

**SONG DA 7.02  
JOINT STOCK COMPANY**

**SOCIALIST REPUBLIC OF VIETNAM**  
**Independence - Freedom - Happiness**

No. 07 /2025-HDQT

Lai Chau, 28 Mar 2025

## **ANNUAL REPORT FOR 2024**

### **I. GENERAL INFORMATION:**

#### **1. Company Overview:**

- Trading Name: Song Da 7.02 Joint Stock Company
- Business Registration Certificate: No. 5400232452, issued by the Business Registration Office – Department of Planning and Investment of Hoa Binh Province on November 25, 2004, with the 19th amendment issued by the Department of Planning and Investment of Lai Chau Province on May 14, 2024.
- Charter Capital: 120 billion VND
- Headquarters Address: Son Binh Commune – Tam Duong District – Lai Chau Province
- Contact Phone: 0213.6506868
- Website: songda702.com.vn
- Stock Code: S72

#### **2. Formation and Development Process:**

Song Da 7.02 Hydroelectric Joint Stock Company was formerly a state-owned enterprise under Song Da Corporation. It was transformed into a joint-stock company in 2004 under Decision No. 1575/QĐ-BXD dated October 11, 2004, issued by the Ministry of Construction. On November 5, 2009, Song Da 7.02 Hydroelectric Joint Stock Company merged with Nam Thi Hydropower Joint Stock Company to form Nam Thi – Song Da 7 Joint Stock Company. On April 28, 2011, the Company was renamed back to Song Da 7.02 Hydroelectric Joint Stock Company, operating under Business Registration Certificate No. 5400232452, initially issued by the Department of Planning and Investment of Hoa Binh Province on November 25, 2004, and amended for the 19th time on May 14, 2024, by the Department of Planning and Investment of Lai Chau Province.

Main Business Activities: Construction of civil engineering projects; Industrial production; Investment in the construction of medium and small hydropower projects, irrigation works, etc. Song Da 7.02 Hydroelectric Joint Stock Company is currently the investor of the Nam Thi Hydropower Project Cluster (including the Nam Thi 1 Hydropower Plant: 10 MW and the Nam Thi 2 Hydropower Plant: 8 MW) in Tam Duong District, Lai Chau Province.

The Company was classified as a Type II Enterprise in February 2010 and operates as a joint-stock company. Its primary activities include contracting and investing in hydropower projects, civil and industrial construction, production of artificial sand and gravel, and production of concrete mortar. Currently, the Company has completed the construction of the Nam Thi 2 Hydropower Plant with a capacity of 8 MW, which has been commercially operational since July 2018. The Company is continuing to invest in the construction of the Nam Thi 1 Hydropower Plant with a capacity of 10 MW (part of the Nam Thi Hydropower Project Cluster).

Date of Approval as a Public Company: June 2, 2010, under Official Letter No. 1611/UBCK-QLPH issued by the State Securities Commission.

#### **3. Main Business Activities of the Company:**

- Construction of works related to transportation, irrigation, hydropower, water supply and drainage, power lines and transformer stations up to 500KV, underground mines, industry, and technical infrastructure.
- Investment in the construction and commercial production of electric power.
- Production, transmission, and distribution of electricity; manufacturing and installation of electrical mechanical products.
- Exploitation of stone, sand, and gravel.
- Production of concrete and products made from cement and gypsum.
- Production of building materials from clay.
- Transportation of goods by specialized trucks.
- Real estate business, ownership, use, or rental of land use rights.
- Trading and import-export of industrial materials, machinery, and equipment in the electrical sector.
- Production and trading of building materials.
- Afforestation, cultivation of medicinal plants, and aquaculture.
- Operation and business services for buildings, offices, urban areas, industrial parks, and tourist areas.
- Processing of agricultural and forestry products.
- Supervision of construction works.

#### **4. Operational Situation:**

- Before 2004, the company operated as a branch under Song Da 7 Construction Company – Song Da Corporation, primarily engaged in contracting and executing major state hydropower projects, as well as civil, irrigation, and transportation works.
- Since the end of 2004, the company was equitized under Decision No. 1575/QĐ-BXD dated October 11, 2004, issued by the Ministry of Construction. It continued its traditional operations, including contracting civil, transportation, irrigation, and hydropower projects, as well as producing various types of construction stone and commercial concrete.
- From 2015 to the present, the company has focused on investment in construction and directly managing the operation of commercial electricity production for small and medium-sized hydropower projects where the company is the investor.

#### **5. Organizational Structure of the Company's Management**

##### **5.1 - General Meeting of Shareholders**

The General Meeting of Shareholders is the highest authority of the company, where all voting shareholders are entitled to participate. The Annual General Meeting is held once a year, with no more than 15 months between two consecutive Annual General Meetings.

##### **5.2 - Board of Directors**

The Board of Directors is the company's governing body, authorized to make all decisions on behalf of the company regarding its operations, except for matters under the authority of the General Meeting of Shareholders. Currently, the Board of Directors of Song Da 7.02 Hydroelectric Joint Stock Company consists of 3 members, each serving a 5-year term.

##### **5.3 - Supervisory Board**

The Supervisory Board operates under the General Meeting of Shareholders and is elected by it. Currently, the Supervisory Board of Song Da 7.02 Hydroelectric Joint Stock Company has 3 members, each serving a 5-year term. The Supervisory Board is responsible for examining the legality and reasonableness of business operations and the company's financial statements.

##### **5.4 - Board of General Directors**

The Board of General Directors of Song Da 7.02 Hydroelectric Joint Stock Company in 2024 consists of 2 members, including the General Director and 1 Deputy General Director. The General Director is responsible for the day-to-day operations of the company and is accountable to the Board of Directors for the execution of assigned powers and duties. The General Director's term is 5 years.

### **5.5 - Finance and Accounting Department**

This department advises and assists the General Director in business operations, covering the following areas:

- ✓ Finance and credit management.
- ✓ Accounting and statistical work.
- ✓ Economic and financial information.

### **5.6 - Technical Quality Department**

This department advises and assists the General Director in business operations, covering the following areas:

- ✓ Construction and plan management.
- ✓ Investment management.
- ✓ Technical, quality, and construction progress management.
- ✓ Acceptance of completed work volumes.
- ✓ Construction and safety management.
- ✓ Application of scientific and technical initiatives and improvements.
- ✓ Management of materials and spare parts.
- ✓ Machinery and equipment management.

### **5.7 - General Economic Department**

This department advises and assists the General Director in business operations, covering the following areas:

- ✓ Construction and management of plans and economic unit prices.
- ✓ Economic management.
- ✓ Investment management.
- ✓ Organization and training.
- ✓ Labor policies and employee welfare.
- ✓ Emulation, commendation, and discipline.
- ✓ Office administration and employee welfare.

### **5.8 - Nam Thi 2 Hydropower Plant Production Workshop**

The Nam Thi 2 Hydropower Plant Production Workshop is responsible for managing and operating the Nam Thi 2 Hydropower Plant (8MW). Its duties include:

- ✓ Receiving and operating the plant system to produce electricity according to the electricity production plan approved by the company's Board of Directors.
- ✓ Directly working and coordinating operations with the Northern Load Dispatch Center (A1) and the Northern Power Corporation following the operational coordination procedures between the plant and the National Power System Dispatch Center.
- ✓ Performing other tasks as assigned by the company's General Director.

## **6. Development Orientation**

In addition to maintaining and promoting its traditional business activities of construction contracting and building material production, the company is shifting towards long-term investment by independently investing in the construction and direct management of small and medium-sized hydropower plants. This approach aligns with the country's integration and development trends as well as the company's sustainable growth in the future.

## **7. Risks**

In the current economic climate, the company faces numerous difficulties and challenges:

The bidding process for securing jobs is highly competitive, while the scope of work in the company's traditional fields is shrinking.

Investing in the construction of small hydropower plants is currently quite challenging. Legal procedures, approval processes, and licensing are slow, while land clearance and compensation often

incur significant costs and prolonged delays. These factors result in high investment costs and delays in project completion compared to planned schedules.

## II. OPERATIONAL SITUATION IN THE YEAR

### 1 – Business Production and Operation Situation:

#### 1.1/ Results of Business Production and Operation in 2024

No.	Indicators	Unit	Plan	Implementation	Plan completion rate
1	Total Value of Business and Production	10 <sup>3</sup> VND	41,954,051	38,987,216	93.0%
2	Net Revenue	10 <sup>3</sup> VND	38,458,243	36,099,274	94.0%
3	Profit	10 <sup>3</sup> VND			
	- Profit Before Tax	10 <sup>3</sup> VND	6,545,158	5,880,352	90.0%
	- Profit After Tax	10 <sup>3</sup> VND	6,545,158	5,880,352	90.0%
4	Dividends	10 <sup>3</sup> VND	0%	0%	
5	Investment Value	10 <sup>3</sup> VND	0	0	0%

In 2024, the Company primarily focused on managing and operating the commercial electricity generation of the Nam Thi 2 Hydropower Plant (capacity of 8 MW) in Tam Duong District, Lai Chau Province, and recovering capital from incomplete construction projects, without expanding other production, construction, or business activities.

The investment and construction of the Nam Thi 1 Hydropower Plant project (10 MW) had been temporarily suspended in recent years to assess the environmental impact on forests, in accordance with Directive 13-CT/TW dated January 12, 2017, issued by the Secretariat of the Central Committee of the Communist Party, as a small portion of the reservoir land area consists of forested land. In 2024, following the promulgation of Land Law No. 31/2024/QH15 and the effective implementation of guiding documents, several obstacles in obtaining approval for converting the designated use of forest land were resolved. The Company concentrated on working with the People's Committee of Lai Chau Province and relevant departments and agencies to request the conversion of forest land use for the project. Since June 2024, the project's forested land area has been inspected by provincial departments and agencies of Lai Chau Province, with opinions gathered for appraisal, and the Lai Chau Provincial People's Committee approved the plan to convert the forest land for other purposes. The project has implemented several work items, with the value of incomplete construction investment amounting to nearly 25 billion VND.

#### 1.2/ Performance compared to the annual plan and the previous year

No.	Indicators	Unit	Implemented in 2023	Implemented in 2024	& Actual/Planned Ratio for the Year	Performance Compared to the Previous Year
1	Total Value of Business and Production	10 <sup>3</sup> VND	33,894,212	38,987,216	93.0%	115.0%
2	Revenue	10 <sup>3</sup> VND	31,652,046	36,099,274	94.0%	114.1%
3	Profit Before Tax	10 <sup>3</sup> VND	225,877	5,880,352	90.0%	2,603.3%
4	Profit After Tax	10 <sup>3</sup> VND	225,877	5,880,352	90.0%	2,603.3%
5	Dividend Rate	%	0	0		
6	Average Income	10 <sup>3</sup> VND	14,561	14,656	100%	100.0%

In 2024, the unit continued to organize and stabilize its management structure and the production and operation workshop of the Nam Thi 2 Hydropower Plant, making it more streamlined while still ensuring work efficiency.

In 2024, Song Da 7.02 Joint Stock Company only generated revenue from the electricity production of the Nam Thi 2 Hydropower Plant project (8 MW) in Tam Duong District, Lai Chau Province.

Although 2024 was still affected by the El Niño cycle, resulting in low rainfall, the plant's production workshop closely monitored and maximized the use of available time and water inflow to the reservoir for electricity generation. As a result, the plant's output and revenue achieved the commercial electricity production level according to its designed capacity (30.1/29.8 million kWh). Consequently, the Company's commercial electricity production and business activities in 2024 yielded a profit of 90.0% compared to the annual plan and surpassed the performance of the previous year.

## **2 – Organizational Structure of the Company:**

### **2.1. Board of Directors: 03 Members**

- Mr. Nguyen Huu Nhuan – Chairman of the Board of Directors
- Mr. Nguyen Huu Doanh – Member
- Mr. Pham Van Toan – Member (Relieved on May 9, 2024)

### **2.2. Supervisory Board: 03 Members**

- Mr. Nguyen The Hoang – Head of the Supervisory Board (Appointed on April 17, 2024)
- Mr. Ngo Quoc The – Head of the Supervisory Board (Relieved on April 17, 2024)
- Mr. Nguyen Van Long – Member
- Mr. Nguyen Cao Son – Member (Relieved on May 9, 2024)

### **2.3. General Director Board: 02 Members**

- Mr. Nguyen Cao Son – General Director (Appointed on May 10, 2024)
- Mr. Pham Van Toan – General Director (Relieved on May 9, 2024)
- Mr. Dinh Trong The – Deputy General Director (Appointed on April 17, 2024)

## **3 – Summary of Personal Profile in the Company's Executive Board.**

### **3.1/ Board of Directors:**

#### **a) Chairman of the Board of Directors - Mr. Nguyen Huu Nhuan**

Full Name: Nguyen Huu Nhuan

Date of Birth: October 9, 1973

Place of Birth: Thanh Van – Thanh Oai – Hanoi

ID Number: 111191736 issued by Hanoi Public Security on August 9, 2008

Ethnicity: Kinh

Nationality: Vietnamese

Hometown: Thanh Van – Thanh Oai – Hanoi

Permanent Address: LK3, Nam La Khe Urban Area, La Khe Ward, Ha Dong District, Hanoi.

Phone Number: 0976882024

Education Level: 10/10

Professional Qualification: Electrical Systems Engineer

Work Experience:

- ✓ August 2005 – October 2008: Toll Collection Staff at BOT Deo Ngang Company
- ✓ January 2009 – March 2010: Electrician at Song Da Thang Long Joint Stock Company
- ✓ April 2010 – May 2014: Electrical Systems Engineer at Song Da Thang Long Joint Stock Company
- ✓ June 2014 – May 2016: Deputy Director at Safico Construction Investment Co., Ltd.
- ✓ June 2020 – Present: Chairman of the Board of Directors at Song Da 7.02 Hydroelectric Joint Stock Company

Number of Shares Held: 4,080,000 shares

- *Personal Ownership: 0 shares*
- *Authorized Representative for Song Da 7.04 Capital Joint Stock Company: 4,080,000 shares*

**b) Member of the Board of Directors - Mr. Nguyen Huu Doanh**

Full Name: Nguyen Huu Doanh

Gender: Male

Date of Birth: September 3, 1968

Place of Birth: Thanh Van, Thanh Oai, Hanoi

Nationality: Vietnamese

Citizen Identification Number: 001068013252 issued on March 14, 2018

Issuing by: Police Department on Administrative Management of Social Order

Ethnicity: Kinh

Hometown: Thanh Van Commune, Thanh Oai District, Hanoi

Permanent Address: Ha Cau, Ha Dong, Hanoi

Office Contact Number: 024.666.80228

Education Level: 10/10

Professional Qualification: Construction Engineer

Work Experience:

- ✓ July 1987 – December 1994: Underground Construction Company - Song Da Construction Corporation
- ✓ January 1995 – December 1996: Song Da 8 Construction Company - Song Da Construction Corporation
- ✓ March 1997 – June 2002: Studied at the University of Civil Engineering
- ✓ July 2002 – January 2004: Team Leader of Construction Team No. I - Song Da 7 Construction Company
- ✓ February 2004 – December 2007: Director of Song Da 7.04 Enterprise - Song Da 7 Joint Stock Company
- ✓ January 2008 – July 2010: General Director of Song Da 7.04 Joint Stock Company
- ✓ August 2010 – May 2012: Chairman of the Board of Directors cum General Director of Song Da 7.04 Joint Stock Company
- ✓ May 2012 – April 2016: Board Member and General Director of Song Da 7 Joint Stock Company
- ✓ May 2016 – May 2020: Chairman of the Board of Directors cum General Director of Song Da 7 Joint Stock Company
- ✓ June 2020 – Present: Chairman of the Board of Directors of Song Da 7 Joint Stock Company

Current Position in the Company: Member of the Board of Directors Current Position in Other

Organization: Chairman of the Board of Directors of Song Da 7 Joint Stock Company

Number of Shares Held: 1,014,584 shares

- *Personal Ownership: 14,584 shares*
- *Authorized Representative for Song Da 7 Capital Joint Stock Company: 1,000,000 shares (Major Shareholder)*

Relatives Holding Company Shares: None

**c) Member of the Board of Directors - Mr. Pham Van Toan (Relieved of duty on May 9, 2024)**

Full Name: Pham Van Toan

Date of Birth: February 23, 1985

Place of Birth: Nam Thanh, Nam Truc, Nam Dinh

Citizen Identification Number: 036085006581

Issued by Police Department of Registration and Management of Residence and National Population Data on March 11, 2003

Ethnicity: Kinh

Nationality: Vietnamese

Hometown: Nam Thanh, Nam Truc, Nam Dinh

Permanent Address: No. 18/47 Trung Hanh 6, Dang Lam Ward, Hai An District, Hai Phong City

Office Phone Number: 0989207092

Education Level: 12/12

Professional Qualification: Construction Engineer

Work Experience:

- ✓ March 2008 – December 2010: Technician at Song Da Consulting Joint Stock Company
- ✓ January 2011 – December 2011: Deputy Head of Technical Department at Song Da Consulting Joint Stock Company
- ✓ January 2012 – February 2014: Head of Technical Department at Song Da Consulting Joint Stock Company
- ✓ March 2014 – September 2014: Technician in Technology Department at Song Da 7 Joint Stock Company
- ✓ October 2014 – August 2016: Deputy Head of Technical Department in Technology Department at Song Da 7 Joint Stock Company
- ✓ September 2016 – September 2018: Member of the Board of Directors and Deputy Director at Song Da 7.02 Hydroelectric Joint Stock Company
- ✓ September 2018 – Present: General Director of Song Da 7.02 Hydroelectric Joint Stock Company and Member of the Board of Directors at Song Da 7.02 Hydroelectric Joint Stock Company

Current Position in the Company: Member of the Board of Directors and General Director of the Company

Current Position in Other Organizations: None

Number of Shares Held: 1,000,000 shares

- *Personal Ownership: 0 shares*
- *Authorized Representative for Song Da 7 Joint Stock Company: 1,000,000 shares (Major Shareholder)*

Relatives Holding Company Shares: None

### **3.2/ Supervisory Board**

#### **a) Head of the Supervisory Board - Mr. Nguyen The Hoang**

Full Name: Nguyen The Hoang

Gender: Male

Date of Birth: November 25, 1990

Place of Birth: Bach Nao Village, Thanh Van Commune, Thanh Oai District, Hanoi City

Citizen Identification Number: 001090039092 – Issued on April 8, 2021

Issuing by: Police Department on Administrative Management of Social Order

Ethnicity: Kinh

Nationality: Vietnamese

Hometown: Bach Nao Village, Thanh Van Commune, Thanh Oai District, Hanoi City

Permanent Address: Bach Nao Village, Thanh Van Commune, Thanh Oai District, Hanoi City

Phone Number: 0973672754

Education Level: 12/12

Professional Qualification: Bachelor of Economics

Work Experience:

- ✓ August 2012 – December 2016: Accountant in the Accounting Department at Song Da 704 Joint Stock Company
- ✓ January 2017 – Present: Chief Accountant at Song Da 704 Construction Co., Ltd.
- ✓ Member of the Supervisory Board at Song Da 7.02 Hydroelectric Joint Stock Company

Number of Shares Held: 0 shares

- *Personal Ownership: 0 shares*
- *Authorized Representation for Major Shareholders' Capital: 0 shares*

Relatives Holding Company Shares: None

**b) Head of the Supervisory Board – Mr. Ngo Quoc The** (Relieved of duty on April 17, 2024)

**c) Member of the Supervisory Board - Mr. Nguyen Van Long**

Full Name: Nguyen Van Long

Gender: Male

Date of Birth: September 18, 1981

Place of Birth: Hong Duong, Thanh Oai, Hanoi

Citizen Identification Number: 001081016926 – Issued on November 17, 2016

Issuing by: Police Department of Registration and Management of Residence and National Population Data

Ethnicity: Kinh

Nationality: Vietnamese

Hometown: Hong Duong, Thanh Oai, Hanoi

Permanent Address: Hong Duong, Thanh Oai, Hanoi

Phone Number: 0978874704

Education Level: 12/12

Professional Qualification: Hydraulic Engineer

Work Experience:

- ✓ August 2004 – June 2006: Technician at Song Da 7 Branch in Son La
- ✓ July 2006 – October 2007: Team Leader of Construction Team No. 4 at Song Da 7.03 Enterprise
- ✓ November 2007 – November 2008: Division Chief at Song Da 706 Enterprise – Nam He Hydropower
- ✓ December 2008 – May 2016: Economic and Mechanical Materials Department at Song Da 707 Enterprise
- ✓ June 2016 – July 2020: Deputy Head of Investment Economics Department at Song Da 7 Joint Stock Company
- ✓ August 2020 – Present: Head of Technical - Investment Economics Department at Song Da 7 Joint Stock Company; Member of the Supervisory Board at Song Da 7.02 Hydroelectric Joint Stock Company

Number of Shares Held: 0 shares

- *Personal Ownership: 0 shares*
- *Authorized Representation for Major Shareholders' Capital: 0 shares*

Relatives Holding Company Shares: None

**d) Member of the Supervisory Board - Mr. Nguyen Cao Son** (Relieved of duty on May 9, 2024)

### **3.3/ Board of General Directors:**

**a) General Director - Mr. Nguyen Cao Son** (Appointed on May 10, 2024)

Full Name: Nguyen Cao Son

Gender: Male

Date of Birth: August 30, 1982

Place of Birth: Phuc Tho, Ha Noi

ID Number: 111631612 - Issued on April 25, 2014, in Ha Noi

Ethnicity: Kinh

Nationality: Vietnamese

Hometown: Thieu Xuan, Vien Son, Son Tay, Ha Noi

Permanent Address: Thieu Xuan, Vien Son, Son Tay, Ha Noi

Office Phone Number: 0981383863

Education Level: 12/12

Professional Qualifications: Hydraulic Engineer; Master of Hydraulic Construction Engineering

Work Experience:

- ✓ July 2005 – September 2010: Technical Specialist at the Tuyen Quang Hydropower Project Management Board
- ✓ September 2010 – November 2011: Head of Construction Technical Department at Lai Chau Hydropower Project Management Board
- ✓ November 2011 – July 2020: Head of Technology Technical Department at Song Da 7 Joint Stock Company
- ✓ August 2020 – Present: Deputy General Director of Song Da 7 Joint Stock Company cum General Director of Song Da 7.02 Hydroelectric Joint Stock Company

Number of Shares Held: 0 shares

- *Personal Ownership: 0 shares*
- *Authorized Representation for Major Shareholders' Capital: 0 shares*

Relatives Holding Company Shares: None

**b) Deputy General Director - Mr. Dinh Trong The**

Full Name: Dinh Trong The

Date of Birth: February 12, 1983

Place of Birth: Lo Noo, Hop Duc, Tan Yen, Bac Giang

ID Number: 121401598 - Issued by Bac Giang Public Security on August 12, 2016

Citizen Identification Number: 024083010682 - Issued by Police Department on Administrative Management of Social Order on July 12, 2021

Ethnicity: Kinh

Nationality: Vietnamese

Hometown: Hop Duc, Tan Yen, Bac Giang

Permanent Address: Lo Noo, Hop Duc, Tan Yen, Bac Giang

Phone Number: 0962907775

Education Level: 12/12

Professional Qualification: Bachelor's Degree in Electrical Technical Education

Work Experience:

- ✓ September 2007 – October 2009: Teacher at Yen The Mountain Vocational School, Bac Giang
- ✓ October 2009 – October 2012: Employee at Song Da 5 Joint Stock Company
- ✓ October 2012 – October 2013: Employee at Nam A Co., Ltd.
- ✓ October 2013 – April 2017: Teacher at Yen The Mountain Vocational School, Bac Giang
- ✓ July 2017 – September 2017: Employee at Phoeni Tech Vietnam Co., Ltd.
- ✓ September 2017 – January 2019: Employee at Song Da 7.02 Hydroelectric Joint Stock Company
- ✓ January 2019 – December 2019: Shift Leader at the Plant - Song Da 7.02 Hydroelectric Joint Stock Company
- ✓ January 2020 – June 2020: Deputy Workshop Manager - Song Da 7.02 Hydroelectric Joint Stock Company

- ✓ July 2020 – April 2024: Workshop Manager - Song Da 7.02 Hydroelectric Joint Stock Company
- ✓ April 2024 – Present: Deputy General Director - Song Da 7.02 Hydroelectric Joint Stock Company

Number of Shares Held: 0 shares

- *Personal Ownership: 0 shares*
- *Authorized Representation for Major Shareholders' Capital: 0 shares*

Relatives Holding Company Shares: None

#### **4 – Changes in Executive Leadership in 2024**

In 2024, there were changes in members of the Board of Directors, Supervisory Board, and Executive Board:

+ Board of Directors and Board of General Directors: Mr. Pham Van Toan – Member of the Board of Directors and General Director of the company submitted his resignation and was relieved of duty by the Board of Directors on May 9, 2024. Simultaneously, Mr. Nguyen Cao Son was appointed as General Director effective May 10, 2024.

+ Supervisory Board: Mr. Ngo Quoc The – Head of the Supervisory Board submitted his resignation due to health reasons. The 2024 General Meeting of Shareholders approved his relief of duty and elected Mr. Nguyen The Hoang as a new member of the Supervisory Board. Subsequently, the Supervisory Board held a meeting and elected Mr. Nguyen The Hoang as Head of the Supervisory Board for the remainder of the 2020–2025 term.

On May 9, 2024, the Board of Directors and Supervisory Board agreed to relieve Mr. Nguyen Cao Son from his position as a member of the Supervisory Board in order to appoint him as General Director of the company.

#### **5 – Company Employees in 2024 and Labor Policies:**

In 2024, the company restructured its management system to oversee and manage the investment and construction of the Nậm Thi Hydropower Plant project in accordance with job requirements. After completing the construction of Nậm Thi 2, staffing levels were adjusted, and employees were reassigned to appropriate roles. By the end of the year, the total number of employees was 16. The company ensured timely and full payment of salaries and bonuses to employees, along with insurance contributions in compliance with regulations.

The company organized work and resolved employee benefits and policies in accordance with State laws and the regulations set by the unit.

#### **6 – Investment Implementation Status:**

In 2024, the company managed and operated the commercial power generation of the Nam Thi 2 Hydropower Plant project (8MW capacity) in Tam Duong District, Lai Chau Province. The company is continuing to invest in the construction of the Nam Thi 1 Hydropower Plant (10MW capacity). The ongoing work includes land compensation and clearance, completion of legal documentation, and construction of auxiliary works such as the 110KV transformer station. However, the project is currently on hold to assess the environmental impact on forest areas, as required by Directive 13-CT/TW dated January 12, 2017, from the Party Central Secretariat. This pause is due to a small portion of the reservoir land being classified as forest land, which requires environmental evaluation and approval for land-use conversion.

With the new 2024 Land Law and its accompanying guidelines now in effect, the company has been closely adhering to the regulations and working with governmental authorities and the Lai Chau Provincial People's Committee to apply for the forest land-use conversion. The provincial People's Committee has directed the relevant departments to assess the current state of the forest and approved a plan for forest land-use conversion. Further evaluations and feedback from relevant departments are

being collected to present to the Provincial People's Council of Lai Chau for a decision on approving the policy for converting forest land to other uses for the project.

## 7 – List and Structure of Shareholders as of December 31, 2024

### 7.1/ List of Shareholders and Number of Shares Held:

No.	SHAREHOLDER NAME	ADDRESS	Business Registration Number	Number of shares held	VALUE (1000 VND)	Ratio
1	Song Da 7 Joint Stock Company	It Ong Commune – Muong La District – Son La	5400105091	4,177,406	41,774,060	34.8%
2	Song Da 7.04 Joint Stock Company	It Ong Town – Muong La District – Son La	5500296523	4,080,000	40,800,000	34.0%
3	Highland - Song Da 7 Hydropower Joint Stock Company	Dung Kno Commune, Lac Duong District, Lam Dong	5800519428	1,920,000	19,200,000	16.0%
4	Other Shareholders			1,822,594	18,225,940	15.2%
	<b>TOTAL</b>			<b>12,000,000</b>	<b>120,000,000</b>	<b>100%</b>

### 7.2/ Shareholder Structure of the Company:

No.	Shareholders	Number of shareholders	Number of shares	Capital contribution value (VND)	Ratio %
1	<b>Domestic Shareholders</b>	<b>490</b>	<b>12,000,000</b>	<b>120,000,000,000</b>	<b>100 %</b>
	- Organizations	03	10,177,406	101,774,060,000	84.8 %
	- Individuals	487	1,822,594	18,225,940,000	15.2 %
2	<b>Foreign Shareholders</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0 %</b>
	- Organizations	0	0	0	0 %
	- Individuals	0	0	0	0 %
	<b>TOTAL</b>	<b>630</b>	<b>12,000,000</b>	<b>120,000,000,000</b>	<b>100%</b>

## III. REPORT FROM THE BOARD OF DIRECTORS

In 2024, the company focuses on the following key tasks:

+ Concentrating on managing the safe and efficient commercial power generation operations of the Nam Thi 2 Hydropower Plant – with a capacity of 8MW in Tam Duong District, Lai Chau Province. Continued to process and finalize legal documentation to invest in constructing the Nam Thi 1 Hydropower Plant – with a capacity of 10MW, pending an official decision on the land-use conversion of forest land.

+ Focusing on recovering outstanding debts from completed construction projects that have been handed over to investors, without taking on new construction contract work.

In general, in 2024, the company successfully achieved its objectives of managing the safe and cost-effective operation of the Nam Thi 2 Hydropower Plant. Despite the cyclical El Niño effects in 2024, which brought low rainfall levels, company employees were diligent in optimizing the time and water flow to maximize power generation. As a result, the plant's production and revenue met the designed capacity targets (30.1/29.8 million kWh). Consequently, the company's commercial power generation business in 2024 achieved profits equal to 90% of the annual plan and exceeded the results of the previous year. The company closely followed adjustments and changes in government policies, particularly the revised Land Law, to complete legal procedures for the Nam Thi 1 Project, ensuring readiness to continue investment and construction once a decision is made regarding the forest land-use conversion by Lai Chau Province.

Key Indicators for 2024 Include the Following:

### 1. Key Indicators Achieved in 2024

NO.	INDICATORS	UNI	IN 2024		
			Plan	Implementation	% Complete
<b>A</b>	<b>Business and Production</b>				
<b>I</b>	<b>Total Value of Business and Production</b>	10 <sup>3</sup> VND	<b>41,954,041</b>	<b>38,987,216</b>	<b>93.0%</b>
-	Commercial Power Generation	10 <sup>3</sup> VND	41,954,041	38,987,216	93.0%
-	Construction and Non-construction Value	10 <sup>3</sup> VND	0	0	
-	Financial and Other Activities	10 <sup>3</sup> VND	0	4,720	
<b>II</b>	<b>Net Revenue</b>	10 <sup>3</sup> VND	<b>38,458,232</b>	<b>36,099,274</b>	<b>94.0%</b>
<b>III</b>	<b>Labor and Wages</b>				
-	Total Number of Employees	Person	16	16	
-	Average Monthly Salary per Employee	10 <sup>3</sup> VND	14,500	14,656	100%
<b>IV</b>	<b>Contributions to the State</b>	10 <sup>3</sup> VND	<b>8,393,409</b>	<b>7,364,197</b>	<b>88.0%</b>
<b>V</b>	<b>Profit Before Tax</b>	10 <sup>3</sup> VND	<b>6,545,158</b>	<b>5,880,352</b>	<b>90.0%</b>
<b>B</b>	<b>Investment Work</b>	10 <sup>3</sup> VND	<b>0</b>	<b>0</b>	
<b>C</b>	<b>Dividend-to-Charter/Capital Ratio</b>		<b>0%</b>	<b>0%</b>	

In 2024, the company achieved a profit of 5.8 billion VND; however, this profit was used to offset accumulated losses from previous years. Consequently, the company did not generate any post-tax profit in 2024 to distribute dividends to shareholders.

### 2. Implementation of Plans:

The company's 2024 plan did not include accepting new construction contracts or engaging in other business activities. Instead, the focus was solely on managing the operation of power generation at the Nam Thi 2 Hydropower Plant and carrying out tasks required for further investment in the construction of the Nam Thi 1 Plant project.

#### \* Assessment of Implementation

In 2024, the company focused on managing and operating the power generation of the Nam Thi 2 Hydropower Plant while continuing to finalize legal documentation for further investment in the Nam Thi 1 project. However, in 2024, there was no official decision to approve the forest land-use conversion in Lai Chau Province, nor was the project updated as part of the implementation plan for

the Government's Power Plan VIII. Therefore, the Nam Thi 1 Hydropower Plant project could not proceed with investment and construction.

**\* General Evaluation:**

Overall, the company's management, operations, and investment implementation have met the planned work requirements.

- The management and commercial operation of the Nậm Thi 2 Hydropower Plant ensured safety, efficiency, and reduced operation management costs.
- The professional tasks were proactively completed by departments within their assigned areas of responsibility, meeting work requirements.
- The management regulations of the State and internal policies were strictly followed.
- Reporting and analysis of business operation results were carried out quarterly, serving as a basis for timely and relatively accurate management decisions.
- Accounting tasks complied with regulations and met the unit's management requirements.

However, some unresolved issues persist:

- Settlement Work: Personnel changes and employee transfers led to incomplete settlements with contractors and unresolved tasks, which hinder the efficient finalization of accounts and debt offsetting.
- Investment Work: Investment in the Nậm Thi 1 Hydropower Project was carried out according to plan but remained slower than expected, primarily due to objective factors in obtaining approval for forest land-use conversion for the project.

**3 – Some Key Financial Indicators:**

No.	Key indicators	Unit	In 2024	In 2023	Note
1	Assets and Capital Sources:				
-	Short-Term Assets/Total Assets	%	5.2	4.1	
-	Long-Term Assets/Total Assets	%	94.8	95.9	
-	Owner's Equity/Total Capital Sources	%	54.9	50.0	
2	Debt Indicators				
-	Liabilities/Total Assets	%	45.1	50.0	
-	Short-Term Liabilities/Total Liabilities	%	39.9	47.6	
3	Payment Ratios				
-	Short-Term Payment Ratio (Short-Term Assets/Short-Term Liabilities)	Time	0.29	0.17	
-	Quick Payment Ratio (Short-Term Assets - Inventory/Short-Term Liabilities)	Time	0.07	0.05	
4	Asset Management Indicators:				
-	Total Asset Turnover (Revenue/Total Assets)	Turn	16.6	13.7	
-	Fixed Asset Turnover (Revenue/Fixed Assets)	Turn	12.9	11.1	
5	Operational Efficiency Indicators:				
-	Profit After Tax/Revenue	%	16.3	0.7	
-	Net Profit Margin/Charter Capital (ROE)	%	4.9	0.2	
-	Profit Margin/Owner's Equity	%	4.9	0.2	
-	Profit Margin/Total Assets (ROA)	%	2.7	0.1	

**4 – Explanation from the Board of Directors and Audit Opinion for 2024:**

+ In 2024, Song Da 7.02 Hydroelectric Joint Stock Company generated revenue exclusively from the electricity production of the Nam Thi 2 Hydropower Plant project (8MW) in Tam Duong District, Lai Chau Province. Despite the cyclical effects of El Niño in 2024, which causes low rainfall, the company optimized time and water flow to maximize power generation. Consequently, the plant's output and revenue met the designed commercial electricity target (30.1/33.2 million kWh as planned). Profitability reached 90.0% of the annual plan, which was higher than the previous year. Post-tax profit for 2024 amounted to 5.8 billion VND, significantly higher than the 0.2 billion VND achieved in 2023. Therefore, post-tax profit in 2024 reflects a change greater than 10% compared to the corresponding report of the previous year.

**+ Audit Opinion on the 2024 Financial Statements:**

The audit opinion for the 2024 financial statements was unqualified. According to the auditors, the financial statements provided a truthful and fair representation, in all respect materials, of the financial status of Song Da 7.02 Joint Stock Company as of December 31, 2024, as well as its business performance and cash flow for the fiscal year ending on the same date. These statements comply with Vietnamese accounting standards, corporate accounting regulations, and legal requirements related to the preparation and presentation of financial statements.

#### **IV. ACTIVITIES OF THE BOARD OF DIRECTORS AND THE SUPERVISORY BOARD**

1. General Evaluation of the Company's Management: The comprehensive management of the company, including capital and asset management, investment management, quality management, and labor management, was carried out in compliance with the laws of the State, the Company Charter, and internal management regulations.

The Company Charter and internal management regulations have been regularly issued, supplemented, and amended to align with legal requirements and the practical needs of corporate governance. These internal regulations, in accordance with economic principles and enhanced managerial capacity of officials, have effectively promoted autonomy and creativity among the management, operations teams, and staff.

Throughout business and production activities, the Board of Directors and the various levels of the executive apparatus adhered strictly to legal regulations, state policies, the Company Charter, and internal management regulations.

**2. Activities of the Board of Directors in 2024:**

- In 2024, the company manages the commercial power generation of the Nam Thi 2 Hydropower Plant, settled and recovered capital from construction projects undertaken by the company, and concentrated on investment efforts for the construction of the Nam Thi 1 Hydropower Plant project. The Board of Directors oversaw and supervised the executive management to ensure full compliance with legal regulations in business and production activities, implemented democratic policies, respected and secured shareholder rights, and ensured the company's responsibilities and obligations to the State and partners were fulfilled.

- The Board of Directors managed the company and performed their duties and responsibilities in accordance with legal regulations and the Company's Charter.

- The Board of Directors worked in coordination with the Executive Board to resolve issues, directed the safe and efficient management of the Nam Thi 2 Hydropower Plant, and collaborate to address tasks ensuring the timely and compliant implementation of the Nam Thi 1 Hydropower Plant project, following relevant laws and policies.

**3. Documents Issued by the Board of Directors in 2024:**

- In 2024, the Board of Directors held 13 meetings with full attendance from all members and issued a total of 17 resolutions and decisions of various types. All documents issued by the Board of Directors were within their authority and complied with legal regulations and the Company's Charter. The issued

documents were practical and effective for implementation. The document issuance process followed the appropriate procedures, with documents being approved by the Board of Directors through resolutions and decisions during meetings.

- The total number of documents issued amounted to 17, categorized as follows:

- Resolutions: 9 documents

- Decisions: 8 documents

- Additional notices, directives, and reports

#### **4. Personnel Organization under the Authority of the Board of Directors:**

- The personnel organization was carried out by the company's Board of Directors within their authority, in accordance with the Company Charter, based on the principles of serving business and production tasks, the actual development of the company, and the qualifications and capabilities of personnel.

- Successfully organized the 2024 Annual General Meeting of Shareholders in compliance with legal regulations and the Company Charter.

#### **5. Activities of the Supervisory Board**

- The Supervisory Board consists of part-time members whose work is dispersed, yet they have regularly exchanged information, reviewed, and accurately assessed the company's activities in their assigned areas of responsibility.

- Participated in meetings of the Board of Directors (BOD) and in meetings analyzing and evaluating the company's business and production results.

- Monitored the implementation of resolutions from the General Meeting of Shareholders, the issuance of internal management documents, and the enforcement of the resolutions, decisions, and regulations set by the Board of Directors and the Executive Board of the company.

- Reviewed and examined quarterly and annual financial statements prepared by the General Director and the Finance-Accounting Department. Additionally, they verified and cross-checked reports from the independent auditing organization at the company.

#### **6. Remuneration and Benefits for the Board of Directors and Supervisory Board in 2024:**

In accordance with the Resolution of the 2024 General Meeting of Shareholders, Sông Đà 7.02 Joint Stock Company allocated expenses and paid remuneration to the Board of Directors and the Supervisory Board in 2024 as follows:

No.	Salaries and Remuneration for the Year	Number of employees	Spending levels according to the General Meeting of Shareholders' Resolution	Actual amount to be paid
1	Chairman of the Board of Directors	01	24,000,000	24,000,000
2	Members of the Board of Directors	02	36,000,000	36,000,000
3	Head of the Supervisory Board	01	18,000,000	18,000,000
4	Members of the Supervisory Board	02	24,000,000	24,000,000
5	Secretary	01	12,000,000	12,000,000
	<b>Total:</b>		<b>114,000,000</b>	<b>114,000,000</b>

### **V. FINANCIAL REPORT FOR 2024 (Audited)**

**1. Auditor's Opinion** (Attached to the audited 2024 financial report): The audit opinion for the 2024 financial statements is an unqualified opinion. According to the auditors, the financial statements fairly and accurately reflect, in all material respects, the financial position of Sông Đà 7.02 Joint Stock

Company as of December 31, 2024, as well as the results of its business operations and cash flow for the fiscal year ending on the same date. The statements comply with Vietnamese accounting standards, corporate accounting regulations, and legal requirements related to the preparation and presentation of financial statements.

### **Emphasis of Matter**

As of December 31, 2024, the company's financial statements indicate that total short-term liabilities exceeded short-term assets by 27.88 billion VND. The accumulated loss as of December 31, 2024, was 1.82 billion VND, equivalent to 2% of the owner's contributed capital. Overdue unpaid debts amounted to 6.82 billion VND (refer to Notes 13 and 16). These events, along with matters discussed in Note 1, highlight the existence of significant uncertainty that casts doubt on the company's ability to continue as a going concern.

Despite this, the company's financial statements for the fiscal year ending December 31, 2024, are still prepared on the assumption of going concern. This emphasis of matter does not modify the unqualified audit opinion.

**2. Financial Report for 2024** (*Attached to the audited financial report*): The company's information and reports are published on its official website at: [Songda702.com.vn](http://Songda702.com.vn).

### **CC:**

- State Securities Commission, Stock Exchange
- Members of the Board of Directors, Supervisory Board
- Archived

**ON BEHALF OF BOARD OF DIRECTORS**



**Nguyen Huu Nhuan**