

ANNUAL REPORT
YEAR 2024

To: - **The State Securities Commission**
- **Hanoi Stock Exchange (HNX)**

I. GENERAL INFORMATION

1. General information

- *Trading name:* SIMCO Song Da Joint stock company
- Business Registration Certificate No.: 0101401706 First registered for business on July 21, 2003
- *Charter capital:* 262.061.580.000 VNĐ
- *Owner's capital:* 262.061.580.000 VNĐ
- *Address:* SIMCO Song Da Building, Van Phuc New Sub-Urban Area, Ha Dong Ward, Hanoi, Vietnam
- *Telephone:* (024) 2223 2414
- Website: <http://www.simco.vn>
- *Securities code:* **SDA**
- *Establishment and development process :*

- **Establishment**

On October 31, 1997, established under Decision No. 19/TCT/TCLĐ of the Board of Directors of Song Da Corporation under the name *Song Da Overseas Labor Cooperation Center*.

On June 5, 2000, re-established on the basis of Song Da Overseas Labor Cooperation Center under Decision No. 129/TCT/HĐQT of the Board of Directors of Song Da Corporation under the name *Song Da International Manpower Supply and Trading Company*.

- **Transformation into a Joint Stock Company**

On May 9, 2003, pursuant to Decision No. 627/QĐ-BXD of the Minister of Construction, *Song Da International Manpower Supply and Trading Company* – a state-owned enterprise under Song Da Corporation – was transformed into a joint stock company under the name *Song Da International Manpower Supply and Trading Joint Stock Company*.

On July 21, 2003, the Hanoi Department of Planning and Investment issued the first *Business Registration Certificate* (Giấy chứng nhận đăng ký kinh doanh) No. 0103002544.

- **Listing and Becoming a Public Company**

On November 29, 2006, the Director of the Hanoi Securities Trading Center issued Decision No. 49/QĐ-TTGD approving the share registration for trading of *Song Da International Manpower Supply and Trading Joint Stock Company*.

On December 21, 2006, the Company's shares, under the stock code **SDA**, were officially traded on the Hanoi Securities Trading Center. On June 18, 2007, the Company officially changed its name to *Song Da Simco Joint Stock Company*.

On June 29, 2007, Song Da Simco Joint Stock Company officially submitted its public company registration dossier to the State Securities Commission of Vietnam.

- **Restructuring and Transformation of Development Orientation**

Since 2021, the Company has officially expanded its business scope to include investment and development activities in the technology sector, covering both the production and trading of household goods and investment in manufacturing within the technology value chain in cooperation with major corporations relocating operations to Vietnam. This is considered a highly promising area with significant growth potential, particularly if opportunities for collaboration with global technology partners can be effectively leveraged.

As of 2023, Simco Song Da Joint Stock Company officially terminated its labor export business operations. The reason for this transition stems from the Government's issuance of Decree No. 38/2020/NĐ-CP dated April 3, 2020, detailing the implementation of certain provisions of the Law on Vietnamese Workers Working Abroad under Contract. The Decree stipulates that enterprises providing services for sending Vietnamese workers abroad under contract must have ownership structures in which all members and shareholders are domestic investors, as defined by the Law on Investment. However, given that Simco Song Da had been previously listed on the stock exchange, foreign investors were among its shareholders. The Board of Management undertook various measures to engage with and encourage foreign shareholders to divest their holdings in the Company. Nevertheless, as of May 28, 2021, there remained 18 foreign investors collectively holding 14,774 shares, equivalent to 0.056% of the Company's total outstanding shares.

2. Business lines and locations of the business:

- Business lines:

- **Labor Export**

On March 8, 2022, the Ministry of Labor, Invalids and Social Affairs revoked Labor Export Service License No. 1040/LĐTBOXH-GP previously granted to Simco Song Da Joint Stock Company. The Board of Directors and the Executive Board assessed that the revocation of the license for labor export services would not have a significant impact on the Company's business operations in the forthcoming period. Nevertheless, the Company

continues to manage the number of workers currently employed overseas who had been deployed prior to the revocation.

- **Real Estate and Infrastructure Business**

The Western Bypass Road Project, including the development of technical urban infrastructure on both sides of the Western Bypass in Ha Tinh Town, was jointly invested in by Song Da International Manpower Supply and Trading Joint Stock Company (now Simco Song Da Joint Stock Company, hereinafter referred to as “Simco Song Da”) and the People’s Committee of Ha Tinh Town (now the People’s Committee of Ha Tinh City), authorized by the People’s Committee of Ha Tinh Province. The investment agreement was signed on June 21, 2006. Pursuant to Investment Contract No. 05/HĐĐT signed between the two parties, the total investment capital for Phase I of the project amounted to VND 157.3 billion.

- **Mining and Mineral Processing**

The Company has invested in several potential stone mines. One of the projects implemented since the early 2000s is the Marble Mining and Processing Project at the Nayputaung mine, Taunggok Township, Rakhine State, Myanmar, with a total investment capital of USD 18.147 million, equivalent to VND 381 billion.

- **Technology Business and Product Development**

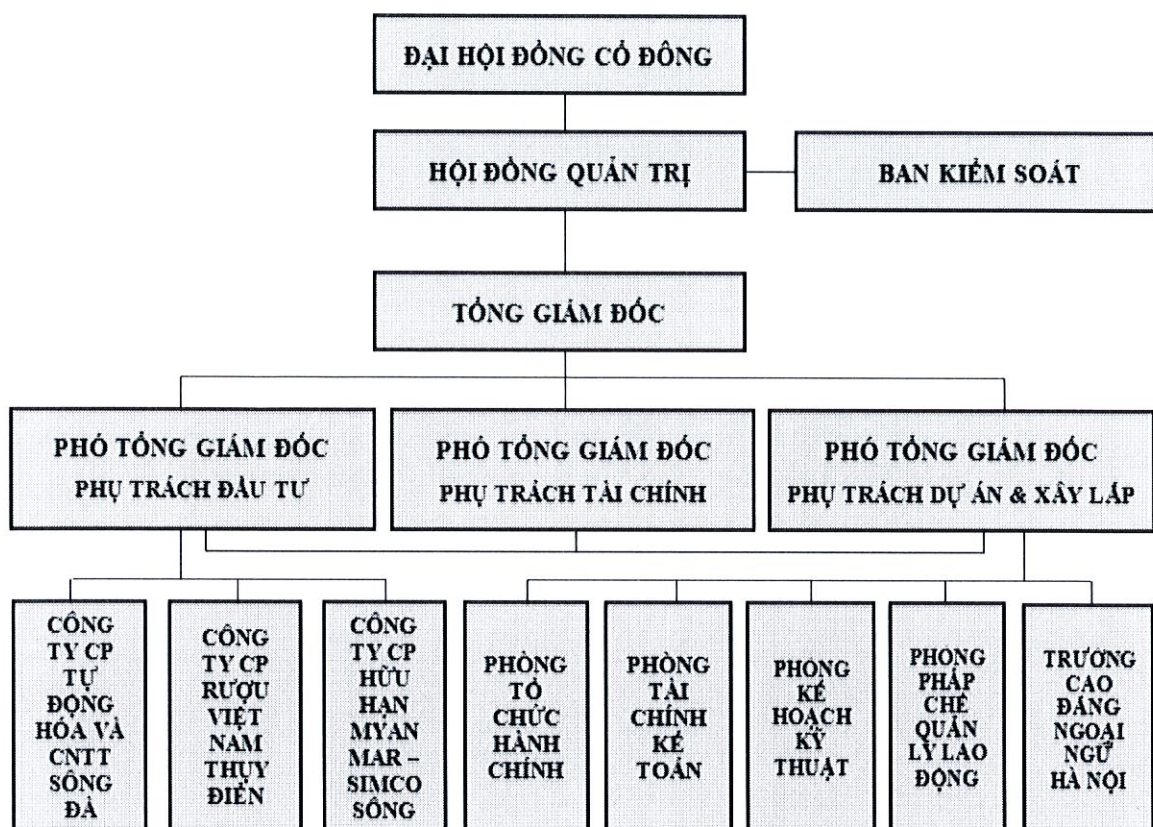
Since 2021, the Company has officially expanded its business lines to include investment and development in the technology sector, covering the production and trading of household goods as well as investment in manufacturing within the technology value chain, in collaboration with major corporations relocating operations to Vietnam.

2.1 – Business Locations

For its real estate business, the Company operates in Hanoi and Ha Tinh. Mining and mineral processing activities are carried out in the Republic of the Union of Myanmar. Labor export operations are conducted nationwide, training activities are implemented in Hanoi.

3. Information about governance model, business organization and managerial apparatus

- Mô hình quản trị :



- Management structure

Organizational Structure of the Company:

- Board of Directors: 05 members
- Supervisory Board: 03 members
- Executive Management: General Director and Deputy General Directors
- Departments: Administration and Human Resources Department, Finance and Accounting Department, Legal and Labor Management Department, Planning and Technical Department
- 01 Directly Affiliated Unit:

Hanoi College of Foreign Languages.

The College is mandated to provide training and grant diplomas at the intermediate and college levels for technical workers in construction-related trades and other professions based on market demand. It also offers foreign language training, essential knowledge education, and skills enhancement programs for workers preparing to work overseas on fixed-term contracts.

Address: Km 6, Road 70, Binh Minh Commune, Thanh Oai District, Hanoi.

In November 2023, Simco Song Da Joint Stock Company divested its entire investment in Simco Song Da Vocational College (now renamed Hanoi College of Foreign Languages). The College is currently in the process of separating to become an independent economic entity.

- Subsidiaries, associated companies:

➤ **Affiliated Company:**

- Song Da Automation and Information Technology Joint Stock Company

Head Office: 6th Floor, Simco Song Da Building, Van Phuc New Urban Area, Ha Dong District, Hanoi

Charter Capital (paid-in): VND 9,768,000,000

Capital Contribution by Simco Song Da JSC: VND 2,900,000,000 (equivalent to a shareholding value of VND 3,500,000,000)

Principal Business Activities: Trading of machinery, equipment, electronic and informatics components, computers, as well as telecommunication and communication devices.

- Vietnam – Sweden Liquor Joint Stock Company

Head Office: Phu Nghia Industrial Zone, Chuong My District, Hanoi

Charter Capital (paid-in): VND 56,005,000,000

Capital Contribution by Simco Song Da JSC: VND 23,970,000,000 (including VND 5,750,000,000 entrusted capital contributed by the Company's employees)

Principal Business Activities: Distillation, refinement, and blending of spirits; bottling of liquor products.

- Simco Song Da Myanmar Limited Joint Stock Company

Head Office: Kamayut Township, Yangon Region, Myanmar

Capital Contribution by Simco Song Da JSC: VND 53,822,905,914

Principal Business Activities: Exploration, mining, production, processing, and marketing of minerals with approval from the Government; cultivation, production, harvesting, preservation, packaging, milling, and manufacturing of agricultural products and produce; logging and pruning (subject to approval by competent authorities), milling, processing, preservation, and drying of timber (excluding teak) and forest products; manufacturing of construction materials and paints.

4. Development orientations

After a long period of development primarily based on labor export activities, Simco is currently undergoing a restructuring phase to transition into industries with strong development potential, aligned with the global trends of green growth and high technology.

- Firstly, the Company is restructuring its underperforming investments, with a focus on maximizing the efficiency of its existing facilities. Ineffective and non-core investments will be divested in order to redirect capital into more promising sectors.
- With regard to subsidiaries and affiliated companies, the Company is restructuring its capital participation ratios, maintaining investments only in enterprises whose business activities align with the Company's core business areas.
- The Company continues to leverage its traditional strengths in urban and infrastructure construction, while combining these with the production and trading of building materials, with a focus on environmentally friendly "green" materials.

- The Company will continue investing in production within the technology value chain in collaboration with major corporations relocating operations to Vietnam, while partnering with leading technology enterprises that have proven successful both globally and in Vietnam.

Corporate Governance:

- + Implement the plan to research and restructure the Company in line with its development strategy, applying a lean and efficient governance model, and improving the Company's operational processes;
- + Carry out transformation initiatives to modernize the governance system, enhance management quality and capacity, and implement specific development and training programs tailored to actual requirements, equipping employees with the skills, competencies, and experience necessary to fulfill tasks and address challenges in business development;
- + Build a customer-oriented corporate culture. Develop and improve policies to foster a highly qualified and committed workforce, who are responsible to both customers and the Company's shareholders;
- + Establish and implement cost-saving measures, develop performance-based contracting mechanisms for each business area in order to improve operational efficiency and ensure the objective of maximizing profit.

5. Risks

In 2024, Vietnam's socio-economic landscape unfolded against the backdrop of a global economy facing major challenges, characterized by rapid, unpredictable fluctuations and high levels of uncertainty. Global inflation, although having cooled compared to the previous year, remained elevated, forcing many countries to continue implementing tight monetary policies. At the same time, strategic competition among major powers, escalating geopolitical tensions, and potential military conflicts in the Middle East have heightened risks for global financial and monetary markets, as well as energy and food security.

Within this context, although Vietnam's economy recorded positive growth, it was still significantly affected by external factors. The domestic market encountered difficulties due to rising input costs. The Government introduced various policies to support businesses, stimulate consumption, and stabilize the macro-economy; however, international market pressures continued to pose substantial challenges.

Simco has also been impacted by these overarching economic conditions. Volatility in financial markets, exchange rates, raw material costs, and consumer demand have all had direct effects on the Company's business operations. During this period, flexible adaptation, operational optimization, and the ability to identify opportunities amid challenges will be the key factors enabling Simco to sustain and grow in a highly volatile environment.

- Legal Risks:

All business activities are subject to legal regulations, and SIMCO is no exception. As a company listed on the Hanoi Stock Exchange, SIMCO is governed by the Enterprise Law, the Securities Law, the Investment Law, and other related legislations. These laws are frequently amended to align with the process of integration and development. The

Company's management continuously monitors and updates these changes in order to promptly adjust internal regulations and corporate charters, thereby ensuring compliance with the law and contributing to the improvement of business performance.

- Monetary Policy Risks

Inflation continues to be one of the most significant macroeconomic challenges and is likely to persist in the coming years. Although it has cooled from peak levels, global inflation remains high, forcing many central banks worldwide to maintain tight monetary policies in order to control prices and stabilize financial markets.

In Vietnam, the State Bank continues to employ monetary policy tools to manage inflation and maintain macroeconomic stability. However, this has simultaneously created considerable volatility in exchange rates and bank interest rates, exerting pressure on corporate capital costs. Access to credit has also become more difficult, affecting expansion plans, business operations, and investment activities of many enterprises.

Against this backdrop, SIMCO's management closely monitors developments in both international and domestic monetary markets to promptly adjust financial policies, optimize capital costs, mitigate risks, and ensure operational efficiency. At the same time, the Company actively diversifies funding sources, optimizes cash flow, and applies flexible financial management solutions to cope with unpredictable market fluctuations.

- Force Majeure Risks

In addition to the aforementioned risks, the Company is also subject to certain force majeure risks such as natural disasters, fires, and other unforeseen events. To mitigate these risks, the Company has taken proactive measures, including purchasing insurance policies covering both assets and personnel, in order to minimize potential losses to the greatest extent possible.

II. Operations in the Year

1. Situation of production and business operations

The year 2024 was marked by significant negative fluctuations, with overall economic demand remaining very weak. The products and sectors in which the Company engages in business and investment were generally unfavorable, resulting in the Company's operations failing to meet the planned targets.

The table below shows that the Company achieved only 34.44% of its revenue target. Net profit after tax in 2024 recorded a loss of VND 100.142 billion, primarily due to the provisioning for financial investments in certain investee companies of SIMCO Song Da Joint Stock Company, as well as the provisioning for receivables without collateral.

Unit: Billion VND

No	Indicators	Plan	Year 2024	% Achieved
1	Net Revenue	120	41,330	34,44
2	Profit after Tax	7,2	-100.142	

With Respect to Expenses:

In 2024, cost of goods sold decreased due to the decline in revenue compared to the same period of the previous year. Financial expenses and general and administrative expenses increased as the auditor required additional provisioning for equity investments in certain companies in which SIMCO Song Da Joint Stock Company has capital contributions, as well as provisioning for receivables without collateral.

Unit: Billion VND

No	Indicators	Year 2024	Year 2023	% 2024/2023
1	Cost of Goods Sold	40,795	43,914	92,90
2	Financial Expenses	31,632	44,066	71,78
3	General and Administrative Expenses	73,830	5,641	13,09
4	Other Expenses	0,73	0,11	65,77

2. Organization and Human resource

List of the Board of Management

No	<i>List of the Board of Management</i>	Title	Date of Appointment/Dismissal of Executive Members	Reason for the Change
1	Vũ Viết Tài	General Director	Appointed on July 20, 2023	Appointment pursuant to Resolution No. 14/SIMCO-HĐQT
2	Nguyễn Thị Hồng Ngọc	Deputy General Director	Appointed on December 1, 2021	
3	Đoàn Thị Mai	Deputy General Director	Appointed on October 10, 2023	Appointment pursuant to Resolution No. 27/SIMCO-HĐQT
4	Nguyễn Văn Phúc	Deputy General Director	Appointed on November 24, 2023	Appointed pursuant to Resolution No. 41/SIMCO-HĐQT

1. Mr. Vu Viet Tai

Date of Birth: October 9, 1985

Professional Qualification: Bachelor's Degree in Business Administration

Current Position: General Director

Shareholding Ratio: 0 shares, accounting for 0% of charter capital

2. Ms. Nguyen Thi Hong Ngoc

Date of Birth: April 17, 1980

Professional Qualification: Master's Degree in Banking and Finance

Current Position: Deputy General Director, Vice Chairwoman of the Board of Directors

Shareholding Ratio: 4,004,766 shares, accounting for 15.28% of charter capital

3. Ms. Doan Thi Mai

Date of Birth: December 28, 1975

Professional Qualification: Bachelor's Degree in Business Administration

Current Position: Deputy General Director

Shareholding Ratio: 0 shares, accounting for 0% of charter capital

4. Mr. Nguyen Van Phuc

Date of Birth: November 2, 1992

Professional Qualification: Master's Degree in Economics

Current Position: Deputy General Director

Shareholding Ratio: 0 shares, accounting for 0% of charter capital

As of December 31, 2024, the total number of employees of the Company was 21, of which:

Criteria	Number	Percentage
By Education Level		
University and above	14	66,7%
College	1	4.8%
Intermediate	1	4.8%
Skilled Workers	2	9,5%
Unskilled Labor	3	14.2%
By Gender		
Male	8	38.1 %
Female	13	61.9%
Total	21	100%

- Average monthly income of employees in 2024: VND 11.7 million per person per month.

- The Company's management always places great emphasis on taking care of employees' well-being and has proposed practical measures to implement policies related to employees' rights and obligations, in accordance with labor laws, salary regulations, and social, health, and unemployment insurance policies. The Company ensures that salaries are fully paid and on time, and regularly shows concern for employees by organizing periodic health check-ups, providing support and encouragement to those facing difficulties, illness, maternity, or family events. Additionally, the Company proactively organizes trips, outings, and commemorative activities, including giving gifts to female employees on International Women's Day and the anniversary of the Vietnam Women's Union, among other events.

- The Management Board regularly focuses on improving working conditions for employees. Equipment, machinery, office furniture, and lighting systems are frequently upgraded, supplemented, repaired, and maintained to create a professional working environment, thereby contributing to enhancing work quality and efficiency.

- Training Policy: The Company sends employees to professional training courses in their respective fields with the objective of building and developing a highly professional workforce.

- Reward Policy:

Bonuses for employees who complete assigned tasks excellently.

Bonuses for employees on holidays and Tet

- Other Benefits: The Management Board regularly coordinates with the Trade Union to implement additional welfare policies, such as hardship allowances, benefits for female employees, and awarding cash prizes to children of employees who achieve outstanding academic results.

3. Investment activities, project implementation

Domestic Project Investments:

- Western Ring Road Project; Urban Technical Infrastructure on both sides of the Western Ring Road, Ha Tinh: VND 0 billion executed.

- SIMCO TOWER Building Project, Cau Buou, Thanh Tri, Hanoi: VND 0 billion executed. The Company is closely monitoring the detailed zoning plan of Hanoi City to develop an appropriate implementation plan, with the objective of ensuring investment efficiency.

Foreign Project Investments:

- Marble Mining Investment Project in Myanmar: The total investment of the project is USD 18.147 million, equivalent to VND 381 billion. As of December 31, 2024, the actual capital contribution to Myanmar – SIMCO Ltd. by investors was VND 117.35 billion. Among them, SIMCO Song Da Joint Stock Company contributed VND 53.8 billion, accounting for 45.86% of the total capital.

4. Financial situation

a) Financial situation

Indicator	Year 2023	Year 2024	% Change
Total Assets	258.026.347.038	156.120.770.195	(39,5)
Net Revenue	44.676.610.780	41.330.743.041	(7,5)
<i>Profit from business activities</i>	(29.323.775.461)	(104.691.857.812)	
Other Profit	65.772.334	4.549.235.050	
Profit Before Tax	(29.258.003.127)	(100.142.622.762)	
Profit After Tax	(29.258.003.127)	(100.142.622.762)	
Payout ratio			

b) Major financial indicators:

Indicator	Year 2023	Year 2024	Note
<i>1. Solvency ratio</i>			
+ <i>Current ratio:</i>			
<i>Short term Asset/Short term debt</i>	1,76	0,613	
+ <i>Quick ratio:</i>			
<i>Short term Asset - Inventories</i>	1,76	2,41	
<i>Short term Debt</i>			
<i>2. capital structure Ratio</i>			
+ <i>Debt/Total assets ratio</i>	0,28	0,45	
+ <i>Debt/Owner's Equity ratio</i>	0,38	0,81	
<i>3. Operation capability Ratio</i>			
+ <i>Inventory turnover:</i>			
<i>Cost of goods sold/Average inventory</i>	25,28	87,18	
+ <i>Total asset turnover:</i>			
<i>Net revenue/Average Total Assets</i>	0,19	0,2	
<i>4. Profitability</i>			
+ <i>profit after tax/Net revenue Ratio</i>	0,65	-2,42	
+ <i>profit after tax/total capital Ratio</i>	0,15	-1,16	
+ <i>profit after tax/Total assets Ratio</i>	0,113	-0,64	
+ <i>Profit from business activities/Net revenue Ratio</i>	0,656	-2,53	

5. Shareholders structure, change in the owner's equity

a) Shares: The Company has 26,206,158 outstanding common shares, all of which are freely transferable.

b) Shareholders structure:

Shareholders structure:	Number of shareholders	Number of shares	Value (VND)	Percentage (%)
<i>Domestic shareholders</i>	2.913	262.049.976	262.049.976.000	99,996%
Institutional	15	10,663	10.663.000	0,004%
Individual	2.898	262,039,313	262.039.313.000	99,992%

Foreign shareholders	14	11.604	11.604.000	0,004%
Institutional	0	0	0	0
Individual	14	11.604	11.604.000	0,004%
Total	2.927	26.206.158	262.061.580.000	100%

c) Changes in the owner's equity capital: None

d) Treasury share transactions: None

e) Other securities: None

6. Environment-Social-Governance (ESG) Report of the Company

6.1. Impact on the environment: None

6.2. Management of raw materials:

a) The total amount of raw materials used for the manufacture and packaging of the products as well as services of the organization during the year: None.

b) The percentage of materials recycled to produce products and services of the organization: None.

6.3. Energy consumption:

a) Energy consumption - directly and indirectly: 330.330Kwh

b) Energy savings through initiatives of efficiently using energy: None

c) The report on energy saving initiatives (providing products and services to save energy or use renewable energy); report on the results of these initiatives: None

6.4. Water consumption:

a) Water supply and amount of water used.

- Clean water supplied by Hanoi City: 1,273 m³/year.

- Groundwater (well water): 0 m³/year.

b) Percentage and total volume of water recycled and reused: 0 m³.

6.5. Compliance with the law on environmental protection:

a) Number of times the company is fined for failing to comply with laws and regulations on environment: None.

b) The total amount to be fined for failing to comply with laws and regulations on the environment: 0 VND.

6.6. Policies related to employees

a) Number of employees and average salary of employees

- Average number of employees in the year: 21 persons

- Average monthly income per employee: VND 11.7 million/person/month

b) Labor policies to ensure employees' health, safety, and welfare:

Employees working at the Company are entitled to all benefits and rights in accordance with the law to ensure their health, safety, and welfare. In addition, the Company provides

various employee welfare policies such as birthday celebrations, gifts for employees on special occasions (International Women's Day – March 8, Vietnamese Women's Day – October 20, New Year, Lunar New Year, health insurance, wedding and maternity benefits, etc.), annual leave, awards for outstanding employees, and employee incentive programs/policies.

Regularly maintain occupational safety practices and fire prevention measures.

c) Employee training activities

- Average training hours per year, per employee, and by employee category:

Occupational safety and fire prevention training: 48 hours/year.

- Skill development and continuous learning programs to support employees in securing employment and career development: None.

6.7. *Report on responsibility to the local community:*

The Board of Management and all employees actively participate in social activities to contribute to building and developing the community.

Participation with local authorities in supporting livelihoods and presenting gifts to disadvantaged and low-income households in the locality.

6.8. *Report on green capital market activities in accordance with the guidance of the SSC:* None.

III. Reports and assessments of the Board of Management (the Board of Management reports and assesses the Company's situation through every facet)

1. Assessment of operating results

a) Regarding the labor export sector:

On March 8, 2022, the Ministry of Labor, War Invalids and Social Affairs issued a decision to revoke the Overseas Labor Service License No. 1040/LĐTBOXH-GP of SIMCO Sông Đà Joint Stock Company. The Board of Directors and the Executive Board believe that the revocation of this license will not have a significant impact on the Company's business operations in the coming period.

The Company is still managing interns and continues to generate revenue from management fees paid by partners.

b) Regarding the housing and infrastructure business sector:

The investment project for the construction of the Western Ring Road and the technical urban infrastructure along both sides of the Western Ring Road in Ha Tinh Town (now Ha Tinh City) was approved for final settlement by the People's Committee of Ha Tinh Province in October 2015. However, the project's revenue plan has not been achieved mainly due to the following reasons:

- The collection of profit-sharing with Ha Tinh Province has faced many difficulties because the project spanned many years during which provincial and city leadership underwent changes. In addition, on December 10, 2015, the People's Committee of Ha Tinh Province issued an opinion on changing the financial mechanism under Decision No.

702 QĐ/UB/XD dated April 15, 2005. The Company has repeatedly submitted petitions to the Central Party Office, the Government Office, the National Assembly's Committee on People's Petitions, the National Assembly's Economic Committee, and other authorities. At the same time, the Company engaged a law office and other competent entities to provide support and legal advice, and has formally requested the People's Committee of Ha Tinh Province and the People's Committee of Ha Tinh City to definitively resolve the obligations of all parties under the contract.

- In 2024, representatives of the Company and its legal counsel held several working sessions with the People's Committee of Ha Tinh Province and other relevant agencies. Through these meetings, the parties have generally identified a common approach to addressing the outstanding issues.

c) Regarding the field of technology product research and development:

In 2023, the Company terminated its strategic cooperation with Smarttech Vietnam Investment Technology Joint Stock Company as Smarttech's projects were not feasible and required longer research and development time than initially expected. The Company has invested in HXS Vina Technology Joint Stock Company, which manufactures ink, cleaning agents, and lubricants for the high-tech industry, with major partners such as Samsung, Goertek, and Foxconn. HXS Vina has completed its factory investment and is currently conducting product testing and completing procedures to become a supplier to these global technology corporations. The Company plans to continue increasing its investment proportion in HXS Vina once the company operates effectively.

d) Regarding investment activities

Domestic investment projects:

- Western Bypass Road Project; construction of urban technical infrastructure on both sides of the Western Bypass Road, Hà Tĩnh: implemented VND 0 billion.

- SIMCO TOWER Project, Cầu Bươu, Thanh Trì, Hà Nội: implemented VND 0 billion. The Company is closely following the detailed zoning plan of Hanoi City to develop an appropriate implementation plan, with the objective of ensuring investment efficiency.

- The Company continues to review and evaluate the effectiveness of projects to optimize its investment portfolio and ensure sustainable profitability. However, through monitoring and assessment, it was found that Vietnam Real Estate Investment Joint Stock Company and Cat Tuong Thien Tan Lac Joint Stock Company were operating inefficiently, with slow project implementation progress and failing to meet the Company's expectations. Given this situation, the Company decided to withdraw all capital from Vietnam Real Estate Investment Joint Stock Company and Cat Tuong Thien Tan Lac Joint Stock Company, and redirected its investment to An Vien Lac Son Joint Stock Company with a capital contribution ratio of 46.25% of An Vien Lac Son's charter capital.

Overseas Investment Projects:

The Marble Quarry Mining Project in Myanmar has a total investment capital of USD 18.147 million, equivalent to VND 381 billion. In 2024, no additional investment was made. As of 31 December 2024, excluding pre-investment expenses, the Company has invested VND 53.8 billion in Myanmar.

The Marble Quarry Mining and Processing Project at Nayputang quarry, Taunggok township, Rakhine State, Myanmar has completed the construction of supporting infrastructure, including: site leveling of auxiliary areas, employee housing, office building, warehouse, water tank for quarrying and domestic use, production and domestic water supply system, production and domestic power supply system, and access road to the quarry. Site clearance and leveling works have also been completed, forming two initial mining pits.

The Company has completed the investment in synchronized machinery, auxiliary equipment, and one block stone quarrying line. Additional investments are being made in another block stone quarrying line and stone slab processing machinery and equipment for both the quarry processing workshop and the stone processing plant in Yangon.

Currently, the investment partners have reached a consensus to authorize Viet Trang Company (a participating investment partner) to undertake quarrying, stone processing, and other business activities under the business license of Myanmar SIMCO Song Da Co., Ltd. Viet Trang is responsible for managing the company, fulfilling debt repayment obligations to BIDV and other liabilities, with completion within eight years. During the implementation process, divestment will be considered when conditions permit.

After two years of operation, the project revealed numerous shortcomings and impracticalities, including:

- + Viet Trang implemented a new mining method with each mining bench at a height of over 5 meters (instead of 3 meters) to cut each rough block of several dozen cubic meters. Chinese and Vietnamese technicians were engaged to select colors and remove cracks before cutting into blocks. According to the mine's report from November 1, 2017 to April 4, 2018 (six months), the volume of overburden removed and transported was 3,840 m³, yielding only 280 m³ of finished block stone. Thus, the actual recovery rate was 7.29%, compared with the theoretical 18–20% at the time of project design, noting that no core drilling was conducted before the investment decision.

- + Difficulties and deadlocks in extraction and sales: the recovery rate was very low, and due to the lack of grid electricity, reliance on generators led to high extraction costs. The poor quality of stone and expensive transportation costs, given the 400 km distance from the quarry to Yangon Port, further exacerbated challenges.

- + Despite significant efforts to seek customers, send stone samples to trade fairs, and approach clients in Taiwan and Europe, the extracted stone from the project could not be sold.

+ The main investor, SIMCO Song Da, together with two secondary investors, were not specialized stone mining enterprises. Consequently, much of the machinery and equipment was not synchronized, with up to one-third of vehicles and specialized machines either unusable or unsuitable.

+ These factors collectively led to prolonged losses for Mysico Company.

Other Activities:

Improve the material and spiritual well-being of employees, ensure stable income, and regularly organize collective activities, celebrations of public holidays, and quarterly birthday events for staff.

Provide timely rewards and encouragement to individuals and teams with outstanding achievements in business operations.

Maintain effective organization of company-provided meals for employees.

2. Financial Situation

a) Assets

No.	Indicators	Year 2024	Year 2023	Change
1	<i>Short term Asset</i>	32.206.533.110	89.633.982.934	(57.427.449.824)
2	Non-current Assets	123.914.237.085	168.392.364.104	(44.478.127.019)
	Toltal	156.120.770.195	258.026.347.038	(101.905.576.843)

In 2024, total assets decreased by VND 101.9 billion compared to 2023, primarily due to a year-on-year decline of VND 57.427 billion in current assets.

b) Debt Payable

No	Indicators	Year 2024	Year 2023	Change
1	<i>Short term debt</i>	52.561.958.725	50.977.885.209	1,584,073,516
2	Long-term debt	17.178.905.627	20.525.933.224	(3,347,027,597)
	Toltal	69.740.864.352	71.503.818.433	(1,762,954,081)

The Company's total liabilities in 2024 amounted to VND 96.7 billion, a decrease of VND 1.7 billion compared to 2023.

3. Improvements in organizational structure, policies, and management..

- The Company's Board of Management has implemented measures to streamline the organizational structure. A review and evaluation of the management team were conducted, with continued improvements to the organizational system from management to operational units, ensuring a lean structure aligned with the Company's business operations. Personnel have been assigned in accordance with their training background, professional expertise, and strengths.

- The Company has developed, amended, revised, and finalized the issuance of corporate governance documents.
- Strengthened management practices have been applied to reduce costs and ensure efficiency in business operations.
- Regular specialized and professional training programs have been organized to enhance expertise and managerial skills.

4. Development plans in future

The Company's strategic objective in the upcoming period is to restructure the enterprise toward sustainable development, laying the foundation for business growth in subsequent years, while ensuring that profit targets remain at an average level compared to national economic sectors. Specific objectives for each business segment are as follows:

- Real estate business: Leverage advantages in relationships with foreign partners; explore investment cooperation models for large-scale projects by utilizing partners' financial capacity. Consider investing in tourism projects combined with green real estate located in prime areas, in line with the Company's green development orientation.
- Mineral exploitation and processing: Focus on resolving the consequences of prior investments in Myanmar. In case operations cannot be continued, necessary procedures will be undertaken to close the project.
- Other activities: Maintain operations and ensure efficiency in related business sectors. For training activities, develop plans to expand

5. Explanation of the Executive Board regarding the auditor's qualified opinion:

As at December 31, 2024, the Company's investment in Cat Tuong Thien Tan Lac Joint Stock Company amounted to VND 37,050,000,000. Due to project delays and prolonged implementation, the Company made a full (100%) provision for the impairment of this long-term financial investment. In 2025, the Company divested from this investment to restructure its investment portfolio in order to enhance overall economic efficiency.

As at December 31, 2024, the balance of "Other short-term receivables" amounted to VND 58,163,618,000. Since these receivables are not secured by any payment guarantees, the Company, in compliance with the prudence principle, has made a full (100%) provision for doubtful short-term receivables. As of the reporting date, the Company continues to actively pursue the collection of these outstanding debts.

The receivable from Mr. Nguyen Quang Hoan as at December 31, 2024 amounted to VND 3,200,000,000. As this receivable is also unsecured, the Company has made a full (100%) provision for doubtful short-term receivables in accordance with the prudence principle. The Company remains actively engaged in efforts to recover this outstanding amount.

In 2024, the Company recognized revenue and cost of goods sold for certain transactions where full payment had not yet been collected. The outstanding receivables related to these sales as at December 31, 2024 amounted to VND 11,891,456,085. Up to the present time, the Company has recovered VND 2,506,253,320 of these old receivables and continues to actively urge customers to settle the remaining overdue balances promptly.

6. Assessment Report on the Company's Environmental and Social Responsibilities

a) Assessment Related to Environmental Indicators

The Company's activities of sending Vietnamese workers to work abroad under contracts are service-oriented and primarily involve human resources; therefore, their environmental impact is considered negligible.

For real estate and infrastructure business projects, the Company has conducted environmental impact assessments in accordance with applicable regulations and strictly complies with environmental protection requirements throughout the entire investment process.

The Company's mineral exploitation and processing activities in the Republic of the Union of Myanmar currently utilize surface water from streams and use gasoline and diesel as energy sources for machinery operations. Surface water is collected and reused. As the operation involves block stone mining, the waste rock and soil are restored, and trees are planted to improve greenery coverage in the area.

b) Assessment Related to Labor Issues: The Company continuously strives to enhance the material and spiritual well-being of its employees, ensuring stable income and a positive working environment. Regular collective activities are organized, including celebrations of national holidays and employee birthdays. Individuals and teams with outstanding performance in production and business activities are promptly rewarded and recognized. The Company also consistently maintains strong occupational safety and fire prevention practices to ensure a safe workplace for all employees.

c) Assessment Related to Corporate Social Responsibility toward Local Communities: The Company actively supports and contributes to community funds and local social welfare programs at the request of government agencies and local authorities where its offices and business operations are located.

IV. The Board of Directors' Assessment of the Company's Performance

In 2024, the global economy faced numerous major challenges, including prolonged inflation, high interest rates, sluggish growth, and geopolitical instability. Global growth slowed down significantly, particularly in the United States, the European Union, and China. Tight monetary policies led to a decline in overall demand, stagnation in investment and trade, and a downturn in the consumption of products in the sectors in which Simco operates. Despite the efforts of the Company's Management Board, business performance

in 2024 was not favorable. The Company recorded total revenue of VND 41.33 billion, achieving only 34.44% of the annual target. Profit before tax was negative VND 100.142 billion, and profit after tax was also negative VND 100.142 billion. Detailed figures are presented in the General Director's Report.

Several key performance indicators fell short of the planned targets, particularly those relating to revenue, profit, and investment. This was mainly due to the Ha Tinh Project's delayed investment cost finalization and profit-sharing with the Ha Tinh Province as initially planned. In addition, the challenging macroeconomic environment and limited access to financial resources further affected the Company's business activities—especially those directly related to real estate operations and both domestic and overseas investments.

Assessment of Board of Directors on Board of Management's performance

In 2024, the Board of Directors oversaw the management and operations of the General Director to ensure full compliance with the Company's Charter, the Resolutions of the Annual General Meeting of Shareholders, and the Resolutions of the Board of Directors.

The Board of Directors participated in the Company's regular executive meetings to review business performance and directly guided the General Director and other management officers in monthly and quarterly operations. The Board provided timely and effective solutions to address operational challenges, supervised cost management, and ensured the proper allocation and balance of financial resources.

Based on the Resolutions approved by the General Meeting of Shareholders in 2024, the Board of Directors assessed that the General Director and the management team had fundamentally fulfilled the Resolutions of both the General Meeting of Shareholders and the Board of Directors. The Management Board and the executive apparatus made strong efforts to overcome difficulties and to accomplish the assigned business and operational targets, specifically:

- Fully complied with the provisions of law, the Company's Charter, internal regulations, and the Resolutions of the Board of Directors.
- Ensured employment stability and income for all officers and employees.
- Maintained and sustained the Company's business operations during a period of significant economic challenges.

The Board of Directors' Plans and Strategic Orientation for the Company

- In 2025, the Board of Directors will focus on directing the implementation of solutions aimed at increasing labor productivity and improving employees' income. This will be achieved through the application of advanced technologies and the restructuring of the organizational model to enhance operational efficiency and overall performance.

- The Board will work closely with the Executive Management to implement management, control, and performance evaluation solutions, as well as to deploy timely and effective operational measures to ensure the achievement of planned objectives. In

case of adverse or volatile market conditions affecting business performance, the Company will proactively review and adjust its business plans accordingly.

- Continue to direct the study and development of investment plans for the Nursery Land Lot under the Van Phuc New Urban Sub-Area Project and the HH Land Lot under the Cau Buou New Urban Area Project.

- Focus on recovering profits from the Western Ring Road Project and the urban technical infrastructure development project along both sides of the Western Ring Road in Ha Tinh City.

- Continue to direct the review and reassessment of the effectiveness of all existing investment projects.

- Strengthen investments in the technology sector and actively seek cooperation opportunities with major partners that have proven success in high-tech manufacturing industries.

V. Corporate governance

1. Board of Directors

a) Members and structure of the Board of Directors

No.	Member of the Board of Directors	Members of the Board of Directors	Date of Appointment / Cessation as Member of the Board of Directors		Reason for Appointment/Resignation	Total Shares Currently Held
			Date of Appointment	Date of Dismissal		
1	Mrs. Nguyễn Thị Hồng Ngọc	Standing Vice Chairman of the Board of Directors	12/04/2016			4,000,476 shares, representing 15.28% of the charter capital
2	Mr Lê Quang Huy	Chairman of the Board of Directors	20/07/2023		Appointed pursuant to Resolution No. 14/SIMCO-HĐQT	0 shares, representing 0% of the charter capital
3	Mrs. Phạm Ngọc Trâm	Independent Member of the Board of Directors/ Non-executive Member of	13/07/2023		Appointed pursuant to Resolution No. 01/NQ-ĐHĐCĐ	0 cổ phần chiếm 0% vốn điều lệ 0 shares, representing 0% of the charter capital

		the Board of Directors				
4	Mr. Ngô Đức Anh	Non- executive Member of the Board of Directors	24/06/2022		Appointed pursuant to Resolution No. 01/NQ- ĐHĐCĐ	200.000 cổ phần chiếm 0,76% vốn điều lệ 200.000 shares, representing 0,76% of the charter capital
5	Mr. Nguyễn Ngọc Quyền	Member of the Board of Directors	26/06/2024		Appointed pursuant to Resolution No. 01/NQ- ĐHĐCĐ	0 shares, representing 0% of the charter capital

Members and Structure of the Board of Directors: The Board of Directors consists of 05 members, including 01 Chairman and 04 members, of which 01 serves on a full-time basis and 01 concurrently holds an executive position.

- Mr. Lê Quang Huy – Chairman of the Board of Directors
Date of birth: December 1, 1959
Professional qualification: Civil Engineer
- Ms. Nguyễn Thị Hồng Ngọc – Standing Vice Chairwoman of the Board of Directors
Date of birth: April 17, 1981
Professional qualification: Master of Business Administration
- Ms. Phạm Ngọc Trâm – Member of the Board of Directors
Date of birth: May 18, 1985
Professional qualification: Master's Degree
- Mr. Ngô Đức Anh – Member of the Board of Directors
Date of birth: May 19, 1997
Professional qualification: Master's Degree
- Mr. Nguyễn Ngọc Quyền – Member of the Board of Directors
Date of birth: July 2, 1965
Professional qualification: Master's Degree

b) The committees of the Board of Directors: No sub-committees have been established.

c) Activities of the Board of Directors:

In 2024, The Board of Directors (BOD) seriously implemented the contents approved by the 2023 Annual General Meeting of Shareholders as stipulated in its Resolution. At the same time, the BOD focused on strengthening the supervision of the Executive Board's operations through regular and extraordinary meetings to assess the Company's business performance and other operational activities. All meetings and activities of the BOD were organized and conducted in compliance with the Company's

Charter and current legal regulations. The resolutions were adopted with a high level of consensus among the members.

During the year, the BOD held eight (09) meetings and issued a total of nine (09) resolutions, decisions, and documents related to the Company's business operations, serving as the basis for the Executive Board to organize implementation in accordance with the State's current regulations and the Company's governance rules. Some notable resolutions include:

No	Resolution/Decision No	Date	Main Content	Approval Rate
1	03/SIMCO-HĐQT	01/04/2024	Resolution re: Extension of the deadline for holding the 2024 Annual General Meeting of Shareholders	100%
2	06/SIMCO-HĐQT	07/05/2024	Resolution re: Convening the 2024 Annual General Meeting of Shareholders	100%
3	01/NQ-ĐHĐCĐ	26/06/2024	Resolution of the 2024 Annual General Meeting of Shareholders	100%
4	15/SIMCO-HĐQT	01/07/2024	Resolution re: Election of the Chairman, Standing Vice Chairman of the Board of Directors, and Corporate Governance Officer for the 2024–2029 term	100%
5	17/SIMCO-HĐQT	29/08/2024	Resolution re: Approval for the Vocational College to sublease part of its facilities	100%
6	20 /SIMCO-HĐQT	30/08/2024	Resolution re: Loan, guarantee, and letter of credit (L/C) facilities at banks with a limit of VND 10 billion, including short-term loans, guarantees, and L/C issuance	100%
7	21/SIMCO-HĐQT	10/12/2024	Resolution re: Extension of the payment deadline for 2011 and 2013 dividends	100%
8	23/SIMCO-HĐQT	20/12/2024	Resolution re: Purchase of a new car	100%

9	25/SIMCO-HĐQT	27/12/2024	Resolution re: Divestment of all capital contribution in Vietnam Construction and Real Estate Investment Joint Stock Company	100%
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In addition, the Company's Chairman of the Board of Directors regularly attended the Company's monthly production and business review meetings. Through these meetings, the Board of Directors, the Executive Board, and management staff were able to stay fully informed and closely monitor the Company's production and business activities, thereby ensuring timely and effective resolution of any arising issues.

The management, direction, and supervision of business operations at enterprises in which the Company holds equity interests were carried out through the Company's authorized representatives. These representatives exercised the Company's rights and obligations in accordance with the law and the charter of each enterprise, ensuring compliance and effective oversight.

d) Activities of the Board of Directors' independent members

In 2024, the independent member of the Board of Directors performed his rights and duties in accordance with the Company's Charter and the provisions of law.

e) The list of members of the Board of Directors possessing certificates on corporate governance. The list of members of the Board of Directors participating in corporate governance training programs in the year: None.

2. Board of Supervisors

a) Members and structure of the Board of Supervisors:

It consists of three members, including the Head of the Supervisory Board and 02 members

No	Members	Position	Date of Appointment/End of Term	Professional Qualification
1	Mrs. Nguyễn Thị Hồng Dịu	Head of the Supervisory Board	13/07/2023	Bachelor of Economics
2	Ms. Vũ Thị Lanh	Member	13/07/2023	Bachelor of Economics
3	Mrs. Đặng Thị Thanh Thủy	Member	26/06/2024	Bachelor of Accounting

b) Activities of the Board of Supervisors

During the year, accounting activities, including bookkeeping and preparation of accounting records, were carried out in accordance with Vietnamese Accounting Standards, the Vietnamese Enterprise Accounting Regime, and other relevant legal regulations, thereby reflecting the Company's stable and truthful financial position.

The Company prepared and disclosed periodic financial statements in full compliance with the legal requirements applicable to listed companies. The semi-annual and annual financial statements were reviewed and audited in accordance with current regulations.

Results of Supervision of the Board of Directors, the General Director, and Other Executive Officers

- For the Board of Directors:

The Board of Directors has provided strategic orientations for business development and appropriate medium- and long-term investment plans, and has fully implemented the objectives and tasks approved by the 2024 Annual General Meeting of Shareholders.

- For the General Director and Executive Management:

The Executive Management regularly held meetings to discuss business performance, based on the timely directions of the Board of Directors, and made appropriate business decisions consistent with actual conditions to ensure efficient operations.

3. Transactions, remunerations and benefits of the Board of Directors, Board of Management and Board of Supervisors

a. Salary, rewards, remuneration and benefits:

- *Board of Directors:*

- Lê Quang Huy	308.417.600 vnd
- Nguyễn Thị Hồng Ngọc	335.932.600 vnd
- Phạm Ngọc Trâm	6.275.000 vnd
- Ngô Đức Anh	6.275.000 vnd
- Nguyễn Ngọc Quyền	3.137.000 vnd

- *Board of Management*

- Vũ Viết Tài	- vnd
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- *Board of Supervisors*

- Nguyễn Thị Hồng Dịu	6.275.000 vnd
- Vũ Thị Lanh	4.183.000 vnd
- Trần Thị Thúy (Dismissed on June 26, 2024)	4.183.000 vnd
- Đậu Thị Thanh Thủy (Appointed on June 26, 2024)	- vnd

b) Share transactions by internal shareholders: None

No	Person Conducting the Transaction	Relationship with Insider	Number of Shares Owned at the Beginning of the Period		Number of Shares Owned at the End of the Period		Reason for Increase/Decrease (Purchase, Sale, Conversion, Bonus, etc.)
			Number of Shares	Percentage	Number of Shares	Percentage	

c) Contracts or transactions with internal shareholders: None

d) Assessing the implementation of regulations on corporate governance:

- The Company's governance is conducted in full compliance with applicable laws, the Company Charter, and internal regulations, ensuring the protection of the Company's and shareholders' interests, as well as facilitating effective oversight of the Company's operations.

- In addition, the Company continuously enhances the governance knowledge of the Board of Directors and the Executive Board through corporate governance training programs.

VI. Financial statements

Auditor's opinions:

Basis for qualified audit opinion

As disclosed in Note 5.2 to the combined financial statements, as at 31 December 2024, the Company recorded an investment in Cat Tuong Thien Tan Lac Joint Stock Company under the line item "Investments in other entities" amounting to VND 37,050,000,000. As of the date of this report, the Board of General Directors has made a provision for long-term financial investments equal to 100% of the carrying amount of this investment. However, as we were not provided with sufficient documentation relating to the transactions giving rise to this balance, we do not express an opinion on the appropriateness of such transactions.

As disclosed in Note 9 to the combined financial statements, as at 31 December 2024, other receivables were presented under the line item "Other short-term receivables" amounting to VND 58,163,618,000. As of the date of this report, the Board of General Directors has made a provision for doubtful short-term receivables equal to 100% of the carrying amount of these receivables. However, as we were not provided with sufficient documentation relating to the transactions giving rise to this balance, we do not express an opinion on the appropriateness of such transactions.

As at 31 December 2024, the Company had a receivable balance from Mr. Nguyen Quang Hoan amounting to VND 3,200,000,000. As of the current date, the Company has collected VND

2,380,000,000, while the remaining balance is overdue but has not yet been recovered. Based on the documents available and alternative audit procedures performed, we were not able to obtain sufficient appropriate evidence to assess the recoverability of this receivable or its impact on the accompanying combined financial statements.

In 2024, the Company recognized revenue from trading activities (bamboo billet boards and electronic devices) with a total amount of VND 5,932,623,300, corresponding to a cost of goods sold of VND 5,810,856,500, generating a gross profit of VND 121,766,800. Although the Company has collected full payment for these sales, the supporting documentation for the transactions, such as purchase orders and goods handover minutes, does not clearly specify the product specifications, quality of goods, or delivery method. Therefore, we were unable to determine the appropriateness of these sales transactions or the impact of this matter on the Company's combined financial statements for the year ended 31 December 2024.

In 2024, the Company recognized revenue and cost of goods sold from merchandise trading (electronic devices and construction materials) of VND 32,746,776,238 and VND 33,520,661,750, respectively, resulting in an operating loss of VND 773,885,512. However, the Company has not fully collected the related proceeds. The outstanding receivable balance relating to these transactions as at 31 December 2024 amounted to VND 11,891,456,085, but no payment guarantees have been established. In addition, the supporting documentation for these transactions, such as purchase orders and goods handover minutes, does not clearly specify the product specifications, quality of goods, or delivery method. Therefore, we were unable to determine the appropriateness of these sales transactions, the recoverability of the related receivable, or the impact of these matters on the Company's combined financial statements for the year ended 31 December 2024.

Qualified audit opinion

In our opinion, except for the effects of the matter described in the section "Basis for Qualified Opinion," the combined financial statements present fairly, in all material respects, the combined financial position of Simco Song Da Joint Stock Company as at 31 December 2024, as well as its combined financial performance and its combined cash flows for the year then ended, in accordance with the Vietnamese Accounting Standards, Vietnamese Corporate Accounting System, and the relevant legal requirements on the preparation and presentation of combined financial statements.

Emphasis of Matter

We draw attention to Note 12 of the combined financial statements regarding construction in progress amounting to VND 75,902,112,441 as at 31 December 2024. This relates to the Board of Management' approval to implement the Simco Tower Project at the HH Mixed-Use Area – Cau Buou New Urban Area Project, Thanh Tri District, Hanoi City, with a total estimated investment of VND 351,780,000,000. As at the date of issuance of this audit report, the Project is in progress in accordance with Resolution No. 27/SIMCO-HDQT dated 15 September 2025

of the Company, and the Company is working with Hanoi Housing and Urban Development Business Joint Stock Company to convert from a technical infrastructure transfer agreement to a business cooperation contract in order to continue developing the project. This is in line with Decision No. 1439/QĐ-UBND dated 13 March 2025 of the People's Committee of Hanoi City, which approved the adjustment of the investment policy and the implementation schedule for the remaining portion of the project.

Our qualified audit opinion as above is not modified in respect of this emphasis of matter.

1. Audited financial statements

(The Company's financial statements are published on the Company's website)

Recipients:

- As above
- File for archiving

CONFIRMATION BY THE COMPANY'S LEGAL REPRESENTATIVE



CHỦ TỊCH HĐQT
Lê Quang Huy

