

Hanoi, May 8, 2025



No.: **BC-HĐQT**

## **(DRAFT) REPORT**

### **On production and business results and activities of the Board of Directors in 2024; production and business plan in 2025**

**To: 2025 Annual General Meeting of Shareholders of the Company**

The Board of Directors of the Company respectfully reports to the General Meeting of Shareholders on the production and business results and activities of the Board of Directors in 2024; the production and business plan in 2025 of Song Da 6 Joint Stock Company as follows:

#### **A. GENERAL OVERVIEW OF THE COMPANY:**

##### **I. General information**

1. Song Da 6 Joint Stock Company was converted from a State-owned Enterprise according to Decision No. 2269/QĐ - BXD dated December 9, 2005 of the Ministry of Construction;
2. Business Registration Certificate No. 4400135552, issued for the 19th time by the Hanoi Department of Planning and Investment on July 26, 2021.
3. Stock code: SD6, listed on Hanoi Stock Exchange.

##### **II. Charter capital and shareholder structure**

1. The Company's charter capital is VND 347,716,110,000 (Three hundred forty-seven billion, seven hundred sixteen million, one hundred ten thousand Vietnamese Dong).
2. Song Da Corporation - Joint Stock Company owns: VND 226,015,400,000, accounting for 65.0% of charter capital (Parent company);
3. Other shareholders own: VND 121,700,710,000, accounting for 35.0% of charter capital;

##### **III. Company's organization:**

1. General Meeting of Shareholders of the Company;
2. Board of Directors of the Company 05 members:
  - Mr Dang Quoc Bao : Chairman of the BOD from 05/5/2017,
  - Mr. Le Tien Thu : Member cum General Director from 13/7/2021,
  - Mr. Dao Xuan Tuan : Member until 29/6/2023,

- Mr. Nguyen Minh Tuan : Member from 29/6/2023,
- Mr. Nguyen Tuan Phat : Member from 13/7/2021,
- Mr. Pham Duc Trong : Member until 29/6/2023,
- Mr. Nguyen The Tai : Member from 29/6/2023.

3. Board of Supervisors 03 members:

- Mr. Nguyen Dinh Tu : Head of the Board,
- Mr. Nguyen Anh Dao : Member,
- Mr. Do Anh Thai : Member,

4. Board of Management:

- Mr. Le Tien Thu : General Director
- Mr. Vu Manh Cuong : Deputy General Director,
- Mr. Nguyen Minh Tuan : Deputy General Director,
- Mr. Pham Van Hung : Deputy General Director
- Mr. Pham Ngoc Khanh : Deputy General Director from 03/9/2024

5. The supporting apparatus includes: Internal Control - Risk Management and Legal Department; 06 functional Departments/Offices and the person in charge of corporate governance; 03 Branches (currently carrying out the dissolution process according to regulations); 03 Project Management Boards.

## **B. REPORT ON IMPLEMENTATION OF THE 2024 GENERAL MEETING OF SHAREHOLDERS' RESOLUTION:**

### **I. Main indicators achieved by 2024:**

No.	Main indicators	Unit	Plan	Actual	Rate%
I	TOTAL PRODUCTION AND BUSINESS VALUE	Billion VND	142.235	119.206	84
	Construction activities	Billion VND	142.235	119.206	84
II	FINANCIAL PLAN	Billion VND			
1	Revenue	Billion VND	324.917	147.141	45
2	State payments	Billion VND	6.973	8.739	125
3	Profit	Billion VND			
-	Profit before tax	Billion VND	5.000	2.910	58



-	Profit after tax	Billion VND	4.000	2.691	67
4	Profit				
	Marginal profit (Profit before tax/ Revenue)	%	1.5	2.0	133
	Profit after tax / charter capital	%	1.2	0.8	67
	ROE (Profit after tax/Equity)	%	2.2	1.5	68
5	Charter capital	Billion VND	347.716	347.716	100

## **II. Implementation of key tasks according to the Resolution of the 2024 General Meeting of Shareholders:**

### **1. Progress at construction sites:**

- Thac Ba 2 Hydropower Plant has basically completed the construction items according to the contract; is carrying out the final settlement work to liquidate the contract according to regulations.

- Maintain operations at Ha Se Kong A Hydropower Plant to ensure necessary conditions when the project investor resumes construction.

- Dak Mi 1 Hydropower Project is carrying out procedures to settle and liquidate the contract according to regulations.

### **2. Economic work:**

- Bidding projects: Song Ma 3, Pac Ma, Nam Cum 4, Nam Luc, Trung Xuan Hydropower Plant and Ha Se Kong A Hydropower Plant – the investor had financial difficulties, did not disburse / or disbursed not in accordance with the plan, leading to capital collection not meeting the plan. The Company coordinated with the legal consulting unit and carried out the necessary legal procedures for a number of projects to recover debts according to regulations.

- Projects with designated contractors: The general contractor had not resolved with the investor the economic and financial problems that had lasted for many years, so the capital collection work was delayed (especially at the Xekaman 1, Sanxay, Xekaman 3 projects, which had large problems, accounted for the main proportion of the Company's unfinished debt). The Huoi Quang, Dong Nai 5, Nam Chien hydropower projects... The general contractor had not completed internal settlement with the affiliated units, so the capital was not fully collected, causing many costs to arise and affecting the Company's production and business efficiency.

- Internal economic management: Strictly complied with the Company's internal management regulations and rules.

### **3. Finance - Accounting work:**

- Low construction output and revenue; capital collection and debt recovery did not meet the plan, leading to many financial difficulties for the Company, lack of capital for production and business and to fulfill other obligations as prescribed.

- Reporting and information disclosure work was carried out according to regulations.

#### 4. Project bidding and investment work:

- Haven't found a new source of work yet.

- The company could not carry out investment work.

#### 5. Corporate governance:

- Carried out internal settlement and related work to dissolve Song Da Branches 6.01, 6.03, 6.05 when ensuring the prescribed conditions.

- Reorganized and minimized indirect/service departments of the Company's units and departments to ensure streamlined, effective and efficient operations.

- Continued to improve internal management regulations and rules in accordance with current laws and the actual conditions of the Company.

- Reviewed, balanced, and liquidated old, damaged, and technically outdated assets and equipment to focus capital on production.

### **III. Reasons for not completing the 2024 plan:**

#### 1. Output did not meet the plan:

- The investor of the Lower Se Kong A hydropower project in Laos has had to continue to stop construction because he has not been able to arrange capital.

- The investor of Dak Mi 1 hydropower project lacked capital, the two sides could not agree on the problems and differences, so they stopped construction and completed the contract termination procedures from the beginning of 2024.

- The workload at the Thac Ba 2 Hydropower Project was minimal, and the investor supplied all the main materials, resulting in a decrease in output.

- The bidding work was ineffective; no new work sources were added to compensate for the shortfall in output.

#### 2. Revenue does not meet plan:

Due to low output; economic problems at projects that had not been resolved, it was impossible to accept, settle accounts, and issue invoices while the value of unfinished volume was still large, specifically projects with designated bidding such as: Xekaman 3, Xekaman 1 and Xekaman - San Xay hydropower plants in Laos; bidding projects such as: Nam Luc and Dak Mi 1 hydropower plants.

#### 3. Profit did not meet plan due to:

- Output and revenue failed to meet targets; a large amount of unfinished work and outstanding receivables remained; fixed costs were not reduced;



additional costs for finalization work arose unexpectedly without corresponding revenue to cover them.

- financial expenses such as bank loan interest (including overdue penalty interest), late payment interest on taxes and social insurance were significant, while revenue was low and could not offset the costs.

- Some large-capacity equipment (120m<sup>3</sup>/h cold concrete mixing plant, 250 tons/hour rock crushing station, MD900B-50 ton tower crane, excavators, hydraulic drilling machines...) and almost all key machinery and vehicles were idle, especially at the Ha Se Kong A and Dak Mi 1 hydropower projects that were halted, but still incurred depreciation and loan interest costs.

## **C. PRODUCTION AND BUSINESS PLAN IN 2025:**

### **I. Key economic indicators in 2025:**

No.	Indicators	Unit	Plan
I	TOTAL PRODUCTION AND BUSINESS VALUE	Billion VND	200.176
	Construction activities	Billion VND	189.597
	Other business and services	Billion VND	10.579
II	FINANCIAL PLAN	Billion VND	
1	Revenue	Billion VND	372.756
2	Profit	Billion VND	
	Profit before tax	Billion VND	11.183
	Profit after tax	Billion VND	8.946
3	State payments	Billion VND	11.622
4	Profit		
	Marginal profit (Profit before tax/ Revenue)	%	3.0
	Profit after tax / charter capital	%	2.6
	ROE (Profit after tax/Equity)	%	4.7
5	Charter capital	Billion VND	347.716

### **II. Some key tasks and solutions in 2025:**

1. Proactively and actively coordinate closely with the Parent Company to seek work sources from key projects such as pumped storage hydropower, Lao Cai - Hanoi - Hai Phong railway, further the North-South high-speed railway and nuclear power; hydropower projects invested in Laos. Gradually improve and supplement human resources, improve capacity and efficiency in bidding marketing; expand to the fields of civil and industrial construction... to ensure enough jobs according to the production and business plan for 2025 and the following years.

2. Prepare the best conditions to implement the Bac Ai pumped storage hydropower project as planned. Urge the investor of the Ha Se Kong A power project to pay debts; renegotiate the contract, prepare all resources to resume construction when conditions are met.

3. Resolutely accept, pay, settle, and recover maximum capital at bid packages/projects. Closely coordinate with the Corporation to completely resolve problems at the projects: XeKaMan 1 Hydropower Plant, XeKaMan - San Xay and XeKaMan 3; make internal settlements to completely collect capital at the projects of Huoi Quang, Dong Nai 5, Nam Chien... Implement debt collection for the projects: Song Ma 3 Hydropower Plant, Pac Ma, Nam Ban 1, Nam Cum 4, Trung Xuan, Cat Linh - Ha Dong Railway, Dai Kim Commercial and Resettlement Building - CT3 Building; complete settlement and debt collection at the projects of Nam Luc Hydropower Plant, Dak Mi 1 Hydropower Plant and Thac Ba 2 Hydropower Plant.

4. Implement internal economic management well, seriously assign and settle contracts, closely and effectively manage production and business, and minimize production costs, including general costs and financial costs.

5. Continue to restructure the enterprise according to the Restructuring Project of Song Da 6 Joint Stock Company in the period of 2023-2027; reorganize the organizational structure of the Company and its affiliated units to ensure streamlining and efficiency; at the same time, have solutions to recruit additional young labor force with good professional capacity and skills.

#### **D. 2024 BOARD OF DIRECTORS' ACTIVITIES REPORT:**

##### **I. Board of Directors meetings:**

The Board of Directors held regular and extraordinary meetings to decide on issues under the authority of the Board of Directors. The meeting content decided on the following issues:

1. First quarter meeting, February 22, 2024: The Board of Directors met to evaluate the implementation of the production and business plan for the fourth quarter of 2023 and the year 2023, assign the production and business plan for the



year 2024 and the first quarter of 2024. Decide on a number of issues presented by the General Director.

2. Second quarter meeting, April 26, 2024: The Board of Directors met to evaluate the implementation of the first quarter 2024 business plan, assign the second quarter 2024 business plan. Decide on a number of issues presented by the General Director regarding changes and selection of audit units.

3. Meeting on May 10, 2024: The Board of Directors met to review the implementation of the Construction Contracts for Dak Mi 1 Hydropower Plant and Lower Se Kong A Hydropower Plant - Laos.

4. Third quarter meeting, July 23, 2024: The Board of Directors met to evaluate the implementation of the second quarter and first 6 months of 2024 business plan, and assign the third quarter and last 6 months of 2024 business plan.

5. Meeting on August 8, 2024: The Board of Directors met to review the conclusion on the economic management situation at completed projects of Viet Lao Power Joint Stock Company.

6. Meeting on September 20, 2024: The capital representative and the Board of Directors held a review meeting as required in Official Dispatch No. 69/TCT-HĐQT, dated August 26, 2024 of the Board of Directors of Song Da Corporation - JSC.

7. Fourth quarter meeting, October 17, 2024: The Board of Directors meets to review and evaluate the results of production and business performance in the third quarter and the first 9 months of 2024; approve the production and business plan for the fourth quarter of 2024, estimate the results of the production and business plan for the period 2020-2025, and plan for the period 2025-2030.

8. The Board of Directors promptly issued documents directing the General Director to carry out related tasks arising in the Company's production and business process; participated in meetings to resolve problems with the Board of General Directors.

## **II. Documents issued by the Board of Directors:**

The Board of Directors has issued a total of 94 documents of various types, specifically:

- Minutes, Resolutions, Decisions of the Board of Directors: 42 documents;
- Reports and Proposals of the Board of Directors submitted to the General Meeting of Shareholders and competent authorities: 22 documents;
- Official dispatches and other documents: 30 documents.

## **III. Results of supervision of the General Director and management apparatus:**

1. The Board of Directors directed and supervised the General Director and the management apparatus in complying with the provisions of the Law; implementing the Company's regulations and rules related to business



management, performing production and business tasks, and using and managing the Company's assets.

2. The supervision of the Board of Directors was carried out regularly, continuously and promptly, including: supervision before implementation; supervision during implementation and supervision after implementation of the activities of the General Director.

3. The monitoring process found that the General Director and the management apparatus performed their functions and duties, and no violations of the Company's internal regulations and rules were detected.

#### **IV. Organization and personnel work of the Board of Directors:**

##### **1. Organization:**

- Successfully organized the Company's 2024 Annual General Meeting of Shareholders;

- Approved the reorganization of the Thac Ba 2 Hydropower Project Board of Management;

##### **2. Personnel work of the Board of Directors:**

- The Board of Directors decided to reappoint 01 Deputy General Director and Chief Accountant of the Company; appoint 01 additional Deputy General Director according to regulations.

- The Board of Directors approved the policy to dismiss and appoint the position of Director of the Thac Ba 2 Hydropower Project Board of Management; appoint the Head of the Company's Technology and Engineering Department; appoint the Head of the Company's Internal Control - Risk Management and Legal Department; appoint the Deputy Head of the Bidding Project Department .

The Board of Directors of the Company respectfully reports the basic contents on the implementation results of the Resolution of the 2024 Shareholders' Meeting, the activities of the Board of Directors in 2024 and the Company's production and business plan for 2025. We respectfully request that shareholders consider and approve it and look forward to receiving your attention, support and assistance so that the Board of Directors can fulfill its assigned tasks in the coming time.

Respectfully report!

##### ***Recipient:***

- General Meeting of Shareholders,
- Board Member,
- Board of Supervisors,
- General Director,
- Save: Administration Office.

**ON BEHALF OF THE  
BOARD OF DIRECTORS  
CHAIRMAN**

**Dang Quoc Bao**