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**REPORT ON THE ACTIVITIES OF THE BOARD OF DIRECTORS IN 2025  
AND THE TERM 2021-2026 SUBMITTED TO THE ANNUAL GENERAL  
MEETING OF SHAREHOLDERS IN 2026**

**To: Annual General Meeting of Shareholders 2026**

Based on the Articles of Association of Song Hong Construction Joint Stock Company;

Based on the Resolution of the General Meeting of Shareholders of Song Hong Construction Joint Stock Company in 2025;

Based on the 2025 business performance report and the 2026 business plan of the Company's General Director.

The Board of Directors reports to the General Meeting of Shareholders on the activities of the Board of Directors of the Company in 2025, the orientation for 2026 and the term 2021-2026 as follows:

**I. ACTIVITIES OF THE BOARD OF DIRECTORS IN 2025:**

**1. The general economic situation and the real estate situation in particular.**

In 2025, the global macroeconomic landscape clearly shows two trends: growth remains uninterrupted, but risks and uncertainties are increasing, particularly from geopolitical factors, debt burdens, and trade protectionism. Overall, the global economy maintains an upward trend, but the growth momentum is less dynamic than in the pre-pandemic period.

The growth picture across economies continues to show divergence. China is under deflationary pressure and weak domestic demand, while many emerging markets – notably India – maintain strong growth thanks to domestic demand and investment. Japan is taking another step out of deflation, paving the way for monetary policy normalization. Europe enters 2025 with modest prospects, with Germany being a "bottleneck".

In financial markets, volatility has become the "new normal." Gold and silver benefit from safe-haven demand and expectations of monetary easing in several major economies, with gold prices repeatedly reaching new highs and silver prices also surging to record

levels. The cryptocurrency market continues to experience significant volatility as capital flows and new investment channels expand their accessibility, but also reverses rapidly as risk appetite shifts.

2025 will see two parallel themes shaping risk appetite: continued global debt growth, shrinking policy space, and increased sensitivity of capital costs to interest rate fluctuations; and the artificial intelligence (AI) craze, which will both unlock a new growth engine and test the waters for capital markets.

In parallel with the above factors, geopolitical hotspots and protracted conflicts continue to add uncertainty to the economic outlook.

In 2025, Vietnam's economy will operate against a backdrop of a global economy that continues to recover slowly, with many underlying uncertainties. Global growth has improved but is uneven; inflation, while under control, still puts pressure on production costs; and monetary policies in major economies remain cautious. Furthermore, geopolitical tensions, trade conflicts, and localized disruptions to supply chains continue to impact international trade and investment.

Domestically, the economy simultaneously pursued macroeconomic stability, inflation control, and growth promotion, while also implementing administrative restructuring, streamlining the apparatus, and establishing a two-tiered local government model. This created a foundation for improving the effectiveness and efficiency of state management, but also gave rise to new demands in governance, implementation, and resource allocation. In particular, the economy faced unprecedented natural disasters, causing severe consequences for production and livelihoods.

Nevertheless, 2025 is still considered a year of spectacular breakthroughs for the Vietnamese economy, far exceeding early forecasts:

- GDP growth: Reached 8.02%, placing it among the fastest-growing countries in the world. The official size of the economy exceeded \$514 billion.

- GDP per capita: Estimated to reach US\$5,026 (approximately VND 125.5 million), an increase of over US\$300 compared to 2024.

- Inflation (CPI): Well controlled at 3.31%, leaving room for further monetary easing policies.

- Imports and exports: Set a new record with total trade reaching US\$930.05 billion, and a trade surplus of over US\$20 billion.

- FDI capital: Total registered capital reached over 28.5 billion USD, with real estate continuing to be the second largest sector attracting capital (accounting for approximately 20.7%).

Regarding the real estate market in 2025, the market is expected to see significant growth. Research data from the Vietnam Real Estate Market Assessment Institute shows that the preliminary new supply in 2025 will increase by 50% compared to 2024. Notably, supply is approaching its 2018 peak with numerous new and restarted projects, particularly the 1,759 land and housing projects that have been cleared in Hanoi, Ho Chi Minh City, Khanh Hoa, and Tay Ninh.

According to the Ministry of Construction's report assessing the results of real estate market management and social housing development in 2025, presented at the fourth meeting of the Central Steering Committee on Housing and Real Estate Market Policy on December 17, 2025, there are 3,297 projects nationwide with a scale of approximately 5.9 million units, totaling 7.42 trillion VND in investment. Of these, commercial housing and urban areas play a leading role with 2,358 projects, equivalent to 5.2 million units, and a total investment of 6.74 trillion VND.

Despite a significant increase in supply, housing projects are still being absorbed well. The absorption rate of new projects has reached over 60%, with many projects even selling out quickly. This is thanks to the continued high demand for both actual housing and medium- and long-term investment.

Alongside the recovery in transactions, real estate prices continued their upward trend. Apartment buildings continued to lead the market, recording the strongest increase in the last three years. At the time of statistics at the end of Q3 2025, compared to 2019, the average selling prices of projects in the sample selected by the research institute to calculate the price index increased by: Hanoi 96.2%, Da Nang 72.6%, and Ho Chi Minh City 56.9%. Notably, in some short periods in Hanoi, selling prices increased by several hundred million to billions of dong within just one month. Other housing segments such as land plots, villas, townhouses, and detached houses also recorded high price increases, up to 30% in the year.

From the end of Q4 2025, real estate prices showed signs of stabilizing and sideways movement in some markets, but no signs of decline were actually recorded. "Stop-loss" transactions were only seen in properties purchased at high premiums or transactions driven by FOMO (fear of being left behind) during previous short-term price surges. Given that most investors are not under significant financial pressure, and market sentiment is

bolstered by numerous solutions aimed at economic growth, particularly the simultaneous commencement of many large-scale projects, especially transportation infrastructure projects, real estate prices are unlikely to experience a widespread and significant decline.

## **2. Activities of the Board of Directors in 2025**

### **2.1. Regarding the management, operation, and implementation of the Shareholders' Meeting Resolution:**

Based on the development orientation approved at the 2025 Annual General Meeting of Shareholders, the Board of Directors will continue to manage the Company focusing on its core business of real estate investment and trading. The Board of Directors intends to streamline investment activities in projects where the Company does not hold controlling interest, and concentrate on projects where the Company holds controlling interest.

Some of the Board of Directors' key decisions for 2025 are:

- Approval of adjustments to the Commercial Center, Office and Apartment Complex Project at Vinh Tuy Bridge in Long Bien Ward, Long Bien District, Hanoi City.

- Through borrowing capital and authorizing the signing of credit documents with the Vietnam Investment and Development Bank - Hanoi Branch to implement the construction of the Vinh Tuy Project Phase 2.

- Approval of the selection of Vietnam Auditing and Valuation Company Limited (AVA) to conduct the review report and financial statements for 2025.

- Approval of adjustments to the total investment, product selling price, and sales policy for the mixed-use building block within the shopping mall, office, and apartment complex project at Vinh Tuy Bridge (Northern Emerald Building).

- Raising capital from the subsidiary (SHF) to supplement working capital for the last six months of the year.

- Approval of the adjustment to the total investment for the Xuan La Shopping Center, Market, Supermarket, and Office for Rent project in Xuan La Ward, Tay Ho District, Hanoi City.

- Through borrowing capital and authorizing the signing of credit documents with the Vietnam Investment and Development Bank (BIDV) to implement the construction of the Xuan La Shopping Center, Market, Supermarket, and Office for Rent Project.

- Approval of the selection of the exclusive distributor for the mixed-use building block within the shopping mall, office, and apartment complex project at Vinh Tuy Bridge (Northern Emerald Building).

- Approve the transfer of the Company's shares in Sao Mai Production and Trading Joint Stock Company.

- Approve the transfer of office space at the Northern Emerald Building.

- Approval of termination of the apartment lease agreement on the 12th floor of the North Sea mixed-use high-rise building.

- Through borrowing capital to contribute to the establishment of a subsidiary company (Xuan La Tower Joint Stock Company).

In 2025, the Board of Directors held 22 meetings and issued 25 decisions, the main focus of which was on preparing for project investments, adjusting the company's organization and operation to suit the new situation, and other financial investment issues.

Furthermore, in managing, operating, and executing the tasks of the General Meeting of Shareholders, the Board of Directors always adheres to the provisions of the law, the Articles of Association, and the Company's Governance Regulations, respecting and ensuring the rights of shareholders, and safeguarding the rights and obligations of the Company.

## **2.2. Supervisory activities of the Board of Directors**

In order to ensure the Company's operations are safe, compliant with legal regulations, and implemented in accordance with the Resolutions of the General Meeting of Shareholders and the Board of Directors, the Board of Directors has strengthened the supervision of the General Director's activities and other management personnel through several specific forms as follows:

- The General Director regularly reports to the Board of Directors on the company's financial and business performance.

- Participate in meetings with the Board of Directors and relevant partners when important company issues arise.

- Provide input or direct guidance on important or unexpected issues that arise.

Furthermore, the Board of Directors also focuses on risk management, simultaneously implementing the standardization of governance processes and regulations, and strengthening the inspection and supervision of the implementation of these processes and regulations in all aspects of the Company's operations. The activities of the Supervisory Board and the Board of Directors are also strengthened to enhance their important role in monitoring the Company's operations, promptly detecting and rectifying weaknesses, creating momentum for sustainable development, and ensuring a harmonious balance of

interests between the Company, the State, shareholders, partners, and customers, as well as the rights of employees.

The leadership and staff in charge of the departments and divisions have seriously conducted regular and unscheduled inspections, thus preventing material damage and work-related violations, minimizing waste and operational risks.

The Board of Directors' inspection and supervision are within their authority, highly effective, and do not hinder or overlap with the management's operations.

## **II. DIRECTION OF ACTIVITIES OF THE BOARD OF DIRECTORS IN 2026:**

### **1. Forecast of the overall economic situation and the real estate market in particular.**

In 2026, the global economy is projected to experience slow growth but avoid a full-blown recession. Major international organizations such as the IMF, World Bank, and OECD have all presented cautious scenarios, with global GDP growth fluctuating around 2.9-3.1%. The main reasons stem from the delayed impact of higher tariffs, policy uncertainty, and increasing public debt in many major economies.

The US – the primary engine of global economic growth – is projected to slow significantly as the impacts of trade protectionism, immigration policies, and high interest rates become apparent. Europe continues to face weak growth, while China is under pressure from deflation, weakening domestic demand, and industrial overcapacity. Conversely, India and several emerging Asian economies remain bright spots thanks to strong domestic consumption and structural reforms.

Global inflation is trending downward, creating room for major central banks to gradually ease monetary policy. However, the risk of inflation returning remains, especially if tariffs and geopolitical conflicts continue to drive up import and energy costs. There is also a risk of instability in bond markets, particularly in economies with large deficits.

In Vietnam, 2026 is a significant year, marking the beginning of a new development phase. It is the year of the 14th National Congress of the Party, and the election of deputies to the 16th National Assembly and representatives to People's Councils at all levels for the 2026-2031 term.

The national GDP growth target for 2026 is to strive for 10% or more, while maintaining macroeconomic stability, controlling inflation, and ensuring major balances. Simultaneously, it aims to leverage the strength of unity, continuously innovate, be bold in thinking and acting, be confident, self-reliant, and strategically independent, with high

determination, great effort, and decisive action under the theme "Discipline and responsibility; proactive and effective; innovation; accelerated breakthroughs; sustainable growth" with five key guiding principles and priorities for governance.

## **2. Some key directions and targets for 2026**

### **Some of the company's directions for 2026:**

- The construction of the mixed-use building complex, including a shopping mall, office, and apartment building at Vinh Tuy Bridge, will be carried out according to schedule and with the quality committed to customers who have purchased products from the Project.

- Focus resources on the construction of the Xuan La commercial center, market, supermarket, and office rental project (expected to be completed in Q1/2027).

- In coordination with Green Town Vietnam Joint Stock Company, we will put the Thanh Xuan villa, weekend retreat, and eco-tourism project's products into business (for items that meet the sales requirements), while continuing to implement the construction of the next phases of the project.

- Research and propose the development of social housing projects, old apartment buildings, and potential real estate projects nationwide, ensuring efficiency and alignment with the Company's strategy and development direction, and the Board of Directors' policies.

- Research and propose investment options for potential overseas projects that will bring economic benefits to the Company.

- Conduct research on portfolio restructuring, proposing the transfer of part or all of the Company's shares in subsidiaries and associated companies, while ensuring revenue meets planned targets.

- Strict control, management, and cost savings in the operation of buildings already in use.

- Fully utilize the company's commercial service areas within the buildings to maximize revenue for the company.

- Implement appropriate fundraising methods, optimize capital utilization efficiency, and eliminate underperforming long-term investments to support the company's 2026 business plan and medium- and long-term strategy.

- We prioritize training and retaining human resources to meet the operational needs of our business.

- Focus on building the INCOMEX brand and promoting real estate products that meet market demand in the Company's key projects.

**Some specific targets for 2026 are as follows:**

The Board of Directors has set the following targets for 2026:

<b>TT</b>	<b>Content</b>	<b>Unit</b>	<b>Plan 2026</b>
1	Revenue	Billion VND	78,30
2	Profit before tax	Billion VND	33,62
3	Corporate Income Tax	Billion VND	6,72
4	Net profit after tax	Billion VND	26,90
5	Dividend payout ratio	%	15
6	Average labor	People	29
7	Average monthly salary	Million dong	35

**III. SUMMARY OF THE ACTIVITIES OF THE BOARD OF DIRECTORS FOR THE TERM 2021-2026**

Based on the development orientation for the period 2021-2026 approved at the 2021 Annual General Meeting of Shareholders and at the annual General Meetings of Shareholders, the Board of Directors continues to manage the Company focusing on its core business of real estate investment and trading.

Some of the key decisions made by the Board of Directors during this period were:

- Dissolve KMC Investment Joint Stock Company.
- Approval of adjustments to the total investment, proposed selling price, and sales policy for the mixed-use building within the shopping mall, office, and apartment complex project at Vinh Tuy Bridge (Northern Emerald Building).

- Participated in contributing capital to establish a subsidiary company - Xuan La Tower.

- Complete the transfer procedures for the "Xuan La Commercial Center, Market, Supermarket, and Office for Rent" project in Tay Ho Ward, Hanoi City, to its subsidiary, Xuan La Tower.

A summary of the meetings, decisions, and targets for the period 2021-2026 is as follows:

1. Number of Board of Directors meetings and decisions during the period 2021-2026

<b>Content</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
Number of meetings	12	12	10	5	22

Number of Decisions	24	11	10	8	25
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2. Some key targets for the period 2021-2026

Target	Unit of measurement	2021	2022	2023	2024	2025
Revenue	Billion VND	25,41	13,28	3,01	15,24	45,14
Profit before tax	Billion VND	15,70	1,72	-8,84	1,00	19,07
Corporate Income Tax	Billion VND	2,30	0,47	0	0,09	0
Net profit after tax	Billion VND	13,39	1,25	-8,84	0,90	19,07
Dividend payout ratio	%	5	0	5	0	-
Average labor	People	27	27	25	25	28
Average monthly salary	Million dong	16	15	15	16,3	22,8

Regarding the dividend payout ratio for 2025: The Board of Directors will seek the decision of the General Meeting of Shareholders at the 2026 Annual General Meeting.

The above is the Report of the Board of Directors of Song Hong Construction Joint Stock Company on the activities of the Board of Directors in 2025, operational orientation for 2026 and term (2021-2026) submitted to the 2026 General Meeting of Shareholders for approval.

We respectfully submit this to the Congress for consideration and decision.

**TM. BOARD OF DIRECTORS  
CHAIRMAN**

**Recipient:**

- Shareholders of the Company;
- Saved: Board of Directors, Human Resources/Executive Committee.

*(Signed)*

**Pham Hung**

