

**REPORT  
THE ACTIVITIES OF THE BOARD OF DIRECTORS IN 2024  
AND PLAN FOR 2025**

Respectfully to: **The General Meeting of Shareholders**

The Board of Directors of IDICO Srok Phu Mieng Hydropower Joint Stock Company (“the Company/IDICO-SHP”) respectfully submits to the General Meeting of Shareholders the report on the activities of the Board of Directors (“BOD”) in 2024 and the plan for 2025, as detailed below:

**I. Board of Directors’ activities in 2024**

The Board of Directors (BOD) of the Company consists of five members, all of whom are non-executive members and there is no independent member of BOD. The details are as follows:

- |                          |                |
|--------------------------|----------------|
| 1. Mr. Nguyen Van Thinh  | - Chairman;    |
| 2. Mrs. Tran Thuy Giang  | - BOD Members; |
| 3. Mr. Nguyen Quoc Viet  | - BOD Members; |
| 4. Mr. Nguyen Phong Danh | - BOD Members; |
| 5. Mr. Mai Dinh Nhat     | - BOD Members. |

The Board of Directors operates collectively based on the principle of democratic centralism, with each member assigned specific duties and responsibilities. The Board maintains a high level of unity and consensus, ensuring that all matters under its authority are discussed collectively and documented in meeting minutes or through written voting forms.

**1. Summary of Board Meetings and Resolutions**

Throughout the year, the Board of Directors (BOD) maintained regular meetings, strictly adhering to legal principles and regulations, the Company's Charter, internal corporate governance regulations, the BOD's operational regulations, and the resolutions of the General Meeting of Shareholders. In 2024, the BOD held seven board meetings and conducted eight rounds of written consultations with BOD members. The BOD issued eleven resolutions and fourteen decisions to direct the Company's activities, covering key matters such as:

- Approval of the 2023 business performance results and implementation of the 2024 business plan; approval of quarterly business performance reports and plans for 2024.
- Approval of the plan and meeting documents for the 2024 Annual General Meeting of Shareholders.

- Approval of the policy for short-term loans and guarantee limits for 2024 to support the Company's business operations.;
- Selection of a consulting service provider for human resources advisory for IDICO Srok Phu Mieng Hydropower Joint Stock Company.
- Approval of the remuneration plan for BOD members and the Company Secretary for 2024, as well as the bonus fund allocation plan for the Management Board.;
- Organizational and Human Resources Matters:
  - + Approval of the dismissal of the General Director and termination of the labor contract for Mr. Nguyen Thanh Hoai.
  - + Approval of the appointment of Mr. Truong Thanh Binh as the General Director and legal representative of IDICO Srok Phu Mieng Hydropower Joint Stock Company.
- Approval of the company's staffing plan to streamline operations and enhance labor productivity; issuance of the company's salary scale system, wage and income regulations; determination of salary and income levels based on performance for company executives.
- Payment of dividends for the 2023 fiscal year to shareholders.
- Liquidation of the 110kV transmission line segment from the 220kV Binh Long 2 substation to the extended bay at the 110kV Loc Ninh substation; establishment of the Fixed Asset Liquidation Council; approval of the detailed asset liquidation plan.
- Selection of the audit firm for the 2024 financial statements;
- Approval of the investment policy for the backup metering system at the power plant, in accordance with the design agreement reached with the Electricity Power Trading Company (EPTC) and other relevant entities.
- Approval of the policy to conduct a comprehensive assessment of the technical condition of the entire machinery, equipment, and infrastructure of the power plant; implementation of a plan for renovation, repair, and procurement of certain backup equipment for the power plant.
- Approval of the plan to renovate and upgrade the existing water supply pipeline for Binh Phuoc Water Plant - IDICO.
- Decisions on other matters within the authority of the Board of Directors.

## **2. Management and Implementation of 2024 Goals and Targets in accordance with the Resolutions of the 2024 Annual General Meeting of Shareholders**

### ***2.1. Business operations***

In 2024, the company's business operations faced significant challenges due to the following factors:

- Unfavorable hydrological conditions for electricity production: In 2024, the water inflow to the Srok Phu Mieng hydropower reservoir was low due to prolonged hot weather and a delayed rainy season.

- Electricity market operation plan: The electricity market operation plan approved by the Ministry of Industry and Trade set a lower system marginal price (SMP cap) for 2024 compared to 2023 (VND 1,510.0 / VND 1,778.6). Additionally, the proportion of electricity volume settled at contract prices (alpha ratio) for hydropower plants increased

to 98% in 2024 (compared to 90% in 2023). This has significantly impacted the company's electricity selling price and revenue for the year.

In response to these challenges, the Board of Directors identified key objectives and strategic directions to focus on targeted solutions, striving to achieve the best possible business performance for 2024 as set by the General Meeting of Shareholders. The company's business performance results for 2024 are as follows:

No.	Key indicators	UNIT	Plan for 2024 (targets set by the GMS)	Archived in 2024	Archived in 2023	Implementation Rate (%) of 2024 Compared to:	
						Plan for 2024	Same period in 2023
1	Commercial electricity output	kWh m	240	222	254	93%	88%
2	Clean water output	m <sup>3</sup>	787,440	778,432	849,056	99%	92%
3	Total revenue and other income	VND m	208,956	199,893	234,236	96%	85%
4	Profit before tax	VND m	95,854	94,378	116,462	98%	81%
5	Profit after tax	VND m	77,454	76,193	93,079	98%	82%
6	Dividend/ Charter capital submitted to the GMS	%	20%	20%	20%	100%	100%

## 2.2. Organizational and Personnel Affairs

In 2024, the Company collaborated with a human resources consulting firm to complete the organizational restructuring, workforce reallocation, and staffing determination. In addition, a new salary policy was developed based on a mechanism that links income payment to job position and work performance.

- Total workforce as of January 1, 2025: 58 employees, including:
  - + Indirect : 17 people.
  - + Direct : 41 people.

## 2.3. Financial management

- In 2024, the Board of Directors directed the Executive Board to implement appropriate financial solutions to optimize capital utilization, ensure cash flow for business operations, and fulfill the planned dividend payments to shareholders. Although electricity output reached only 93% of the target and revenue achieved 96% of the plan, the company made significant efforts to implement various measures to control and reduce operating costs, striving to achieve the best possible profit performance. As a result, the company's profit after tax reached 98% of the target.

- Debt Status: Currently, IDICO-SHP has no bad debts or overdue liabilities that are uncollectible.

- Dividend payment for 2023:

Based on the resolution of the 2024 Annual General Meeting of Shareholders and the approved 2023 profit distribution plan, which determined the dividend payout to shareholders, the Board of Directors directed the successful completion of the 2023 dividend payment to shareholders.

## 3. Supervisory activities of the Board of Directors over the Board of

## **Management and other Executives**

### ***3.1. Supervisory methods***

In accordance with the provisions of the Company's Charter, Internal Corporate Governance Regulations, and the Board of Directors' operational Regulations, the Board of Directors has carried out its supervisory duties over the Board of Management and other Executives through BOD meetings, resolutions, decisions, and official directives governing the company's business operations to ensure the fulfillment of the mandates set by the General Meeting of Shareholders.

### ***3.2. Supervisory results for the Board of Management and other Executives***

- In 2024, the General Director and other executives (the Executive Board) closely followed the resolutions of the General Meeting of Shareholders, as well as the resolutions and decisions of the Board of Directors, to implement their assigned tasks. Despite facing significant challenges in business operations, particularly unfavorable weather conditions, the Executive Board made great efforts in organizing and managing the company's operations to optimize revenue, costs, and profits, thereby enhancing overall business efficiency. Additionally, they ensured compliance with legal regulations, safeguarded the rights of shareholders and employees, and fulfilled all tax obligations to the state.

- The Executive Board regularly reports to the Board of Directors on the company's production activities, business operations, financial status, and other aspects of its activities, enabling the Board to provide timely guidance and strive to achieve the best possible performance in fulfilling assigned tasks.

- In managing business operations, the Executive Board consistently adheres to internal regulations and the Company's Charter. The provision of information and reports to the Board of Directors is conducted regularly and comprehensively, ensuring timely support for the BOD's oversight and direction of the Executive Board.

## **4. Remuneration, operating expenses, and other benefits of the Board of Directors and each Board member in 2024.**

The remuneration, operating expenses, and other benefits of the Board of Directors and each Board member are reported and disclosed in accordance with the provisions of the Enterprise Law and the Securities Law.

Specific information and figures are detailed in the audited 2024 financial statements and the 2024 annual report. Shareholders are kindly requested to refer to these reports, which are available on the website of IDICO Srok Phu Mieng Hydropower Joint Stock Company at the following link: <https://idico-shp.vn/chuyen-muc/42.Quan-he-co-dong.html>.

## **5. Evaluation Results of the Board of Directors' Performance**

- Based on legal regulations and the Company's Charter, the Board of Directors has duly performed its functions, duties, and powers in supervising, directing, and issuing resolutions and decisions to enhance business efficiency, safeguard and develop the Company's capital, while ensuring that the Company's operations consistently comply with its Charter and State laws.



- Implementing the 2024 General Meeting of Shareholders (GMS) resolution, the Board of Directors has diligently conducted regular quarterly evaluations and extraordinary meetings as required by business operations. It has issued specific resolutions and decisions within its authority to provide direction for the Executive Board in executing all aspects of the Company's business operations.

- The Board of Directors has conducted regular and extraordinary meetings, obtained written opinions from BOD members, and issued resolutions and decisions to direct the company's operations. All BOD meetings have been organized in compliance with the procedures stipulated in the Company's Charter. The resolutions and decisions were made based on a consensus among BOD members and were in accordance with the Company's Charter, Internal Corporate Governance Regulations, BOD Operational Regulations, and applicable laws.

- The members of the Board of Directors were assigned responsibilities in accordance with their competencies and expertise, enabling them to successfully fulfill their duties. In carrying out their responsibilities, all BOD members have consistently strived to govern the company in line with its development strategy, always acting in the best interests of shareholders and the overall growth of the company.

## **6. Report on Related Transactions**

- Transactions between the Company, its subsidiaries, or entities in which the public company holds more than 50% of Charter capital, and members of the Board of Directors or their related persons: None.

- Transactions between the Company and entities where a member of the Board of Directors is a founding member or has held a managerial position within the past three years prior to the transaction: None.

## **7. Information disclosure and investor relations**

- The Company's information disclosure is always ensured to be timely, public, and transparent in full compliance with regulations.

- The channels for receiving and promptly handling information from shareholders/investors (telephone, email, in-person, etc.) are regularly maintained to provide shareholders/investors with the most timely and accurate information.

## **II. Operational plan of the Board of Directors for 2025**

### **1. Business and production plan for 2025**

The Company's business and production activities in 2025 have the following characteristics:

- Hydrological conditions: According to the hydrological cycle of the Srok Phu Mieng Hydropower Plant, the water inflow to the reservoir is expected to continue declining in 2025.

- The full electricity price in 2025 is VND 1,730.6, lower than the 2024 level of VND 1,840.5 [The System Marginal Price cap (SMP cap) in 2025/2024 is VND 1,682.6/1,510.0, and the Capacity Allocation Price (CAN) in 2025/2024 is VND 48/330.5].

- Electricity payment ratio under contract pricing (alpha ratio): The 98% alpha ratio will continue to be applied to hydropower plants.

- EVN will retain water in hydropower reservoirs as a reserve for the system, limiting power generation during the dry season. During the rainy season, hydropower generation will only be prioritized when reservoirs are discharging excess water, restricting the operational flexibility of hydropower plants.

- The growing proportion of solar power generation leads to an oversupply during morning peak hours, limiting the dispatch of hydropower during these peak periods.

Given the above characteristics, the Board of Directors has agreed to submit the 2025 business and production plan for approval by the General Meeting of Shareholders, with the following specific targets:

No.	Key indicators	UNIT	Plan for 2024	Archived in 2024	Plan for 2025	Percentage ratio of Plan 2025/Plan 2024	Percentage ratio of Plan 2025/Actual 2024
1	Commercial electricity output	kWh m	240	222	218	91%	98%
2	Clean water output	m <sup>3</sup>	787,440	778,432	787,440	100%	101%
3	Total revenue and other income	VND m	208,956	199,893	196,040	94%	98%
4	Profit before tax	VND m	95,854	94,378	91,094	95%	97%
5	Profit after tax	VND m	77,454	76,193	72,727	94%	95%
6	Dividend/ Charter capital submit to the GMS	%	20%	20%	20%	100%	100%

## 2. Key objectives and tasks of the Board of Directors in 2025

### 2.1. Objectives

- Achieve the business and production targets set by the General Meeting of Shareholders.

- Maintain stable electricity and clean water production based on existing machinery and equipment, ensuring the Company's core business operations remain safe and efficient.

- Enhance the capabilities of the technical team and workforce: provide specialized DCS training and general training.

- Renovate and upgrade the power plant equipment system.

### 2.2. Key tasks

- Safely and efficiently manage the operation of the power plant and water plant; control and optimize costs to strive for the successful completion of the Company's business and production plan.

- Assess the technical condition of the equipment system and facilities after years of operation to develop plans for renovation, maintenance, upgrades, replacements, and reserves.

- Review, amend, and supplement (if necessary) the Company's Internal Regulations and Policies to improve the management system and operations.

### **2.3. Other tasks**

- Continue monitoring the asset handover procedures of Vicem Ha Tien Cement Joint Stock Company in order to develop an investment plan for the renovation and upgrading of the clean water supply pipeline for the Binh Phuoc Cement Plant.

- Continue monitoring the inclusion of solar power projects on the reservoir of the Srok Phu Mieng Hydropower Plant into the planning for potential investment consideration.

In 2025, the Board of Directors will continue to take the initiative in directing and supervising to ensure the completion of the plan approved by the General Meeting of Shareholders.

The Board of Directors looks forward to receiving valuable contributions from esteemed shareholders to support the continued growth and development of IDICO Srok Phu Mieng Hydropower Joint Stock Company.

The above is the Report on the activities of the Board of Directors for 2024 and the operational plan for 2025.

The Board of Directors respectfully submits it to the General Meeting of Shareholders for approval.

Sincerely.

**Recipients:**

- Shareholders;
- Archived: Records, General Affairs.

**ON BEHALF OF THE BOARD OF DIRECTORS**

**CHAIRMAN**



**Mr. Nguyen Van Thinh**