This indicator is voted by the General Meeting of Shareholders. |
| Expected Residual Dividends | <i>Billion đ</i> | | | |
| Average Employee Income | <i>Million VND/person/month</i> | 13,5 | 13,8 | 102,22% |

3. Supervision of compliance with the Law

All activities of the Company are in accordance with the Business Registration Certificate, the Company's Charter and the Law;

The Company strictly complies with the current accounting and bookkeeping regime, fully and promptly fulfills its tax obligations to the State; implements the social insurance deduction regimes of employees to the Social Insurance agency on time; Strictly complies with regulations on environmental hygiene and labor safety standards.

Fully complies with the regulations of the Stock Exchange on information disclosure for listed companies.

4. General comments:

- In 2024, the Company's production and business performance essentially met the adjusted plan. Specifically: Total revenue reached 105.40% of the annual plan; accounting profit before tax achieved 106.38% of the annual plan.

- In the revenue structure for 2024: Revenue from the sale of fly ash products amounted to VND 32.22 billion, accounting for 7.53%; revenue from processed coal was VND 45.54 billion, accounting for 10.65%. Revenue from bricks, mortar, adhesive, panels, and other products totaled VND 350.05 billion, accounting for 81.82% of the total revenue in 2024. The revenue structure indicates that in 2024, over 80% of revenue shifted to bricks, mortar, adhesive, and panel products, moving away from the Company's traditional products of fly ash and processed coal as in previous years. This reflects the Company's successful application of science and technology, utilizing high-quality fly ash to produce construction materials that meet market

demands and create high economic value. This is a key factor in enabling the Company to achieve sustainable development in an increasingly competitive market.

- Based on liquidity ratio indicators, it can be observed that the Company's liquidity as of December 31, 2024, was relatively low at 0.52 times, with the quick ratio at a low level of 0.14 times. These indicators reflect that cash and cash equivalents, as well as short-term investments readily convertible to cash, are at a low level to cover short-term liabilities due. This could pose a risk to the Company's financial system. The Company needs to implement specific measures to increase the proportion of equity in total assets to ensure that the enterprise's financial ratios remain at a safe level.

III. COOPERATION BETWEEN THE BOARD OF SUPERVISORS, THE BOARD OF DIRECTORS, THE BOARD OF MANAGEMENT AND SHAREHOLDERS.

- The Board of Directors and the Board of Management have maintained regular contact with the Board of Supervisors; During the working process, the Board of Supervisors has been provided with complete records, documents and information related to the working program.

- The Company has fully and promptly disclosed information on issues arising during its operations in accordance with the provisions of the Law.

- In 2024, the Board of Supervisors did not receive any letters from shareholders requesting consideration of issues that shareholders are interested in and need clarification.

IV. COMMENTS.

In 2024, with the general difficulties of the economy, especially the real estate industry, while the Company is also a construction materials manufacturer, it is not outside the influence of those difficulties. However, with the efforts and determination of the Board of Directors, the Board of Management, and all employees of the Company, the amendment plan targets in 2024 have been completed, and are reflected in the Business Results Report of the Board of Management. This result is the motivation for the Company to strive for 2025 and the following stages to achieve high results.

V. WORK PLAN OF THE BOARD OF SUPERVISION IN 2025.

- In 2025, the Board of Supervisors will conduct periodic centralized control 02 times to appraise the semi-annual financial statements and the full-year financial statements of 2025; Implementation of the Resolution of the General Meeting of Shareholders; Corporate governance...;

- In addition, when issues that need to be controlled arise that shareholders are interested in..., the Board of Supervisors will organize irregular work according to the time appropriate to the arising content that needs to be controlled.

The above is the entire content of the Board of Supervisors's Report on the Company's production and business activities in 2024 and the work program in 2025. The Board of Supervisors would like to thank the Board of Directors, the Board of Management, and the Company's departments and divisions for creating favorable conditions for the Board of Supervisors to perform its functions and tasks.


Sincerely thank you!

Recipient:

- As above
- Board of Directors
- Board of Supervisors members
- Save office./.

BOARD OF SUPERVISORS

Head of the BOS



ĐẠO XUÂN QUỲNH