

Vung Tau, April 29, 2025

REPORT OF THE BOARD OF SUPERVISORS AT THE 2025 ANNUAL GENERAL MEETING OF SHAREHOLDERS

To: The General Meeting of Shareholders of Development Investment Construction Joint Stock Company No. 2 (DIC2)

- Pursuant to the Enterprise Law No. 59/2020/QH14, adopted by the National Assembly of the Socialist Republic of Vietnam on June 17, 2020;
- Pursuant to the Charter of Development Investment Construction Joint Stock Company No. 2 (DIC2), approved by the General Meeting of Shareholders;
- Pursuant to the working regulations of the Board of Supervisors;

On behalf of the Board of Supervisors, I would like to report to the 2025 Annual General Meeting of Shareholders the results of the supervisory activities at DIC2 in 2024 as follows:

1. Activities of the Board of Supervisors:

- Developed a work plan and carried out tasks to inspect and supervise the company's operations in accordance with legal regulations, the company's Charter, and periodically reviewed the quarterly and annual business performance reports for 2024.
- Supervised and verified the compliance of decision-making authority exercised by the Board of Directors and the Board of Management.
- Monitored the implementation of the resolutions of the 2024 Annual General Meeting of Shareholders.

2. Activities of the Board of Directors and the Board of Management:

In 2024, the Board of Directors of DIC2 consisted of 03 members. Throughout the year, the BOD organized and maintained regular meetings to make decisions on matters related to the company's business operations. During the period, the BOD held 10 meetings to approve key issues such as: approving the 2024 Annual General Meeting of Shareholders plan, implementing the plan for private placement of shares in 2024, selecting the auditing firm for 2024, resolving unsold shares from the private share issuance (PHRL), approving the results of the private placement of shares, approving the adjustment of the business registration certificate to increase charter capital, adjusting/changing the capital use plan from the private placement of shares, ...

The Board of Management's implementation in 2024 adhered to the direction of the BOD/Chairman of the Board of Directors. Monthly, the Board of Management organized meetings to implement and propose solutions to address issues related to the company's business operations, with a focus on executing the completion of projects and recovering customer debts.

3. Evaluation of the Coordination Between the Board of Supervisors, the Board of Directors, and the Board of Management:

In 2024, the Board of Directors and the Board of Management always facilitated the Board of Supervisors in carrying out its duties. The Board of Supervisors was provided with necessary documents for supervision and allowed to offer feedback on matters related to the company's operations.

The Board of Supervisors regularly reported its findings to the Board of Directors and the Board of Management regarding the results of inspections and supervision. Additionally, The Board of Supervisors recommended that all management levels fulfill their responsibilities properly, ensuring compliance with legal regulations and the company's charter.

4. Business Performance of the Company:

4.1. Business Results in 2024:

Unit: VND Billion

Indicator	2024 Plan	2024 Actual	2023 Actual	Completion rate in 2024 vs. 2024 plan	Change compared to the previous period
Production Value	250,1	256,3	130,7	102.5%	96.1%
Net Revenue	250,0	250,2	209,9	100.1%	19.2%
Pre-tax Profit	8,0	8,3	4,3	102.7%	93.0%
Post-tax Profit	5,3	5,6	1,0	104.3%	460.0%

In 2024, DIC2 achieved the business results approved by the 2024 Annual General Meeting of Shareholders. Specifically, net revenue reached VND 250.2 billion, achieving 100.1% of the plan, and post-tax profit reached VND 5.56 billion, achieving 104.1% of the plan. Compared to the same period in 2023, net revenue and pre-tax profit increased by 19.2% and 94.4%, respectively. In 2024, the company's revenue focused solely on construction activities, with revenue from projects of the parent company Cai Mep Logistics Joint Stock Company reaching VND 172.2 billion, accounting for 68.8% of net revenue, and revenue from the DIC Group reaching VND 45.7 billion, accounting for 18.3% of net revenue.

Interest expenses incurred in 2024 amounted to VND 11.9 billion, a decrease of 54.8% compared to the same period last year. However, the use of financial leverage remained high, leading to the exclusion of interest expenses exceeding 30% of EBITDA (net profit, interest, and depreciation) from allowable costs, with the excluded interest expense in 2023 being **VND 3.8 billion, accounting for 31.8% of the interest expenses incurred.**

– Asset and Capital:

+ Assets: As of December 31, 2024, the company's total assets amounted to VND 322.4 billion, a decrease of 18.6% compared to the same period last year. This includes current assets of VND 253.3 billion, which account for 78.6% of total assets, and non-current assets of VND 69.0 billion, which account for 21.4% of total assets. Compared to the same period in 2023, current assets decreased by 22.8%, and non-current assets increased by 1.7%.

+ Capital:

- Charter Capital: As of December 31, 2024, DIC2's charter capital was VND 109.7 billion. The DIC Group holds 50.14% of the charter capital of DIC2. In 2024, DIC2 successfully increased its charter capital from VND 75.6 billion to VND 109.7 billion through a private share issuance.

- Liabilities: As of December 31, 2024, DIC2's total liabilities were VND 202.7 billion, a decrease of 35.8% compared to the same period last year. Short-term liabilities accounted for 100% of total liabilities.

As of December 31, 2024, the company's Debt-to-Equity Ratio was 1.7 times, which is within the safe threshold according to the company's financial regulations. The company's quick and current liquidity ratios were 1.11 times and 1.25 times, respectively, indicating that the company can still ensure payment of its short-term obligations. However, as of December 31, 2024, the company's short-term receivables from customers amounted to VND 178.5 billion, which accounts for 69.4% of current assets and 54.5% of total assets. This means the company's ability to meet its due liabilities depends partly on its ability to collect debts from customers. If debt collection does not meet the expected progress, the company may face difficulties in paying its suppliers and short-term loan obligations.

4.2. Implementation of the 2024 Shareholders' General Meeting Resolutions:

- *Regarding the establishment of funds:* The company has completed the allocation of funds and successfully increased its charter capital from VND 75.6 billion to VND 109.7 billion through a private share issuance.

- *Regarding the implementation of the business plan:* In 2024, production value reached VND 257.5 billion, completing 103% of the plan; Net revenue reached VND 250.2 billion, completing 100.1% of the plan; Pre-tax profit reached VND 8.3 billion, completing 102.7% of the plan; Post-tax profit reached VND 5.6 billion, completing 104.1% of the plan.

- *Regarding the remuneration for the Board of Directors and the Board of Supervisors:* During the year, the company paid remuneration to the Board of Directors and the Board of Supervisors in accordance with the resolutions approved by the General Meeting of Shareholders. Detailed information about the remuneration of the Board of Supervisors is presented in the proposal No. 10/TTr-DIC No2-HĐQT of DIC2.

5. Report on transactions of Insiders and related parties; between DIC2, subsidiaries, and companies controlled by DIC2 with over 50% of charter capital

In 2024, DIC2 did not exercise control over 50% of the charter capital in any entity. During 2024, there were no cases where fines were imposed for violations of approval authority, reporting requirements, or information disclosure related to transactions of Insiders and related parties.

6. Recommendations to the Board of Directors and the Board of Management:

- Regarding debt collection: DIC2's ability to pay its debts is highly dependent on accounts receivable. Therefore, it is recommended that the Chairman of the Board and the Board of Management take decisive actions in debt collection efforts, and select customers with strong financial capabilities to minimize the risk of uncollectible debts. Provisions for doubtful debts should be made in accordance with the regulations in Circular No. 48/2018/TT-BTC dated August 8, 2018.

- The company's capacity to settle its outstanding debts depends largely on the successful collection of accounts receivable. Thus, alongside raising capital from financial institutions to support business operations, it is imperative that the company intensifies efforts in receivables collection to ensure the smooth cash flow necessary for business activities. Furthermore, it is essential to adjust the company's debt-to-equity structure to enhance debt repayment capacity, reduce financial costs, and improve operational efficiency. Any capital raised must be aligned with achieving the company's business objectives.

- To minimize tax-related risks, it is recommended that the company regularly review accounting records, stay updated on tax regulations, and ensure that tax filings and payments are done accurately and in full compliance with the current legal framework.

- The company should strictly adhere to both internal information disclosure policies and legal requirements to ensure transparency and comply with all applicable laws.

7. Operational Plan of the Board of Supervisors for 2025:

- Monitor the implementation of the resolutions of the Annual General Meeting of Shareholders. Supervise the compliance with the laws of the state and the company's Charter. Oversee the implementation of the resolutions, decisions, and directives issued by the Board of Directors.

- Verify the legality and compliance in managing business activities, maintaining accounting records, and preparing financial reports.

- Review and validate the quarterly and annual financial statements of the company.

- Report to the General Meeting of Shareholders on the accuracy, honesty, and legality of the accounting records, document storage, preparation of accounting books, financial statements, and other company reports.

- Supervise the coordination between the Board of Directors, the Board of Management, and the Board of Supervisors.

- Perform other tasks in accordance with the provisions of the Enterprise Law and the company's Charter.

This is the report on the activities of the Board of Supervisors for 2024, submitted for approval by the General Meeting of Shareholders.

Wishing all shareholders good health and success.

Sincerely,

**On behalf of the Board of Supervisors
Head of the Board**



PHAM THI HONG BICH