

REPORT

**Business Performance in 2024 and Business Operation Plan
for 2025 of Saigon Traffic Construction Joint Stock Company**
(Serving the 2025 Annual General Meeting of Shareholders)

- Pursuant to Resolution No. 01/2024/NQ-ĐHĐCĐ dated April 20, 2024 of the Annual General Meeting of Shareholders of Saigon Traffic Construction Joint Stock Company;

- Based on the 2024 performance of Saigon Traffic Construction Joint Stock Company;

Saigon Traffic Construction Joint Stock Company reports on business performance in 2024 and the Business Operation Plan for 2025 as follows:

A. BUSINESS PERFORMANCE IN 2024:

I. Production and Business Results in 2024:

1. Estimated results of financial and production-business targets:

Based on revenue targets, the results of the Company's 2024 financial targets are as follows:

Unit: billion VND

No.	Target	2024 Plan	2024 Actual	Percentage of Completion (%)
		(1)	(2)	(3)=(2)/(1)
1	Revenue	990.00	1,506.57	152.18%
2	Profit (after tax)	23.126	40.337	174.42%
3	Dividend (%)	6.8%	9.0%(*)	132.35%

(Note: According to the 2024 audited financial statements)

(*) Expected dividend in 2024

2. Analysis and assessment of production and business activities and achieved results:

In 2024, Vietnam's economy continued to recover; however, businesses faced numerous difficulties in their production and business activities. The scarcity of construction materials significantly impacted the construction industry nationwide, including Ho Chi Minh City. Nevertheless, the leadership and the Company's collective anticipated this situation and formulated solutions to strive for the successful completion of the planned targets. Specifically:

2.1. Provision of Road Traffic Infrastructure Management and Maintenance Services:

*** Achievements:**

With the support and consensus of the Department of Transportation and Public Works and the Roads Management Center, the Company effectively implemented public service contracts in the field of regular road maintenance and traffic signal systems within the city. In 2024, due to additional funding from the investor for signed contracts, revenue in this area exceeded the plan (reaching 128% of the 2024 plan).

The Company performed well in patrolling, pothole repairing, and ensuring traffic safety. Along with paying attention to investing in modern machinery and equipment suitable for the characteristics of the city's traffic situation, it ensures that the roads are always clean and maintained in a good environment.

The Company participated in and won bids for public service packages in regular road maintenance and traffic signal systems, which are currently underway, along with an additional package for Thu Duc City in the 2025-2027 period. This ensures job stability and livelihoods for employees.

*** Difficulties and Limitations:**

The Company pre-financed for work outside of the contract to ensure timely road safety, but delayed payments from the investor extended the time needed for the Company's capital recovery;

The material transportation costs paid by the investor were significantly lower than the actual costs, affecting the Company's profit margins.

Ensuring traffic safety requires high standards and timely responses to adverse weather conditions, incidents, traffic congestion, or requests from Party A. Any incident or accident occurring during construction necessitates the Company's responsibility for resolution, compensation, and contract penalties.

2.2. The project implementation for the business sector:

*** Achievements:**

The Company participated in bidding and signed numerous substantial production and business construction contracts, expanded the maintenance market to neighboring provinces, and enhanced the construction capacity of highways, bridges, and embankments. The Company flexibly implemented several projects, ensuring adherence to contract schedules, maintaining the Company's brand presence in Ho Chi Minh City, and receiving high praise from investors.

The company participated in bidding for and executed multiple cold in-place recycling projects, contributing to the utilization of the company's existing machinery and equipment resources.

*** Difficulties and Limitations:**

Business construction faces intense competition from numerous contractors. Large-scale, complex projects necessitate joint ventures and partnerships for bidding, resulting in high risks if partners are not thoroughly vetted.

Numerous projects encountered site clearance issues and design modifications, preventing construction commencement and prolonging contract durations.

Sand and stone materials for construction are scarce, investors require proof of origin documentation, and prices have surged, leading to construction delays on some projects to recognize revenue in 2024.

Some units within the company have not been proactive in seeking projects to fulfill their assigned 2024 revenue targets.

2.3. Construction materials production and business sector:

*** Achievements:**

The hot asphalt concrete and bitumen emulsion production segment continued to support the Company's ability to meet demands for the Company's construction projects, contributing to the on-time and quality completion of key city projects and supplying resources promptly for routine maintenance and traffic assurance activities within the realm of public utility product and service provision.

Moreover, the Company intensified external sales of construction materials, which further contributed to the revenue and profits from this sector.

*** Difficulties and Limitations:**

The market for hot asphalt concrete production and supply faces intense competition from numerous rivals, resulting in a significant decline in revenue for this sector.

The escalating prices of input materials such as sand, stone, and asphalt have created substantial production challenges; hot asphalt concrete transportation costs have increased while investor-reimbursed transportation expenses remain low.

The company's hot asphalt concrete production line, employing outdated technology and incurring high production costs, yields low production efficiency, diminishing the company's competitiveness.

→Due to these difficulties and limitations, hot asphalt concrete and bitumen emulsion production primarily serves internal supply needs, resulting in low external sales volume.

2.4. Investment Activities:

*** Achievements:**

The Company continues to promote investment in machinery and equipment for construction to enhance production capacity, implement mechanization measures in production to meet environmental sanitation needs, clean streets, increase urban aesthetics, and ensure traffic safety, and occupational safety.

In 2024, the Company invested in 22 pieces of equipment and machinery with a total value of over 30.82 billion VND, contributing to increasing mechanization, timely serving construction projects, and increasing the Company's profits.

*** Difficulties and Limitations:**

Due to limited capital, investments primarily focus on motorcycles as needed by units serving construction projects; investments in high-value, technologically advanced machinery and motorcycles remain limited.

The lack of forecasting for production and business activities in investment planning has necessitated the rental of machinery and motorcycles during peak maintenance periods.

II. Labor and Salary:

1. Labor:

The Company has consistently prioritized enhancing the material and spiritual well-being of employees. All policies and regulations are fully implemented, including timely and complete social insurance, health insurance, and unemployment insurance contributions, in accordance with state regulations. Concurrently, the Company conducts visits, provides hardship allowances, and renews labor contracts for eligible employees.

2. Legal and Occupational Safety:

The Company places significant emphasis on ensuring occupational safety for employees by providing comprehensive and compliant safety equipment and hazard pay to workers. Furthermore, the company has procured personal safety insurance for all employees.

The Company regularly conducts occupational health and safety inspections at construction sites.

Ensure the maintenance of order, security, and fire prevention at the company's offices and warehouses, performing effectively to prevent any incidents.

B. PRODUCTION AND BUSINESS ORIENTATION FOR 2025:

I. Assessment of the 2025 Situation:

1. Advantages:

2025 presents numerous advantages and opportunities for the Company:

- Ho Chi Minh City continues to implement Breakthrough Programs and development tasks towards 2030, with a vision to 2045; the policy to accelerate public investment disbursement from 2023; the implementation of Resolution 98/2023/QH15 on piloting specific mechanisms and policies for Ho Chi Minh City's development; diverse infrastructure development investment sources allocated to various investors.

- In recent years, the Company has continued to implement construction projects, ensuring progress, quality, and urban aesthetics, earning high praise from investors and enhancing the Company's prestige in Ho Chi Minh City and neighboring provinces. This advantage helps the company in securing more construction projects in 2025 and subsequent years.
- Securing contracts for road traffic infrastructure management and maintenance services for the 2025-2027 period ensures the Company's operational stability and employee well-being.
- The higher value of contracts carried over from 2024 into 2025 provides a basis for achieving the set targets.

2. Difficulties:

Alongside these advantages, the Company continues to face challenges:

- Increasing market competition with the participation of diverse enterprises across all the Company's business sectors. Competitors offering substantial bid discounts pose challenges to the Company's bidding process.
- The scarcity of materials and the upward price fluctuations of input materials such as sand, stone, and bitumen create anticipated production difficulties; numerous projects encounter site clearance issues, design changes, and material shortages, impacting project progress and efficiency.

II. Production and business orientation in 2025:

Based on the expected production and business results achieved in 2024 and the forecast for 2025, Saigon Traffic Construction Joint Stock Company establishes the production and business direction for 2025 as follows:

1. Objectives:

- Accomplish the 2025 financial targets assigned by the General Meeting of Shareholders.
- Preserve and develop the enterprise's capital resources.
- Effectively execute contracts signed with partners. Ensure stability in production and business activities and sustainable development.
- Efficiently utilize the company's existing machinery and equipment system.
- Take care of and improve the quality of life for employees; effectively implement policies and regimes for employees.

2. Specific solutions to implement the tasks:

a. Provision of Road Traffic Infrastructure Management and Maintenance Services:

- Objectives:

- Effectively implement signed contracts in the provision of road traffic infrastructure management and maintenance services, ensuring quality, progress, traffic safety, and occupational safety.

- Continue to expand into new markets.

- Mechanization, application of science, technology, new technologies, and new materials in the field of provision of road traffic infrastructure management and maintenance services.

- Solutions:

- Ensure quality, progress, traffic safety, and labor safety for the workload assigned by the investor of contracts for providing road traffic infrastructure management and maintenance services.

- Strengthen patrols and inspections of the road transport system in the area managed by the company, ensuring timely and accurate detection and reporting of incidents occurring on the road and promptly resolving incidents to ensure traffic safety. Focus on road surface cleaning, mechanization and modernization of construction, management, and maintenance in the field of road transport.

- Accelerate the preparation of completion dossiers and payment settlements in the field of providing road traffic infrastructure management and maintenance services to quickly recover the company's capital, meeting the investor's disbursement schedule. In addition, coordinate with the investor to adjust the estimate, supplement arising items and quantities so that payment settlement can be carried out promptly.

- Continue to expand the market to participate in management and maintenance work in localities outside of Ho Chi Minh City and on national highways and expressways;

- Adjust the internal unit price norms to suit the current state unit prices, norms, and the company's existing machinery, equipment, and personnel capacity in order to bring about the highest efficiency in production and business activities.

- Research and apply science, technology, and new materials in the management and maintenance of the road system to meet the increasing requirements of contracts and the development trends of modern cities.

b. The project implementation for the business:

- Objectives:

- Participate in effective projects, ensuring quality and progress and avoiding contract violations;

- Strive to achieve the revenue target for the project implementation for the business in 2025.

- Solutions:

- Increase participation in projects in the districts; Focus on exploiting the market of investors with non-budget capital, infrastructure investors in Ho Chi Minh City and neighboring provinces;

- Focus on exploiting the field of waterway construction; Participate in bidding for construction in the fields of bridges, lighting, electricity, telecommunications, water supply...

- Enhance the capacity and experience of the Company to be ready to participate in suitable PPP investment projects. Research solutions to participate in traffic infrastructure development projects in Ho Chi Minh City related to Resolution 98/2024/QH15 on piloting several specific mechanisms and policies for the development of Ho Chi Minh City.

- Research and develop appropriate financial management mechanisms to support and improve the business efficiency of the enterprises in particular and the whole Company in general.

- Promote the role and responsibility of individuals heading affiliated units in the work of seeking and implementing construction projects.

- Strengthen marketing and branding activities.

- Accelerate progress, ensure construction quality, focus on acceptance and settlement of completed construction volume to record revenue and recover capital.

c. Construction materials business:

- Objectives:

- Effectively carry out the production and supply of asphalt concrete and asphalt emulsion for internal construction works.

- Further improve product quality, reduce production costs, increase market competitiveness, and increase revenue.

- Solutions:

- Production units strengthen the search for more markets and partners; arrange competent management and marketing personnel; prioritize selling the Company's hot asphalt concrete externally to achieve planned revenue.

- Research and invest in the application of new technologies in asphalt concrete production, focusing on ensuring and improving product quality; Develop a reasonable cost structure to increase competitiveness.

- Accelerate the investment and construction progress of the new hot asphalt concrete production plant. Work with input material suppliers and transporters to establish a reasonable cost structure and increase competitiveness.

d. Trading and operating the machinery and equipment system:

- Objectives:

- Effectively serve the construction of the company's projects.

- Efficiently operate the Company's existing machinery and equipment system.

- **Solutions:**

- Properly implement the management and maintenance of the machinery and equipment system.

- Coordinate machinery and equipment to ensure the company's production and business needs. Simultaneously expand the external rental market.

- Exploit the existing machinery and equipment system in the most efficient way.

- **e. Regarding labor, salary, and human resource development:**

- Strive to care for and improve the income of employees and effectively implement policies and regimes for employees.

- Research and develop policies to attract highly qualified human resources and a plan to train on-site personnel to be ready to undertake all projects according to the Company's needs, not only in 2025 but also in the long term.

- Organize training courses to improve staff qualifications and recruit high-quality personnel.

- Review and streamline the apparatus to suit the new situation. Build a team of successor leaders and management workers.

- **f. Traffic safety, labor safety, security, and order:**

- Ensure safety for employees, fully equip and properly implement labor protection equipment. Regularly organize occupational safety and hygiene inspections at the construction sites of the construction units.

- Ensure comprehensive traffic safety measures, including barricades, signage, and traffic controllers, are implemented throughout the construction process to mitigate potential incidents.

- Maintain order, security, and fire prevention measures within the company's offices and warehouses.

- **g. Regarding machinery and equipment investment:**

- Prioritize investment in machinery and equipment for construction to enhance operational capacity, mechanize production, meet environmental sanitation and street cleaning requirements, ensure traffic safety and urban aesthetics, contribute to revenue growth, and preserve capital.

- Explore investments in modern, high-tech machinery and equipment for large-scale and complex construction projects.

- Regularly review the machinery and equipment system, liquidate severely damaged and fully depreciated equipment that is no longer efficient, and research new specialized machinery and equipment investments for construction to strengthen capacity and expand the business market.

3. Summary of revenue and financial targets for 2025:

Unit: billion VND

No.	Target	2024 Plan	2025 Plan	Percentage 2025 Plan / 2024 Plan (%)
	(1)	(2)	(3)	(4)=(3)/(2)
1	Revenue	990.00	1,010.00	102%
2	Profit after tax	23.126	23.806	103%
3	Dividend (% x Charter Capital)	6.8%	7.0%	103%

(Note: Profit after tax, after allocation to the Science and Technology Fund)

Above is the business performance of 2024 and the production and business plan for 2025 of Saigon Traffic Construction Joint Stock Company.

Sincerely./.

Recipients:

- Board of Directors;
- Board of Management;
- Board of Supervisors;
- Departments;
- Archived: Administrative Office.

GENERAL DIRECTOR



Hoang Anh Giao