

**ANNUAL REPORT
SONG VANG HYDROPOWER JOINT STOCK COMPANY
REPORTING YEAR: 2025**

I. General Information:

1. Overview:

- Transaction name : Song Vang Hydropower Joint Stock Company
- Business Registration Certificate No. : 0400476650
- Charter capital : 148,206,625,000 VND.
- Owner's investment capital : 148,206,625,000 VND.
- Address : No. 81 Le Dai Street, Hoa Cuong Ward, Da Nang City.
- Phone : 0988715599
- Website : www.songvang.info.vn
- Stock symbol : SVH

Formation and development process:

Song Vang Hydropower Joint Stock Company operates under the Business Registration Certificate No. 0400476650 issued by the Department of Planning and Investment of Da Nang City for the first time on December 01, 2004, registered for the 18th change on November 26, 2024.

Song Vang Hydropower Joint Stock Company was founded by 03 founding shareholders, namely Civil Engineering Construction Corporation No 5- JSC, Vietnam Machinery Installation Corporation - JSC and Petroleum Finance Company, with an initial charter capital of 112 billion VND, to invest, deploy the construction and exploitation of An Diem II Hydropower Plant in Song Vang Commune and Thuong Duc Commune, Da Nang City. The project is located approximately 60km from the center of Da Nang city

.In 2007, the shareholder Civil Engineering Construction Corporation No 5- JSC divested and transferred its capital to Civil Engineering Construction Joint Stock Company No 586.

In 2009, the Company issued shares to increase its charter capital from 112 billion VND to 143 billion VND.

In 2011, the shareholder Petroleum Finance Company divested and transferred its capital to Petrovietnam Power Corporation.

In 2012, the Company increased its share issuance to increase its charter capital from 143 billion VND to 148.2 billion VND. The Company's current charter capital is 148.2 billion VND.

- Other events:

An Diem II Hydropower Project started its construction in May 2005 and was expected to start electricity generation after 2 years of construction. However, due to objective factors, it was not until October 2010 that the Company successfully generated

commercial electricity, so it was October 2010 that the Company began to recognize revenue.

2. *Business lines and areas:*

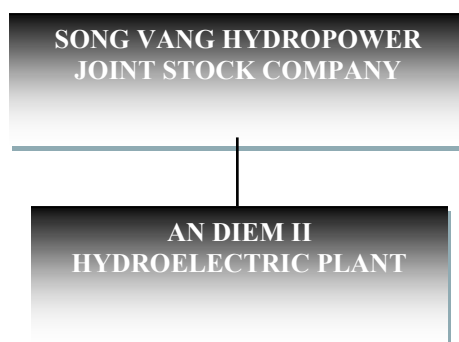
Business lines: Electricity generation; Power distribution up to 35kV voltage level.

Business areas: Song Vang Commune and Thuong Duc Commune, Da Nang City.

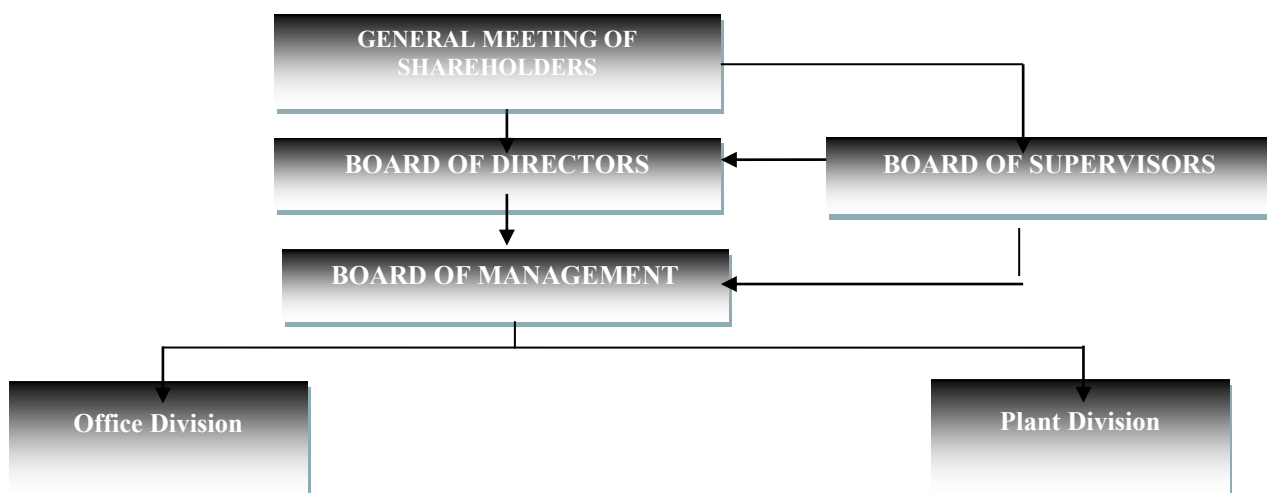
3. *Information on governance model, business organization and management apparatus:*

- Company's business organization structure

Song Vang Hydropower Joint Stock Company is organized and operates under the Enterprise Law No. 59/2020/QH14 approved by the National Assembly of the Socialist Republic of Vietnam on June 17, 2020, effective from January 01, 2021; Charter on organization and operation of Song Vang Hydropower Joint Stock Company and other relevant legal documents.



- Company's management apparatus structure



4. *Development orientation:*

➤ **Legal compliance:**

All production and business activities of the Company are always guaranteed to comply with the provisions of the Law of the Socialist Republic of Vietnam. Ensuring the shareholders' legitimate rights and interests as specifically stipulated in the Company's Charter.

➤ **Management and organization:**

- Complete and consolidate the Company's organization and operation under the model of a joint stock company; enhance the responsibility and initiative of employees and staff and ensure stable, sustainable and long-term development.
- Maintain and improve the existing quality management system to meet the requirements for products and product quality.

➤ ***Finance:***

- Actively build up the image and financial position to attract the attention of investors and customers to the Company and its products as well as services when the Company becomes a public company and lists on the stock market.
- Build a transparent and public financial management mechanism to serve the financial information needs of all subjects.
- Conduct joint ventures and associates at home and abroad to develop the business market.

➤ ***Business activities:***

- Carry out periodic restoration of An Diem II Hydropower Plant: An Dien II Hydropower Plant has carried out the first restoration in October 2013, the second restoration in October 2017 and the third restoration in July 2022. During the operation, the Company has also carried out minor restorations of some items to ensure safe operation of the plant. In 2026, the company plans to overhaul, repair, and replace some factory equipment to improve its production and business efficiency.
- Dredge the reservoir bed of An Diem II Hydropower Plant: Simultaneously with the periodic restoration of the Plant and meet the requirements of the Reservoir Operation Procedure in the Decision No. 100/QD - SCT dated May 28, 2024 of the Department of Industry and Trade of Quang Nam province.
- Carry out the renovation, upgrading and expansion of An Diem II Hydropower Plant Project: Prepare a Report on supplementary planning for Expanded An Diem II Hydropower Project in April 2019 and the supplementary planning was approved by the Ministry of Industry and Trade in the Decision No. 498/QD-BCT dated February 14, 2020. Prepare and approve the Environmental Impact Assessment Report in the Decision No. 2375/QD-BTNMT dated December 03, 2021 on "Approval of the Environmental Impact Assessment Report of An Diem II Hydropower Plant Project (Adjusted capacity scale to 29.6MW)".
- Complete the excavation and embankment of the diversion tunnel project and the concrete work of the plant, install 85% of the Plant equipment and complete the construction of the 110/10/6.3kV lifting station.
- Currently, the land use process is in place, and the Management Board is carrying out the procedures for registering the land use plan. After the Da Nang City People's Committee approves the land use plan, construction will begin. The plan is to start work in May 2026 and generate electricity in the first quarter of 2027.

- Loan interest structure: Recently, the Board of Management has worked OCB Bank, Nghe An Branch to finance Expanded An Diem II Hydropower Plant Project.

➤ ***Human resources development:***

- The company focuses on training human resources both in quality and quantity. Priority is given to the recruitment of skilled direct workers, experienced and specialized staff meeting the production requirements in the context of economic integration. At the same time, staff in the Company is rejuvenated.

- Continue to care for the material and spiritual life of employees, staff and workers, implement policies and regimes for employees and facilitate all to complete their duties and tasks well.

➤ ***Corporate governance strengthening plan***

To strengthen the corporate governance plan, the Company has developed its internal corporate governance regulations, the Board of Directors' operating regulations, the Board of Supervisors' operating regulations and the Company's Charter in accordance with the corporate governance regulations applicable to public companies. The regulations aim to protect the shareholders' legitimate rights and interests, establish standards of conduct and professional ethics of members of the Board of Directors, Board of Management, Board of Supervisors and managers of the company. The governance regulations are also the basis for evaluating the implementation of corporate governance of Song Vang Hydropower Joint Stock Company. The corporate governance principles developed by the Company in the corporate governance regulations include:

- Ensure an effective governance structure;
- Ensure the shareholders' rights;
- Fairly treat the shareholders;
- Ensure the role of those with interests related to the company;
- Be transparent in the company's operations;
- The Board of Directors and the Board of Supervisors effectively lead and control the company.

5. ***Risks:***

Due to the nature of the electricity industry, there is no competition among electricity production companies in the consumption market because the current electricity market in Vietnam and in the following years, the supply still cannot meet the demand of the components in the economy. Therefore, the annual electricity output produced by the Company will be fully consumed and it can be said that the Company's operations will be stable and sustainable in the coming years, so there is almost no risk. The hydropower plants operate mainly on water resources, so there are no activities that affect the environment.

II. Operational situation during the year:

1. *Production and business situation:*

Electricity output of An Diem II Hydropower Plant in 2025 compared to the plan
(Unit: KWh)

Power generation time	Implemented in 2025	Planned in 2025	Ratio (%)
January	8,923,068	8,923,068	100.00
February	6,121,842	6,121,842	100.00
March	4,415,113	2,823,156	156.39
April	2,159,493	2,465,448	87.59
May	2,128,494	3,159,834	67.36
June	7,713,195	2,999,873	257.12
July	8,380,786	3,356,295	249.70
August	5,568,631	3,369,057	165.29
September	8,243,830	4,768,302	172.89
October	9,730,807	10,949,434	88.87
November	10,104,191	10,596,226	95.36
December	10,963,662	10,949,434	100.13
Total	84,453,112	70,481,968	119.82

Production and business performance in 2025:

Targets	Unit	Planned in 2025	Implemented in 2025	Ratio (%)
Equity	VND	268,832,852,425	278,313,631,660	102.39%
Net revenue	VND	80,445,091,901	89,567,358,991	103.68%
Net operating profit	VND	51,725,603,305	62,838,803,813	121.48%
Other profits	VND		(445,809,992)	
Profit before tax	VND	51,725,603,305	62,392,993,821	120.62%
Corporate income tax	VND	5,172,560,331	6,359,171,612	122.94%
Profit after tax	VND	46,553,042,974	56,033,822,209	120.37%
Book value	VND/ share	10,000	10,000	100%
Dividend payout ratio	%	0	0	

- Production and business performance during the year:

In 2025, the weather in the Central region is more favorable than in 2024, and machinery is operating well and stably. Therefore, revenue in 2025 (VND 89,567,358,9917) is expected to increase by 49.60% compared to revenue in 2024 (VND 59,872,017,097), corresponding to an increase of VND 29,695,341,894. Financial revenue is expected to decrease by 54.39% compared to 2024, financial expenses by 13.97% compared to 2024,

business management expenses by 13.37% compared to 2024, other income by 62.41% (this is a reduction in electricity revenue for construction) compared to 2024, and other expenses by 29.52% compared to 2024.

The above factors lead to an 80.23% increase in after-tax profit in 2025 (VND 56,033,822,209) compared to the same period in 2024 (VND 31,089,341,529), corresponding to an increase of VND 24,944,480,680.

2. Organization and human resources:

The list and CVs of the members of the Board of General Directors and specific managers are as follows:

Full name	Title
Ung Van Phuc	General Director
Pham Van Long	Deputy General Director
Ha Huy Binh	Chief Accountant

2.1 General Director

- Full name : Ung Van Phuc
- Gender : Male
- Date of birth : November 02, 1973
- Place of birth : Da Nang
- Nationality : Vietnamese
- Permanent residence: Group 29, Thanh Binh Ward, Hai Chau District – Da Nang City
- Citizen ID Card No. : 048073003902 Date of issue: June 20, 2021 Place of issue Police Department for Administrative Management of Social Order.
- Education level : 12/12
- Qualifications : Mechanical Engineer.
- Current position at the listed organization: Member of the Board of Directors cum General Director
- Current positions held in other organizations: None.
- Work process:

Time	Position	Working unit
January 1998 – November 2004	Mechanical Engineer	Machinery Installation and Construction Company No 7
December 2004 – May 2008	Head of Economics - Engineering Department	Song Vang Hydropower Joint Stock Company
June 2008 –	Deputy General	Song Vang Hydropower Joint Stock

February 2012	Director	Company
March 2012 up to present	BOD Member cum General Director	Song Vang Hydropower Joint Stock Company

- Illegal acts: None
- Securities under personal ownership and of related persons in organizations registering for listing:
 - Personal ownership: 0 share, accounting for 0 % of the charter capital
 - Under ownership of related persons: None
- Debts to organization registering for listing: None
- Remuneration and other benefits received from the listed organizations: None
- Benefits related to the interests of the organizations registering for listing: None

2.2 Deputy General Director

- Full name : Pham Van Long
- Gender : Male
- Date of birth : May 30, 1978
- Place of birth : Que Son Commune, Da Nang City.
- Nationality : Vietnamese
- Permanent residence: 151 Dang Vu Hy – An Hai Ward – Da Nang City.
- Citizen ID Card No. : 049078018690 Date of issue: June 28, 2021 Place of issue: Police Department for Administrative Management of Social Order
- Education level : 12/12
- Qualifications : Electrical Engineer
- Current position at the listed organization: Deputy General Director and Secretary of the Board of Directors, Person in charge of Company Administration.
- Current positions held in other organizations: None.
- Work process:

Time	Position	Unit
2002- February 2003	Specialist	Da Nang Industrial Electrical Construction Company Limited
March 2003- August 2005	Specialist	Investment and Construction Consulting Center - Power Installation and Construction Company 3
September 2005- January 2010	Specialist	Song Vang Hydropower Joint Stock Company
February 2010- November 2011	Deputy Head of Economics - Engineering Department	Song Vang Hydropower Joint Stock Company
December 2010- June 2013	Manager of Power Generation Operation Workshop	Song Vang Hydropower Joint Stock Company
07/2013 up to present	Deputy General Director and Secretary of the Board of Directors, Person in charge of Company Administration	Song Vang Hydropower Joint Stock Company

- Illegal acts: None
- Securities under personal ownership and of related persons in organizations registering for listing:
 - Personal ownership: 0 share, accounting for 0 % of the charter capital
 - Representing the ownership: 0 share, accounting for 0 % of the charter capital
 - Under ownership of related persons: 0 share
- Debts to organization registering for listing: None
- Remuneration and other benefits received from the listed organizations: None
- Benefits related to the interests of the organizations registering for listing: None

2.3 Chief Accountant:

- Full name : Ha Huy Binh
- Gender : Male
- Date of birth : October 25, 1971.
- Place of birth : Son Thinh Commune, Huong Son District, Ha Tinh Province.
- Nationality : Vietnamese
- Permanent residence: 81 Le Dai - Hoa Cuong Ward - Da Nang City
- Citizen ID Card No.: 042071000808 Date of issue: April 10, 2021 Place of issue: Police Department for Administrative Management of Social Order.
- Education level : 12/12
- Qualifications : University. Major: Accounting. Training unit: Da Nang University of Commerce

- Current position at the listed organization: Chief Accountant
- Current positions held in other organizations: None.
- Work process:

Time	Position	Unit
April 1997- December 1999	In charge of accounting	Machinery Installation Enterprise 701 under Machinery Installation and Construction Company No 7
January 2000- September 2004	General Accountant	Machinery Installation and Construction Company No 7 – Vietnam Machinery Installation Corporation - JSC
October 2004-May 2006	In charge of Lilama Central Region Representative Office In charge of Lilama Management Board's accounting at Song Gianh Cement Factory	Vietnam Machinery Installation Corporation - JSC
June 2006- December 2009	In charge of Lilama Central Region Representative Office In charge of Lilama Management Board's accounting at Dung Quat Oil Refinery	Vietnam Machinery Installation Corporation - JSC
January 2010 – Up to present	Chief Accountant	Song Vang Hydropower Joint Stock Company

- Illegal acts: None
- Securities under personal ownership and of related persons in organizations registering for listing:
 - Personal ownership: 0 share, accounting for 0 % of the charter capital
 - Representing the ownership: 0 share, accounting for 0 % of the charter capital
 - Under ownership of related persons: 0 share
- Debts to organization registering for listing: None
- Remuneration and other benefits received from the listed organizations: None
- Benefits related to the interests of the organizations registering for listing: None
- Changes in the Board of Management: No changes in the Board of Management.
- Number of employees and staff: The company currently has 25 employees.
- Summary of policies and changes in policies for employees:

❖ **Working regime**

Working time: The Company's administrative and repair departments work 8 hours/day, 5 days/week, with a 1.5-hour lunch break. Take days off on Saturdays and Sundays. The operational shift department works in shifts, including 3 shifts each day, 8 hours each shift. As required by business progress, the Company's employees are responsible for

working overtime and the Company specifies the regulations to ensure the rights of employees according to the State's regulations and apply appropriate benefits for employees. The indirect departments work according to office hours, and the direct departments are arranged to work in shifts.

Working conditions: The office and plant are designed to be spacious and airy. The direct labor forces are fully equipped with personal protective and labor hygiene equipment, and labor safety principles are strictly followed.

❖ ***Recruitment and training policies***

Recruitment: The Company's recruitment objective is to attract employees with sufficient qualifications, skills and experience for the positions to be recruited, with good ethics and a desire to work for the Company for a long time. Employees taking on senior positions are carefully selected by the Company to meet the qualifications and experience required by the jobs.

Training: The Company's training policy must ensure the principle of stable and long-term resources, ensuring a balance between indirect and direct resources. Promoting professionalism and dynamism in its activities, the Company always focuses on investing in employee training, especially in-depth skills in operating hydropower machines and regular training to improve qualifications.

❖ ***Salary, bonus and welfare policies***

Salary policy: The Company pays salary to its employees based on job level, capacities, positions, qualifications, salary scale and business conditions of the Company and the salary is paid once a month from the 5th to the 10th of each month. Annual salary increase is implemented according to the State's current regulations.

Bonus policy: In order to encourage and motivate the Company's employees and staff to increase their contributions, productivity and work quality, the Company organizes voting for outstanding individuals and groups on a monthly, quarterly and annual basis to promptly reward individuals and groups with many contributions to the Company as well as initiatives to increase work efficiency. The award is based on the achievements of individuals or groups in implementing savings, technical innovations, quickly handling incidents to ensure safe, stable and effective operation of machines, excellently completing assigned tasks, achieving high efficiency in business and combating waste. The rewards are also very diverse. In addition to cash and in-kind rewards, the Company also rewards with annual tours and bonus shares of the Company. Furthermore, the Company also handles and applies appropriately disciplinary actions against the individuals who cause damages to the Company's image and business activities.

Insurance and benefits: The Company deducts and pays social insurance, health insurance and unemployment insurance premiums in accordance with the current laws. The Company implements social security regimes for employees in accordance with the Labor Law and its Internal Labor Regulations. The Company always cares about the lives and improves conditions for employees and staff. The Company always focuses on labor safety

for direct production employees. The Company fully implements insurance regimes for employees in accordance with the Labor Law. On public holidays, New Year holidays, etc., the Company always organizes periodic tours and vacations for employees and staff in the Company.

Total deducted salary fund in 2025 is: 5,720,164,803 VND.

The average monthly income of employees has grown steadily over the years, and the average income of the whole Company in 2025 is 13,241,000 VND/person/month.

3. *Project investment and implementation*

a) Major investments:

Song Vang Hydropower Joint Stock Company was assigned by the Shareholders to invest in the construction of An Diem II Hydropower Plant. Since then, the Company has not invested in any other projects.

b) Subsidiaries and affiliates: None

4. *Financial situation*

a) Financial situation:

Targets	2024	2025	Increase/ Decrease (%)
<i>* For organizations that are not credit institutions and non-bank financial institutions</i>			
Total asset value	507,583,453,467	573,586,768,255	113.00
Net revenue	59,872,017,097	89,567,358,991	149.60
Operating profit	33,025,331,406	62,838,803,813	190.27
Other profits	(93,198,225)	(445,809,992)	
Profit before tax	32,932,133,181	62,392,993,821	189.46
Profit after tax	31,089,341,529	56,33,822,209	180.23
Dividend payout ratio	0	0	

b) *Key financial targets:*

Targets	2024	2025	Notes
<i>1. Solvency ratio</i>			
+ Current ratio			None
Current assets/Current liabilities	0.96	0.77	No inventory
+ Quick ratio:			
<u>Current assets - Inventories</u>	0.96	0.77	
Current liabilities			
<i>2. Capital structure</i>			
+ Debt/Total Assets Ratio	0.56	0.51	

Targets	2024	2025	Notes
+ Debt/Equity Ratio	1.28	1.06	
<i>3. Operating capacity</i>			
+ Inventory turnover			No inventory
Cost of Goods Sold/Average Inventory			
Net Revenue/Total Assets	0.12	0.16	
<i>4. Profitability</i>			
+ Profit after tax/Net revenue ratio	0.52	0.63	
+ Profit after tax/Equity ratio.	0.14	0.20	
+ Profit after tax/Total assets ratio	0.06	0.10	
+ Operating profit/Net revenue ratio	0.55	0.70	

5. *Shareholder structure, change in owner's equity:*

a) Shares:

Total number of issued shares is 14,820,662 shares.

Par value is 10,000 VND/share.

Type of shares: Ordinary shares.

Number of freely transferable shares: 14,820,662 shares.

Number of shares subject to transfer restrictions: None.

b) Shareholder structure:

Structure of major shareholders (>5%), minor shareholders (<5%) up to June 26, 2025:

No.	Name of shareholders	Address	Number of shares	Ownership ratio
1	Le Thai Hung	Room B0810, Golden Palace Me Tri Building, Me Tri Ward, Nam Tu Liem District, Hanoi, Hanoi	1,487,200	10.03%
2	Trung Son Electricity Joint Stock Company	5/F, SUDICO Building, Me Tri Street, My Dinh 1 Ward, Nam Tu Liem District, Hanoi City, Vietnam.	12,747,200	86.01%
3	Minor shareholders		585,700	3.96%
		TOTAL	14,820,662	100%

Structure of organization and individual shareholders, domestic and foreign shareholders, state shareholders and other shareholders:

Items	Number of shareholders	Number of shares under ownership	Ratio (%)
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Items	Number of shareholders	Number of shares under ownership	Ratio (%)
I. Domestic shareholders			
1. Shareholders being organizations	01	12,747,200	86.01%
2. Shareholders being individuals	133	2,073,462	13.99%
II. Foreign shareholders	-	-	-
1. Shareholders being organizations	-	-	-
2. Shareholders being individuals	-	-	-
III. Treasury shares	-	-	-
Total	134	14,820,662	100%

- c) Changes in owner's equity: None
- d) Treasury share transactions: None.
- e) Other securities: None

6. *Report on the company's environmental and social impact:*

The Company prepared an Environmental Standard Registration Form and was granted a Confirmation by the Department of Natural Resources and Environment of Quang Nam Province on March 23, 2005.

Preparing and approving the Environmental Impact Assessment Report under the Decision No.: 2375 /QD-BTNMT dated December 03, 2021 on "Approval of the Environmental Impact Assessment Report of An Diem II Hydropower Plant Project.

Conducting environmental monitoring on a quarterly, semi-annual, 9-month and annual basis in accordance with the deadlines and contents approved in the Environmental Impact Assessment Report.

6.1. *Raw material source management:*

- a) Total amount of raw materials used to produce and package the organization's main products and services during the year: None.
- b) Report on the percentage of recycled raw materials used to produce the organization's main products and services: None.

6.2. *Energy consumption:*

- a) Direct and indirect energy consumption: None.
- b) Energy saved through efficient energy use initiatives: None.
- c) Reports on energy saving initiatives (providing energy saving products and services or using renewable energy); reports on the results of these initiatives: None.

6.3. *Water consumption:* Water consumption of business activities during the year was 177,520,000 m³.

- a) Water supply and used water volume: The water of An Diem II Hydropower Plant is supplied from the Vang River, a first-level tributary of the Kon River, the right branch of the Vu Gia – Thu Bon river system. The water volume used through the turbines is 9m³/s.
- b) Percentage and total volume of recycled and reused water: 100%.

6.4. *Compliance with the environmental protection law:*

- a) Number of fines for non-compliance with the environmental law and regulations: None.
- b) Total amount of fines for non-compliance with the environmental law and regulations: None.

6.5. *Employee policies:*

- a) Number of employees, average salary of employees:
Total existing employees: 36 people.
Average salary of employees: 13.241 million VND/person/month.
- b) Employee policy to ensure the health, safety and welfare of employees: Every year, the Company conducts periodic health check-ups for all employees.
- c) Employee training:
 - Average training hours per year by employee and by employee classification: The Company regularly organizes for employees to study the working models of hydropower plants in the same basin and with the same capacity to improve their professional qualifications, etc.
 - Skills development and continuous learning programs to support employees to ensure employment and career development: Every year, the Company organizes training on occupational safety, fire prevention and fighting, and periodic professional examinations, etc.

6.6. *Report on responsibility to local communities:*

The company regularly exchanges and contributes social welfare funds to the locality where the plant is located.

6.7. *Reports on green capital market activities according to the guide of the State Securities Commission:* None.

III. Board of Management' Report and Evaluation (The Board of Management's report and evaluation of the overall situation of the company):

1. Evaluation of business performance results in 2025:

+ The Company's profit after corporate income tax mainly depends on revenue from production and business activities, financial expenses, and cost of goods sold.

In 2025, the weather in the Central region is more favorable than in 2024, and machinery is operating well and stably. Therefore, revenue in 2025 (VND 89,567,358,9917) is expected to increase by 49.60% compared to revenue in 2024 (VND 59,872,017,097), corresponding to an increase of VND 29,695,341,894. Financial revenue is expected to decrease by 54.39% compared to 2024, financial expenses by 13.97% compared to 2024, business management expenses by 13.37% compared to 2024, other income by 62.41% (this is a reduction in electricity revenue for construction) compared to 2024, and other expenses by 29.52% compared to 2024.

The above factors lead to an 80.23% increase in after-tax profit in 2025 (VND 56,033,822,209) compared to the same period in 2024 (VND 31,089,341,529), corresponding to an increase of VND 24,944,480,680.

2. *Financial situation:*

a) *Assets:*

The company's assets only fluctuate and decrease due to annual depreciation and do not affect bad debts receivable and the company's production and business performance.

b) *Liabilities:*

- Current liabilities and major fluctuations in liabilities: No major fluctuations, mainly reduced bank loans (due to principal repayment). Of which:

+ Bank loan debts The company is implementing the loan repayment schedule for the signed credit contracts;

+ Trade payables: These are the debts payable to contractors for construction, installation and purchase of plant equipment (in the investment project source). Due to insufficient investment project capital and because the shareholders do not contribute more to repay the debts, the company faces great difficulties. In addition to the debts payable under the economic contracts, it also has to pay interest due to late debt payment

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

The Company rearranged its departments in a streamlined manner, including two divisions: Indirect Division and Direct Production Division, significantly increasing work efficiency.

4. *Future development plan:*

The Company is renovating, upgrading and investing in expanding An Diem II Hydropower Plant by investing in a water supply tunnel and expanding more units to increase the total capacity of the plant to 29.6MW.

5. *Board of Management' explanation for auditor's opinion (if any): None.*

6. *Assessment report related to the company's environmental and social responsibilities:* Implementing the Environmental Impact Assessment Report under the Decision No. 2375/QĐ-BTNMT dated December 03, 2021 on "Approval of the Environmental Impact Assessment Report of An Diem II Hydropower Plant Project". However, because An Diem II Hydropower Plant was built (June 2004) before the time when the replacement forestation work is required under the provisions of the Law, the Company does not have to carry out replacement forestation for An Diem II Hydropower Plant.

a. Assessment related to environmental indicators (water consumption, energy, emissions, etc.): Thanks to the nature of the hydropower plant using water through turbines to generate electricity and returning 100% of water, it does not consume water or energy.

b. Assessment related to labor issues: None

c. Assessment related to the company's responsibility to the local communities: The company fully implements its responsibility to the local communities.

IV. Board of Directors' assessment of the Company's performance:

1. *Board of Directors' assessment of the Company's performance, including assessments related to environmental and social responsibilities:*

The Board of Directors regularly updates the production and business performance reports, audited 2025 financial statements, overall review of the semi-annual financial statements, the Company's production and business plans as well as assessments related to the Company's environmental and social responsibilities.

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

The Board of Management strictly implemented the Resolutions of the General Meeting of Shareholders, the Resolutions of the Board of Directors on production and business, and the development orientation of the Company, at the same time, strictly implemented the provisions of the Law, the Enterprise's obligations to the locality, regimes and policies for employees., etc.

3. *Plans and orientations of the Board of Directors:*

The Board of Directors continues to research the Company's development orientations according to the principles of prudence and efficiency with some main goals as follows:

- Monitor, urge and direct the Board of Management to restructure the Company's finance and personnel organization, focusing on loan debt restructuring, reducing loan interest rates, allocating a portion of revenue from electricity sale to pay debts to Construction Contractors. At the same time, further promote the restructuring and consolidation of personnel organization, fully implement the provisions of the Law on labor and salary regimes to ensure the interests of employees upon personnel reorganization.
- Direct the Board of Management to find a qualified consulting unit to develop a plan to renovate and upgrade the entire An Diem II Hydropower Plant.
- Direct the Board of Management to develop a plan to dredge the reservoir bed to increase the reservoir capacity for the Plant, develop optimal construction methods to ensure environmental and resource protection while still ensuring maximum benefits with priority given to power generation.
- Continue to direct the Company to practice thrift and anti-waste, control and minimize costs to increase production and business efficiency.
- Direct the Company to maintain good application of the Hydropower Plant Operation Procedure, ensuring labor safety and industrial environmental hygiene.
- And other plans and orientations in line with the Company's development strategies.

V. 2025 Financial Statements

1. *Auditor's opinion: Unqualified.*
2. *Audited financial statements:*

The Balance Sheet; Income Statement; Cash Flow Statement; Notes to the Financial Statements are prepared in accordance with the law on accounting and auditing, and audited by International Auditing and Valuation Company Limited with unqualified opinion.

Song Vang Hydropower Joint Stock Company respectfully reports!

CONFIRMATION OF THE COMPANY'S LEGAL REPRESENTATIVE

