

**REPORT FROM THE SUPERVISORY BOARD
ON: SUMMARY OF ACTIVITIES FOR THE 2020-2024 TERM; RESULTS
OF 2024 ACTIVITIES AND KEY DIRECTIONS AND TASKS FOR
THE 2025-2029 TERM**

Dear Shareholders,

- Based on the 2020 Enterprise Law;
- Based on the Charter of LICOGI 13 Joint Stock Company;
- Based on the Resolutions of the General Shareholders' Meeting from 2020 to 2024.

The Supervisory Board of LICOGI 13 Joint Stock Company respectfully presents the report to all shareholders regarding the summary of activities for the 2020-2024 term, the results of activities in 2024, and the directions and key tasks for the 2025-2029 term as follows:

I. Activities of the Supervisory Board in the 2020 - 2024 Term:

1. Personnel of the Supervisory Board:

The Supervisory Board consists of:

- Mrs. Duong Thi Phuong - Head of the Board
- Mrs. Đinh Thi Kim Anh - Member
- Mr. Le Manh Cuong - Member

2. Supervisory Board Activities in the 2020 – 2024 Term:

During the past term, the Supervisory Board has fully performed its duties as prescribed by law and delegated by the General Shareholders' Meeting, including:

- Supervising the implementation of the Resolutions of the General Shareholders' Meeting and the Board of Directors.
- The Supervisory Board maintains regular communication with the Board of Directors and the General Director. It checks the reasonableness, legality, integrity, and prudence in the management and operation of the company's business to ensure compliance with legal regulations and the company's charter.

- Conducting regular checks and reviews of financial reports, confirming that the company has prepared financial statements in compliance with current legal regulations and audited by qualified audit units as required by the Ministry of Finance. According to the opinion of the independent auditors, the financial statements for the years 2020, 2021, 2022, 2023, and 2024 reflect truthfully and reasonably, in line with current Vietnamese accounting standards and relevant legal regulations.
- Supervising the compliance with regulations regarding periodic information disclosure, such as financial reports, management reports, and annual reports; as well as extraordinary information disclosures according to securities market disclosure regulations.
- During the 2020 – 2024 term, the Supervisory Board did not receive any requests from shareholders or shareholder groups for any extraordinary inspections related to the management and operation of the company.

3. Evaluation of the Activities of the Board of Directors and the General Director for the 2020-2024 Term:

3.1. Key Achievements of the Board of Directors and the General Director in line with the Resolutions of the General Shareholders' Meeting for the 2020-2024 Term:

- Based on the resolutions of the General Shareholders' Meeting, the Board of Directors successfully increased the charter capital from VND 435.98 billion to VND 648.98 billion in 2020, and to VND 905.98 billion in 2022 and VND 950.845 billion in 2022. The increase in charter capital complies with Securities Law regulations, creating capital for investment in projects and business expansion. The company amended its charter and adjusted its business registration to align with each capital change, as well as modifying and adding business activities to meet operational needs.
- In 2021, LICOGI 13 successfully issued 75,000 individual bonds worth VND 75 billion, and completed payment to bondholders in September 2024.

- The company has revised and supplemented internal governance regulations in accordance with Circular 116/2020/TT-BTC dated December 31, 2020, which guides certain provisions of corporate governance for public companies in Decree No. 155/2020/ND-CP, detailing the implementation of certain provisions of the 2019 Securities Law, including regulations on the activities of the Board of Directors, the Supervisory Board, internal governance regulations, and public information disclosures for public companies.
- LICOGI 13 has successfully transferred 100% of its shares in several energy project companies (solar power, wind power), in compliance with legal regulations and yielding economic returns.
- The company has established new subsidiaries/affiliates to support the development and expansion of business operations (currently having 7 subsidiaries and 8 affiliate companies), and invested in capital increases in some companies to maintain LICOGI 13's ownership stake. Additionally, LICOGI 13 has restructured underperforming subsidiaries by transferring or divesting from entities that were inefficient, ensuring the long-term sustainable development of the LICOGI 13 system.

During the 2024-2025 period, the economy faced numerous challenges, including the impact of the COVID-19 pandemic, political conflicts leading to economic recessions, disrupted supply chains, rising material and goods prices, stricter policies and legal regulations, and tighter credit from the banking system. These factors significantly affected construction and real estate companies, including LICOGI 13. However, the Board of Directors implemented appropriate decisions, and the Executive Board focused on resolving these difficulties to maintain company operations and implement the key tasks and objectives approved by the General Shareholders' Meeting. While the results were not as expected, the efforts made by the leadership and the entire staff of the company should be recognized.

3.2. Some Key Financial Indicators for the 2020-2024 Term:

(Unit: Million VND)

Indicator	2020	2021	2022	2023	2024
Revenue	2,338,314	2,439,778	2,966,171	3,321,343	3,695,152
Profit After Tax	11,033	46,294	9,027	(2,198)	6,055
Charter Capital	648,980	648,980	950,846	950,846	950,846
Equity Capital	834,848	884,795	1,306,568	1,395,657	1,142,945
Total Assets	5,346,399	5,192,755	6,470,360	6,584,036	6,083,726
Basic EPS (VND)	799	117	101	(28)	22
Dividend Payout/Charter Capital	5%	-	-	-	-

Analysis of the financial indicators:

- **Revenue:** Revenue has grown year on year, with the end-of-period revenue increasing by 58% compared to the beginning of the period.
- **Profit:** Profit after tax has fluctuated significantly, increasing from VND 11.033 million in 2020 to VND 46.294 million in 2021 but decreasing in the following years, reaching VND 6.055 million in 2024.
- **Total Assets:** Total assets have fluctuated, increasing from VND 5.346 billion in 2020 to VND 6.584 billion in 2023, before decreasing to VND 6.083 billion in 2024.
- **Equity Capital:** Equity capital increased from VND 834.848 billion in 2020 to VND 1,142.945 billion in 2024.
- **Dividend Payout:** During the 2020-2024 period, LICOGI 13 paid a 5% dividend in stock in 2021.

3.3. Some issues during the 2020-2024 term:

- Despite significant growth in the business production scale of the system, there are still a few companies within the system with low competitive capacity, poor business results, and losses, which affect the consolidated profit results.

- The production volume, revenue, and capital recovery targets have been met, but the parent company's profit has not reached the expected results.
- The company's financial capacity has improved but is still thin compared to the needs for production, business, and investment. There is still an imbalance between the financial investment value and equity capital. The value of financial investment is high, but the investment effectiveness is still low. In the 2020-2024 period, only one company in the system paid dividends from 2020-2024, totaling 4.08 billion VND.
- The provision balance in 2020 was 16.8 billion VND and for 2024 it was 27.7 billion VND, which also has a significant impact on the parent company's business results.
- Tax, insurance, and salary arrears in some companies significantly affect business operations, employee life, and psychology in those companies, as well as the reputation of the parent company.
- The internal control system across the entire system has not been timely, rigorous, and thorough, leading to low operational efficiency in some companies, affecting the overall results of the system.

II. Results of the Supervisory Board's activities in 2024:

The Supervisory Board has implemented its responsibilities as assigned by the General Meeting of Shareholders:

- Monitoring the implementation of resolutions of the 2024 Annual General Meeting, as well as the resolutions and decisions of the Board of Directors.
- Reviewing quarterly financial reports, semi-annual review reports, and the 2024 audited financial statements.
- Supervising the implementation of production and business plan objectives as set out in the plan.
- Reviewing the legality, appropriateness, and caution in the management, financial management, and investment activities.

1. Situation of implementing the resolutions of the 2024 Annual General Meeting:

1.1. Results of implementing the 2024 business plan targets:

- Consolidated revenue: 3,695 billion VND, achieving 137% of the plan.
- Investment value: 585.7 billion VND, reaching 55.8% of the plan.
- Consolidated pre-tax profit: 11.2 billion VND, with the parent company's pre-tax profit of 5.4 billion VND, achieving 36% of the plan.
- In 2024, the General Meeting of Shareholders approved the decision for LICOGI 13 not to distribute dividends.

1.2. Implementation of other contents of the resolutions of the 2024 Annual General Meeting:

- The company has completed the registration to add new business sectors: 0710 (mining of iron ore), 0722 (mining of non-ferrous metal ores), and 0730 (mining of precious metal ores).
- In 2024, the company received a transfer of part of the capital contribution from Vietnam-Japan Connect Consulting Joint Stock Company with a value of 1.35 billion VND.
- LICOGI 13 has acquired a capital contribution from ADT Son La Energy Joint Stock Company to promote investments in two hydroelectric projects, Nậm Khăn and Nậm Ngà. These two projects were approved by the Prime Minister for inclusion in the 8th Power Development Plan and are currently in the process of completing legal procedures to request investment policy approval.
- In 2024, the General Meeting of Shareholders approved the decision for LICOGI 13 to issue private shares to professional securities investors. However, due to fluctuations in the stock market and the economy, the Board of Directors decided not to proceed with the private share issuance in 2024.
- In 2024, the General Meeting of Shareholders approved the payment of remuneration to the Board of Directors, the Supervisory Board, the Chief Administrator, and the Board's support team for 2024 (excluding salaries for full-time positions),

totaling 1.2 billion VND. The actual remuneration for 2024 was 938 million VND, with details as follows:

- **Board of Directors remuneration:** 900 million VND
 - Mr. Bùi Đình Sơn – Chairman: Full-time salary
 - Mr. Vũ Tuấn Dương – Board Member: Full-time salary
 - Mr. Phạm Văn Thắng – Board Member: 140 million VND
 - Mr. Nguyễn Quốc Hùng – Board Member: 140 million VND
 - Mr. Nguyễn Văn Hiệp – Board Member: 140 million VND
 - Ms. Nguyễn Thanh Tú – Board Member: 140 million VND
 - Mr. Đỗ Thanh Hà – Board Member: 140 million VND
- Supervisory Board remuneration (excluding Mrs. Dương Thị Phương's full-time salary): 56 million VND
- Support team remuneration: 182 million VND
- The Board of Directors decided to select CPA Vietnam Audit Company to audit the 2024 financial statements for LICOGI 13 and its subsidiaries.

2. 2024 audited financial statements:

2.1. Separate financial statements:

- **Total assets:**
 - **Current assets:** 1,229,277,629,901 VND
 - **Non-current assets:** 1,688,668,159,397 VND
- **Total equity:**
 - **Liabilities:** 1,942,412,245,330 VND
 - **Owner's equity:** 975,530,543,968 VND
- **Business performance:**
 - **Pre-tax profit:** 5,384,879,769 VND
 - **After-tax profit:** 3,227,223,156 VND

2.2 Consolidated Financial Report:

- **Total assets:** 6,083,725,943,978 VND

- **Current assets:** 3,734,010,298,544 VND
- **Non-current assets:** 2,349,715,645,434 VND
- **Total equity:**
 - **Liabilities:** 4,940,781,331,785 VND
 - **Owner's equity:** 1,142,944,612,193 VND
- **Business performance:**
 - **Pre-tax profit:** 11,234,027,519 VND
 - **After-tax profit:** 6,055,366,559 VND

2.3 Confirmation of Auditing Results:

- The separate and consolidated financial statements have been audited by CPA Vietnam Audit Company with an unqualified opinion.
- The financial statements have been prepared in accordance with Vietnamese Accounting Standards and relevant regulations.

3. Report on the activities of the Supervisory Board:

- The Supervisory Board has been provided with documents and information to understand the company's production and business activities.
- The Supervisory Board has carried out its duties as stipulated in the company's Charter and according to the tasks assigned by the General Meeting of Shareholders.
- The Supervisory Board worked with the company's internal control team to review and check the production and business activities of some companies in the system.

4. Report on the supervision of the governance and management activities of the Board of Directors and the General Director:

- Governance activities are carried out in accordance with the Law, regulations applicable to listed companies, the company's Charter, and the resolutions of the General Meeting of Shareholders.
- In 2024, the Board of Directors organized meetings and reviewed the proposals to issue 09 Resolutions and 09 Decisions under the Board's authority, including:

Resolutions and decisions related to investment/restructuring and management:

- Regarding investment/restructuring policy:
- + Approval of additional share purchases to maintain the equity stake in the following companies: Global Oil and Gas Energy Joint Stock Company; Song Nhiem 3 Joint Stock Company in the 2024 capital increase round.
- + Approval of the transfer of equity in the following companies: LICOGI 13 – Construction Materials Joint Stock Company (LICOGI 13 – CMC); LICOGI 13 – Infrastructure Mechanization Joint Stock Company (LICOGI 13 – IMC); LICOGI 13 – Construction Investment and Infrastructure Joint Stock Company (LICOGI 13 – ICI). After the transfer, these companies are no longer subsidiaries of LICOGI 13.
- + Approval of investment in the purchase of fixed assets for business production purposes.
- Regarding management and administration: Approval of the appointment of a representative to manage LICOGI 13's equity in the Construction Vocational School 1 LLC.
- Other areas:
- + Selection of the auditing firm for the 2024 financial statements, the payment plan for the Board of Directors and the Supervisory Board in 2024.
- + Approval of the business plan and financing solutions at the bank to serve business operations.
- + Other related matters.

Based on the resolutions of the 2024 Annual General Meeting of Shareholders, the Board of Directors and the General Director have managed the company's operations in line with their respective functions and duties.

5. Some recommendations and proposals:

- Accounts receivable and other receivables remain high, even though they have decreased compared to the beginning of the year. The company needs to actively reconcile outstanding debts, explore solutions, and implement measures to recover debt, reducing financial costs and avoiding provisions that negatively impact the company's financial results.

- Interest expenses are high while profits remain low, which poses a risk in terms of corporate income tax under Government Decree 132. The company should find solutions to restructure its loans to reduce the burden of interest expenses.
- The debt-to-equity ratio is high, creating significant pressure to repay debt and increasing financial costs. The company should restructure its loans to reduce the debt burden, closely monitor cash flow, and manage financial risks effectively. Additionally, the company should consider seeking refinancing or explore other financial solutions.

III. Key Tasks of the Supervisory Board for the 2025-2029 Term:

In addition to the ongoing tasks of supervising and checking the implementation of the resolutions of the General Meeting of Shareholders; evaluating the business performance reports, annual financial reports, accounting, and statistics work; and fulfilling the responsibility of overseeing, inspecting the legality, reasonableness, truthfulness, and caution in governance, management, and all aspects of the company's production and business activities, the Supervisory Board has outlined the following key tasks for the 2025-2029 term:

- Enhance coordination in internal control activities.
- Monitor and oversee the results of financial investments and project investments.
- Carry out other tasks as regulated by law and as assigned by the General Meeting of Shareholders.

Dear Shareholders,

This year's General Meeting marks the end of the 2020-2024 term of the current Supervisory Board. During this term, despite facing numerous challenges that impacted the overall operations of the company, with the efforts of our members and the cooperation of the Executive Board and the Board of Directors, the Supervisory Board has fulfilled the responsibilities assigned by the law and the General Meeting of Shareholders. However, we also recognize areas that need improvement, such as not fully utilizing the independent supervisory role and not ensuring the timeliness of our activities.

As the term concludes, on behalf of the Supervisory Board, I would like to express our sincere gratitude to the esteemed shareholders for entrusting us with this responsibility over the past five years. We hope that this General Meeting will elect a new Supervisory Board that meets the necessary standards and requirements and is capable of fulfilling the duties assigned to them.

This concludes the Supervisory Board's report on the summary of activities for the 2020-2024 term, the results of the 2024 tasks, and the key directions and tasks for the 2025-2029 term. We respectfully submit it for the consideration and approval of the General Meeting of Shareholders.

We wish all shareholders good health and hope the General Meeting will be a success!

Respectfully submitted!

On behalf of the SUPERVISORY BOARD

Head of the Supervisory Board



Dương Thị Phượng