

**REPORT
BUSINESS OPERATIONS AND INVESTMENT RESULTS
IN 2025 AND PLANS FOR 2026**

To: The General Meeting of Shareholders

Pursuant to the Resolution of the Annual General Meeting of Shareholders 2025 of IDICO Srok Phu Mieng Hydropower Joint Stock Company No. 01/NQ-ĐHĐCĐ dated April 22, 2025, the Executive Board respectfully reports to the General Meeting of Shareholders the business operations and investment results in 2025 and plans for 2026 as follows:

I. BUSINESS OPERATIONS AND INVESTMENT RESULTS FOR 2025

In 2025, weather patterns involving rainfall, storms, and flooding were complex and unpredictable. Storm activities occurred in rapid succession with high intensity, breaking multiple historical records (including 15 storms and 6 tropical depressions), and had significant impacts across many regions of Vietnam. However, the Bé River basin was relatively less affected. Favorable hydrological conditions supported the Company's power generation and business operations, contributing positively to the fulfillment and outperformance of the Company's 2025 production and business plan.

Details of business operations results in various sectors in 2025 of the company are as follows:

1. Main indicators achieved in 2025:

No.	Main Indicators	Unit	Plan for 2025	Actual for 2025	Percentage %	
					Actual 2025 compared to Plan for 2025	Same period 2024
1	Commercial Electricity Output	Million kWh	218	251	115%	113%
2	Clean Water Output	m ³	787,440	728,792	93%	94%
3	Total Revenue and Other Income	Million VND	196,040	221,373	113%	111%
	<i>Including:</i>					
	- Business Operations	Million VND	194,470	217,997	112%	110%
	- Financial Activities	Million VND	1,000	2,863	286%	294%
	- Other Income	Million VND	570	513	90%	88%
4	Profit Before Tax	Million VND	91,094	105,497	116%	112%
5	Profit After Tax	Million VND	72,727	84,247	116%	111%

No.	Main Indicators	Unit	Plan for 2025	Actual for 2025	Percentage %	
					Actual 2025 compared to Plan for 2025	Same period 2024
6	Proposed Dividend Payout Ratio	%	20%	25%	125%	125%
7	Total Investment Value	Million VND	8,500	-	-	-

2. Business operations performance

2.1. Electricity generation and business operations

- In 2025, alongside the favorable conditions that enabled the Company's power production and business operations to exceed planned targets, certain challenges also arose. Details are as follows:

+ Advantages:

- Reservoir inflow averaged 170 m³/s, higher than the design level and slightly above the same period in 2024 (165 m³/s). During the rainy season, inflows were relatively stable and extended through November 2025, with reduced spill discharge compared to previous years. These factors supported increased power output and revenue.
- Technical management continued to be emphasized, ensuring stable and reliable operation of the plant's equipment systems.
- Effective reservoir regulation and increased generation during peak hours contributed to a 5% increase in the average electricity selling price compared to the Power Purchase Agreement (675/643.08 VND/kWh, excluding taxes and fees).
- The Company proactively controlled and optimized operating costs.

+ Challenges:

- The 2025 electricity market price was lower than in the same period of 2024, negatively impacting revenue and average selling price (average electricity selling price excluding taxes and fees reached 675 VND/kWh, down 3.7% year-on-year (675/701 VND/kWh); electricity market profit reached VND 253 million, a decrease of VND 2,940 million compared to 2024).
- After many years of operation, equipment systems require more extensive time for maintenance and repairs.

- Key power production and business performance indicators are as follows:

+ Commercial electricity output reached 115% of the annual plan, an increase of 13% compared to the same period last year.

+ Revenue reached 113% of the annual plan, an increase of 11% compared to the same period last year.

+ Profit after tax reached 124% of the annual plan, an increase of 17% compared to the

same period last year; the net profit margin reached 41%.

2.2. Clean water production and business operations

- In 2025, the upgrading and rehabilitation of the water supply pipeline were not implemented due to the customer's failure to hand over the site. Load development also faced difficulties as the water plant has not yet been included in the provincial planning, while it is currently operating at only 50% of its designed capacity, thereby reducing overall efficiency.

- Water customers continued to implement cost-saving measures and reduced consumption, resulting in clean water production and revenue not meeting the 2025 plan. However, through cost optimization efforts, the Company achieved its profit targets and recorded higher results compared to the previous year, as follows:

- Clean water output reached 93% of the annual plan, down 6% year-on-year.

- Revenue reached 94% of the annual plan, down 5% year-on-year.

- Profit after tax reached 104% of the annual plan, up 40% year-on-year; the net profit margin (PAT/revenue) reached 29%.

3. Financial Performance

3.1. Receivables and Payables

- The debt situation as of December 31, 2025, is as follows:

- + Total receivables amount to VND 46,488 million:

Mainly receivables from customers for electricity and clean water charges not yet due for payment.

- + Total payables amount to VND 60,990 million:

Mainly payables to banks, state budget contributions, and dividends.

- + All receivables and payables have been reconciled and checked specifically and clearly, so currently, IDICO-SHP has no doubtful receivables and bad debts.

- The company has effectively managed debt collection, capital mobilization, and proactively planned cash flow to ensure sufficient funds to repay bank loans, fulfill state budget obligations, cover operating expenses, and pay dividends to shareholders.

3.2. Dividend Payment Situation

The company has executed dividend payments according to the resolution, specifically as follows:

- + First installment: at a rate of 10% per share, payment date is June 30, 2025.

- + Second installment: payment of remaining dividends for fiscal year 2024 at a rate of 10% per share, payment date is September 25, 2025.

3.3. Financial Investments

The company's short-term financial investments include: investments held to maturity, which are term deposits at commercial banks with an original term of over three (03) months and under one (01) year, earning market interest rates.

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Based on the company's monthly cash flow balance, unused funds are balanced for savings deposits with appropriate terms, choosing banks with high interest rates, contributing to enhancing the company's financial efficiency.

4. Construction Investment Performance

4.1. Implementation of Construction Investment for Water Supply Pipeline

The project for upgrading the existing water supply pipeline of Binh Phuoc-IDICO Water Plant to a capacity of 5,000 m³/day (*preparatory phase*) has not yet been implemented, as Vicem Ha Tien Cement Joint Stock Company has not received approval from the competent authorities to hand over the existing pipeline to IDICO-SHP Company.

4.2. Supplementation of the planning for solar power projects in the Srok Phu Mieng Hydropower area

The supplementation of the planning for solar power projects is as follows:

- Srok Phu Mieng Solar Power Plant Project 49MWp (*connected to 110kV*): the project has been included in the Binh Phuoc provincial planning according to Decision No. 1489/QD-TTg dated November 24, 2023, by the Prime Minister, has been acknowledged by the Binh Phuoc Provincial People's Committee for inclusion in the 2025-2030 planning, and reported to the Ministry of Industry and Trade according to document No. 1059/UBND-TH dated March 12, 2025, for inclusion in Power Planning VIII. The project is under the approval authority of the Provincial People's Committee.

- Srok Phu Mieng Solar Power Plant Project 2 with a capacity of 125MWp (*connected to 220kV*): has been included in the 2031-2035 planning according to Decision No. 768/QD-TTg by the Prime Minister on the approval of the adjustment of the National Power Development Plan (*Power Planning VIII*).

- Srok Phu Mieng Solar Power Project 3 with a capacity of 400MWp (*connected to 220kV*): has not been included in Power VIII.

Currently, Dong Nai province is reviewing and updating planning information following the merger of the two provinces (*Dong Nai - Binh Phuoc*) .

5. Organizational and Personnel Situation

- In 2025, the Company implemented a new salary scale, with employee income determined based on job position and performance (KPI-based).

- As of December 31, 2025, the Company had a total of 56 employees, *representing a decrease of 2 employees compared to the beginning of the year.*

6. Other Activities

- In 2025, the company continued to review internal regulations and has issued, amended, and supplemented many internal regulations such as: Information Disclosure Regulations, Financial Regulations, Investment and Construction Management Decentralization Regulations, Payment Procedures, Contractor Selection Regulations,

Closing Procedures and Preparation of Financial Statements, ...

- Completion of the measurement system for Srok Phu Mieng Hydropower Plant: After an extended period of collaboration with the parties, on March 20, 2025, the Electricity Trading Company, Power Transmission Company No. 4, and Srok Phu Mieng Hydropower Joint Stock Company signed the technical design agreement for the energy measurement system, which includes: 01 main measurement, 01 backup measurement 1 located at the 220kV Binh Long Substation (*commissioned in April 2025*) and one (01) backup metering system No. 2 installed at the power plant (*was installed and commissioned in March 2026*).

- Repair and upgrade of the Plant Monitoring and Control System (DCS): the study and development of the repair and upgrade plan have been completed. The company is currently in the process of procuring equipment.

II. BUSINESS OPERATIONS AND INVESTMENT PLANS FOR 2026

Entering 2026, in addition to benefiting from abundant water inflows carried over from late 2025 and a higher average capacity price (CAN) compared to 2025, hydropower is expected to be dispatched at a higher level than thermal power sources (coal, oil, gas, LNG), which are currently facing challenges due to the impacts of the Middle East conflict. However, the Company also faces certain challenges: hydrometeorological conditions are currently in a neutral Enso phase with a likelihood of transitioning to Elnino (drought) toward the end of 2026, and the expansion of clean water supply output remains difficult.

With a strong commitment to achieving its objectives, the Company has formulated its 2026 production and business plan as follows:

1. Main indicators in the 2026 plan

No.	Main Indicators	Unit	Actual for 2025	Plan for 2026	Percent. of Plan 2026/ Actual 2025
1	Commercial Electricity Output	Million kWh	251	234	93%
2	Clean Water Output	m ³	728,792	733,120	101%
3	Total Revenue and Other Income	Million VND	221,373	209,600	95%
	<i>Including:</i>				
	- Business Operations	Million VND	217,997	206,465	95%
	+ Electricity	Million VND	209,084	197,640	95%
	+ Clean Water	Million VND	8,026	7,939	99%
	+ Rubber	Million VND	886	886	100%
	- Financial Activities	Million VND	2,863	3,135	109%

No.	Main Indicators	Unit	Actual for 2025	Plan for 2026	Percent. of Plan 2026/ Actual 2025
	- Other Income	Million VND	513	-	-
4	Profit Before Tax	Million VND	105,497	101,208	96%
5	Profit After Tax	Million VND	84,247	80,876	96%
6	Proposed Dividend Payout Ratio	m ³	25%	20%	80%
7	Total Investment Value	Million VND	-	5,500	

(* For investment activities: Investment value is allocated only for investment preparation work).

2. Key tasks for 2026

- Fulfill the plan targets set by the General Meeting of Shareholders.
- Maximize shareholder benefits, stabilize employee income, and fulfill obligations to the State.
- Stabilize electricity and clean water business operations based on existing machinery and equipment, ensuring the company's main business operations are safe and efficient.
- Continue implementing the renovation and repair of the Distributed Control System (DCS) of the power plant as planned.
- Ensure that the company's financial management complies with current regulations while achieving the highest efficiency for the company; manage operating costs and cash flow effectively to maximize the profits.
- Continue to monitor the planning of solar power projects, and proceed with the investment preparation for the Srok Phu Mieng Solar Power Plant project with a capacity of 49 MWp after the project is updated and included in the power plan of Dong Nai province.
- Continue to monitor the supplementation of the Water Plant planning, seek and assess the demand for clean water in the area to devise appropriate investment and clean water supply plans.

3. Implementation Solutions

- Stabilize the business operation activities of electricity and clean water based on existing machinery and equipment, ensuring the company's main business operation are safe and effective:
 - + Continue to enhance technical management, monitor, and detect early signals of malfunction.
 - + Regulate reservoirs reasonably, increase machine operation during peak hours.
 - + Perform regular maintenance and repair of generator units effectively.

+ Quickly address incidents or equipment malfunctions, minimizing downtime due to failures.

- To mobilize qualified technical personnel to carry out the repair and upgrade of the Power Plant's Monitoring and Control System (DCS) to ensure quality.

- Regularly review and manage costs and pricing to enhance the company's business operations efficiency.

- Implement appropriate financial solutions to achieve the highest capital utilization efficiency, ensuring cash flow for business operations and dividend payments to shareholders as planned.

- Review, amend, and supplement (*if any*) the company's internal regulations and rules to perfect the management and operational system.

- Conduct training to enhance professional and managerial skills.

4. Financial Operations

- Strive to achieve the business operation targets for the year 2026.

- Manage cash flow effectively, continue to regularly plan cash flow balancing to ensure timely debt repayment to banks, dividends to shareholders, tax payments to the state budget, and support the company's business operation activities.

- To implement the advance dividend payment for the 2025 financial year to shareholders in accordance with the Resolution of the Board of Directors, and to pay the remaining dividend for 2025 in line with the profit distribution plan approved by the General Meeting of Shareholders.

- Regularly check, reconcile, and recover debts to ensure the company maintains no bad debts or overdue debts that are uncollectible.

- Continue to proactively control and reduce production and business costs.

5. Investment and Construction Operations

- Continue to monitor the planning of solar power projects, and proceed with the investment preparation for the Srok Phu Mieng Solar Power Plant project with a capacity of 49 MWp after the project is updated and included in the power plan of Dong Nai province.

- Continue to monitor the supplementation of the Water Plant planning, seek and assess the demand for clean water in the area to devise appropriate investment and clean water supply plans.

6. Organizational and Personnel Operations

- Stabilize organizational personnel post-restructuring, ensuring sufficient resources for effective business operations.

The above is the report on the business operations and investment results in 2025 and plans 2026 of IDICO Srok Phu Mieng Hydropower Joint Stock Company

IDICO Srok Phu Mieng Hydropower Joint Stock Company respectfully submits to the General Meeting of Shareholders for voting approval.

Thank you so much.

Recipients: ✓

- Shareholders;
- Board of Directors;
- Supervisory Board;
- Archive: Records, General Affairs.



DIRECTOR

Trương Thanh Bình