



LICO GI CORPORATION - JSC

Address: G1 Building, No 491 Nguyen Trai Road, Thanh Xuan Bac Ward, Thanh Xuan Dist, Hanoi

Tel: 84-4-38542365 Fax: 84-4-38542655 Email: info@licogi.vn Webstie: www.licogi.com.vn

Enterprise code: 0100106440

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DRAFT

REPORT OF THE SUPERVISORY BOARD ON ACTIVITIES IN 2024 AND PLAN FOR 2025

To: GENERAL MEETING OF SHAREHOLDERS OF LICO GI CORPORATION – JSC

Based on the functions and tasks stipulated in the Enterprise Law, the Charter of LICO GI Corporation - JSC ("LICO GI"), the Regulations on organization and operation of the Board of Supervisors of LICO GI Corporation – JSC.

The Board of Supervisors would like to report to the General Meeting of Shareholders of LICO GI Corporation - JSC on the results of inspection and supervision of all aspects of operations of LICO GI Corporation - JSC in 2024 and the Operation Plan for 2025 with the following specific contents:

I. PERFORMANCE RESULTS OF THE SUPERVISORY BOARD IN 2024

1. Information about the members of the Board of Supervisors

No	Full Name	Position
1	Phan Hai Trieu	Head of the Supervisory Board
2	Kieu Bich Hoa	Member of the Supervisory Board
3	Duong Thi Phuong	Member of the Supervisory Board

2. Remuneration of the Board of Supervisors

The 2024 Supervisory Board remuneration will be paid in accordance with the Resolution approved by the 2024 Shareholders' Meeting.

3. Board of Supervisors Meetings

In 2024, the Supervisory Board held 04 meetings with 100% of members attending. In addition, the Supervisory Board members regularly discussed work via phone, email,... to clarify related professional issues and promptly resolve arising work.

No	Full Name	Position	Number of meetings attended	Reason for absence
1	Phan Hai Trieu	Head of the Supervisory Board	04/04	-
2	Kieu Bich Hoa	Member of the Supervisory Board	04/04	-
3	Duong Thi Phuong	Member of the Supervisory Board	04/04	-

4. Activities of the Board of Supervisorshoạt động của Ban kiểm soát

In 2024, the Board of Supervisors inspected and supervised compliance with the provisions of law, the Charter, and internal regulations of the Corporation in the management and operation of production and business activities of the Board of Directors and the Board of General Directors, specifically as follows:

- Evaluate the performance of the Board of Directors and the Board of General Directors, review the legality and procedures for issuing Resolutions and Decisions of the Board of Directors and the General Director; ensure compliance with the provisions of law, the Charter and internal regulations of the Corporation;
- Participate in selecting an auditing unit to audit the separate and consolidated financial statements of the Corporation in 2024 based on the list of auditing companies approved by the 2024 Annual General Meeting of Shareholders.
- Appraise the audited financial statements of the Corporation in 2023; appraise the reviewed semi-annual financial statements of 2024;
- Monitor the information disclosure of the Corporation in accordance with the provisions of the Law on information disclosure requirements for public companies;
- Coordinate with the Board of Directors and the Board of General Directors in organizing the 2024 Annual General Meeting of Shareholders of the Corporation;
- Other tasks according to the functions and tasks of the Board of Supervisors.

5. Results of reviewing transactions between the Corporation and related parties

Transactions with related parties are reported and controlled; no abnormalities are detected in related party transactions.

6. Results of monitoring the activities of the Board of Directors and the Board of General Directors.

6.1. Monitoring the implementation of tasks of the annual General Meeting of Shareholders in the assigned year

On June 26, 2024, LICOGI held the annual General Meeting of Shareholders (2024) and issued Resolution No. 76/2024/NQ-ĐHĐCĐ, resolving 11 contents, in which it authorized and assigned the Board of Directors to direct the implementation of a number of work contents. Accordingly, the majority of the work contents assigned in the Resolution were closely followed and directed by the Board of Directors; the Board of Directors also made every effort to implement them.

In 2024, the Board of Directors held 14 meetings, issued 82 Resolutions and Decisions. All meetings were convened and held properly, with full minutes recorded. The resolutions and decisions were issued in accordance with the correct procedures, authority and legal basis according to the provisions of law and LICOGI.

6.1.1. Regarding the selection of an independent auditor to audit the 2024 financial statements (including separate and consolidated reports) and review the 2024 semi-annual financial statements (separate and consolidated) of LICOGI

The 2024 Annual General Meeting of Shareholders approved the Proposal for the list of auditors for 2024 and authorized the Board of Directors to organize the implementation.

Accordingly, LICOGI has established a Bidding Review Team consisting of members from the business units and organized the selection of contractors according to regulations.

The process of organizing the selection of contractors to audit financial statements (sending invitations to bid, opening bids, evaluating bids and negotiating contract price reductions) was all carried out in accordance with the provisions of law and LICOGI.

Results after evaluating bids: International Auditing Company Limited (iCPA) won the bid and officially became the auditing unit for LICOGI in 2024.

6.1.2. Regarding the implementation of the Corporation's restructuring

The 2024 Annual General Meeting of Shareholders approved the Corporation's restructuring orientation and assigned the Board of Directors to approve the details of the restructuring project, and be responsible for organizing and implementing it in accordance with the set goals, requirements and roadmap.

In 2024, the Board of Directors and the Executive Board are implementing the orientation approved by the General Meeting of Shareholders, including: LICOGI gradually narrows down construction and installation activities, implementing in the direction of minimizing ineffective direct construction activities at the Corporation, promoting combining with member units with better capacity to perform construction, only collecting management fees, creating cash flow to continue maintaining credit limits at the bank. In addition, LICOGI promotes the liquidation of depreciated assets that cannot be used, for assets that can still be used, they are leased for exploitation to compensate for depreciation, combining with member units with better capacity to perform construction, only collecting management fees, creating cash flow to continue maintaining credit limits at the bank. In addition, LICOGI promotes the liquidation of depreciated assets that cannot be used, for assets that can still be used, they are leased for exploitation to compensate for depreciation, bringing cash flow to the enterprise. LICOGI restructures the management organization and reorganizes the workforce to ensure streamlining and efficiency, focus on functional departments to meet the requirements of the business restructuring plan, minimize operating costs, and be consistent with the current financial situation (LICOGI's current number of employees is only 57, a decrease of 64 people compared to the beginning of the year).

6.1.3. Regarding the financial situation and business results of LICOGI

The separate financial statements and the consolidated financial statements of LICOGI Corporation-CTCP for the fiscal year ending December 31, 2024 have honestly and reasonably reflected, in all material aspects, the financial situation as well as the business results and cash flows of LICOGI and have been audited by International Auditing Company Limited (iCPA). The issues of exclusion and emphasis are detailed in the audited financial statements.

Summary data on LICOGI's financial situation and business results are as follows:

No	Indicators	Consolidated financial statements			Separate financial statements		
		2024	2023	Growth 2024/2023	2024	2023	Growth 2024/2023
A	Financial situation						
I	Total assets	4,616,642	4,314,314	7.0%	2,651,275	2,607,359	1.7%

1	Current assets	2,164,614	1,941,655	11.5%	853,161	784,088	8.8%
2	Long-term assets	2,452,029	2,372,659	3.3%	1,798,114	1,823,271	-1.4%
II	Total capital	4,616,642	4,314,314	7.0%	2,651,275	2,607,359	1.7%
1	Owner's equity	489,932	434,259	12.8%	544,131	538,803	1.0%
2	Liabilities	4,126,710	3,880,055	6.4%	2,107,143	2,068,557	1.9%
2a	<i>Current liabilities</i>	3,436,553	3,276,692	4.9%	1,678,150	1,650,708	1.7%
2b	<i>Long-term liabilities</i>	690,158	603,364		428,994	417,849	
	<i>Current assets minus Current liabilities</i>	-1,271,939	1,335,037		-824,989	-866,620	
	<i>Liabilities/total capital ratio</i>	89.4%	89.9%	-0.5%	79.48%	79.34%	0.14%
B	Business results						
1	Net revenue	2,249,694	2,035,854	10.50%	208,297	306,522	-32%
2	Profit before tax	85,023	15,719	441%	5,329	6,129	-13%
3	Profit after tax	73,352	6,795	979%	5,329	6,129	-13%

(Unit: million VND)

- Regarding business results:

+ The main production and business targets of the parent company did not meet the set plan: Revenue reached 334.63 billion VND, equal to 96.4% of the plan, Pre-tax profit reached 5,329 billion VND, equal to 44.7% of the plan. In which, revenue only reached 96.4% of the plan due to the review of construction and installation activities to narrow down according to the direction of restructuring the industry (revenue from construction activities decreased sharply from 124 billion in 2023 to 43 billion in 2024). On the other hand, the implementation of capital sale at 08 enterprises approved by the General Meeting of Shareholders has not been completed due to unfavorable stock market conditions, which has greatly affected the profit results in 2024.

+ Consolidated business results achieved positive results: Consolidated revenue reached VND 2,432,414 billion, equal to 95.09% of the plan; Consolidated pre-tax profit reached VND 85,023 billion, equal to 160.81% of the plan. Consolidated net revenue in 2024 reached VND 2,249,694 billion, an increase of VND 213.8 billion compared to 2023 (equivalent to an increase of 11%). Revenue in 2024 increased compared to 2023 mainly from trading activities of goods and construction materials at subsidiaries, but the construction segment decreased slightly compared to 2023 due to general market difficulties. Consolidated profit after tax (including non-controlling shareholder interests) reached VND 73,352 billion, an increase of VND 66,556 billion compared to 2023. In which, the Corporation's profit after tax was a profit of VND 59.67 billion (compared to a loss of VND 1,288 billion in 2023), showing that the Corporation's business activities are improving significantly compared to 2023.

- Regarding asset and capital structure: The Corporation's capital structure has not changed much compared to 2023, the ratio of liabilities to total capital at the end of the year was 89.4%, down 0.5% compared to the beginning of the year.

+ As of December 31, 2024, Total assets reached over VND 4,616 billion, an increase of VND 302.3 billion compared to January 1, 2024 (equivalent to an increase of 7%). In

which, the ratio of short-term/long-term assets was 46.9%/53.1%, a serious imbalance compared to the short-term/long-term capital structure of 74.4%/25.6%. As of December 31, 2024, Total short-term debt exceeded Short-term assets by nearly VND 1,272 billion, as of January 1, 2024, Total short-term debt exceeded Short-term assets by VND 1,335 billion. The difference in short-term debt - Short-term assets has improved, but a key solution is needed to restructure LICOGI's financial capacity.

+ Capital and Liabilities at the end of 2024 increased by VND 246,655 billion (equivalent to an increase of 6.4%) compared to the beginning of the year. Of which, short-term liabilities increased by VND 159,861 billion, long-term liabilities increased by VND 86,794 billion.

- Regarding financial indicators as of December 31, 2024: the payment ratios all show an imbalance in short-term payments at the Corporation: General payment ratio 1.119; Short-term payment ratio 0.630; Cash payment ratio 0.14. This is due to the difference in asset structure and funding sources, specifically the Corporation's assets are mainly long-term assets, while the funding sources are mainly short-term capital sources such as loans and payables with a term of less than 1 year. However, the imbalance has shown signs of improvement compared to the beginning of the year, as shown by the improved payment ratios.

6.1.4. Regarding the implementation of divestment at 08 enterprises with capital contributions from the Corporation during the period from 2023 to 2025

The 2023 Annual General Meeting of Shareholders assigns and authorizes the Board of Directors to organize the implementation, including: Deciding on the plan and form of divestment, determining the time of divestment, and selling price after hiring a valuation consultancy to determine the price/share, ensuring transparency, efficiency and compliance with current laws.

In 2024, the Corporation partially divested capital from the following capital-contributing enterprises:

<i>No</i>	<i>Business name</i>	<i>Number of shares divested in 2024 (shares)</i>
1	Licogi 13 Joint Stock Company	1,000,000
2	Bac Ha Hydropower Joint Stock Company	2,000
3	Licogi 14 Joint Stock Company	150,000
4	Investment and Construction Joint Stock Company No. 18	89,700

Divestment from other enterprises with capital contributions from the Corporation has not been implemented due to the impact of the macro economy as well as the downward influence of the stock market, leading to difficulties in finding potential investment partners.

6.2. Results of monitoring the activities of the Board of Directors

- The Board of Directors has promptly and seriously implemented the Resolutions and Decisions of the Board of Directors, for the benefit of the Corporation, proactively managing and operating daily production and business activities.

- The decisions of the Board of Directors are issued in accordance with the functions, tasks and powers prescribed by law and LICOGI.

7. Evaluation of the coordination between the Board of Supervisors and the Board of Directors, the Board of Management and shareholders

The Board of Supervisors has coordinated well with the Board of Directors and the Board of Management of the Corporation, specifically:

The Supervisory Board is invited to attend meetings of the Board of Directors, give opinions on issues raised at meetings, study and give opinions (if necessary) on the Reports and Opinion Requests of the Board of Directors of the Corporation. The Supervisory Board also regularly receives emails and documents sent to the Board of Directors to grasp the management and operation of production and business to ensure optimal benefits for shareholders. In 2024, the Supervisory Board did not receive any complaints from shareholders about the operations of the Corporation, the management of the Board of Directors and the Board of Directors;

The Board of Supervisors is provided with information and documents in accordance with the provisions of the Enterprise Law and the Corporation's Charter.

II. RECOMMENDATIONS AND DIRECTIONS FOR THE SUPERVISORY BOARD'S ACTIVITIES IN 2025

1. Recommendations of the Supervisory Board

Through the process of performing the task of supervising the activities of the Board of Directors and the Board of Management of LICOGL, the Supervisory Board assessed that the Board of Directors has resolutely provided directions and instructions to the Board of Management and the executive leaders of LICOGL; the Board of Management has made efforts to implement the tasks assigned by the Board of Directors.

However, the Supervisory Board would like to make recommendations to improve the operational efficiency of the Board of Directors and the Board of Management of LICOGL as follows:

- Restructure the apparatus in a streamlined manner, continue to review and cut indirect costs that do not serve production and business activities, improve the efficiency of operations, management and operation of the Corporation;

- Concentrate all resources, handle legal problems, quickly find capital solutions, speed up the progress of the Think Liet New Urban Area Project to soon put it into business, exploitation and operation.

- Promote debt collection, investment capital recovery and propose drastic and effective measures, especially for long-term, outstanding debts to soon improve the financial situation and the current capital imbalance.

- Continue working with credit institutions to restructure debts due for payment; Develop a specific debt repayment plan and balance debt repayment sources to avoid bad debts and overdue debts. Increase the search for low-interest loans to reduce interest costs and financial pressure for LICOGL.

- The Corporation's cash flow is mainly based on financial investment activities, however, this activity also has uncertain factors and potential risks from fluctuations in the stock market as well as from market fluctuations of member units. It is recommended that the Executive Board strengthen governance at member units that the Corporation is controlling to increase the efficiency of investment capital at these units.

- Restructuring LICOGI's investment portfolio, especially in inefficient companies, LICOGI owns little capital to create project investment capital, increasing the financial capacity of the parent company.

- It is necessary to actively propose and implement effective solutions to manage and preserve capital at long-term loss-making business units (LICOGI 10, LICOGI 15, LICOGI 17, LICOGI 20, Water and Electricity Installation, Licogi Quang Ngai); The potential risks of LICOGI 2 One Member Co., Ltd. in investing in the Ha Long South Station Urban Area project are still very large and have not been thoroughly resolved immediately because the locality has not yet issued official land use fees.

2. Operational direction in 2025

In 2025, the Board of Supervisors will focus on implementing the following key tasks:

- Monitoring and supervising the Executive Board in complying with the provisions of the Law, the Corporation's Charter, the implementation of Resolutions and Decisions of the General Meeting of Shareholders, the Board of Directors, and the management of the Corporation's production and business activities;
- Continue to coordinate with the Board of Directors and the General Directorate to review the organizational restructuring of the Corporation to build and perfect the organizational structure, functions, tasks, and internal management procedures and regulations in a streamlined, efficient manner, suitable for the practical operations of the Corporation;
- Supervise the organization and convening of Board of Directors meetings in accordance with the provisions of law and the Charter of the Corporation. The contents of Board of Directors meetings are reported, discussed and evaluated transparently, publicly and carefully.
- Periodically review the truthfulness of the Corporation's separate and consolidated financial statements;
- Strengthen supervision of the management of investment capital and the investment capital structure of the Corporation in other enterprises, specifically: organize inspection and supervision programs at some subsidiaries with large capital contributions, under the control of the Corporation;
- Advise the Board of Directors on professional opinions to improve the efficiency of capital use, asset use, and cost savings of the Corporation;
- Propose inspection programs for some specific areas and other urgent requests of shareholders;
- Submit for approval the list of independent auditing companies to select the unit to audit the Corporation's annual financial statements, to ensure the organization of the selection of independent auditing units is effective in terms of quality and cost;
- Organize discussions to exchange professional experiences to improve the professional qualifications of the Controllers;
- Maintain coordination between the Board of Supervisors, the Board of Directors, the General Director and shareholders in a spirit of cooperation to achieve high efficiency;
- Perform other tasks according to the functions and duties of the Board of Supervisors.

Above is the report on the activities of the Board of Supervisors in 2024 and the plan of activities in 2025.

The Board of Supervisors would like to thank all shareholders for trusting us with the task of controlling LICOGI's activities in the past time, and would like to thank the Board of Directors and the Board of General Directors of the Corporation for creating conditions and supporting us to complete our tasks.

Thank you very much and wish the Congress great success!

**ON BEHALF OF THE SUPERVISION BOARD
CHAIRMAN**

Phan Hai Trieu