### HO CHI MINH CITY PUBLIC LIGHTING JOINT STOCK COMPANY

No: 06 /CBTT-CTCSCC

### THE SOCIALIST REPUBLIC OF VIETNAM Independence - Freedom - Happiness

Ho Chi Minh city, April 17th, 2025

### DISCLOSURE OF INFORMATION ON THE COMPANY'S INFORMATION MANAGEMENT SYSTEM

To: The Hanoi Stock Exchange

Name of company: HO CHI MINH CITY PUBLIC LIGHTING JOINT STOCK COMPANY

Address of Head office: 121 Chau Van Liem street, ward 14, district 5, Ho Chi Minh city

Telephone: +84-28-38 536 883 Fax: +84-28-38 592 896

Information disclosed by: Mr. Huynh Tri Dung

Address: 121 Chau Van Liem street, ward 14, district 5, Ho Chi Minh city.

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Information discloser type: ☐ 24h ☐ On-Demand ☐ Extraordinary ☑ Periodic

Content of Information disclosure:

Ho Chi Minh city Public lighting Joint stock company announces the status of information disclosure:

Annual Report for the year 2024.

We hereby certify that the information provided is true and correct, and we bear full responsibility under the law./.

Persons authorized to disclose information
GENERAL DIRECTOR

CHẾU SÁNG CÔNG CÓNG THÀNH PHỐ

Huynh Tri Dung

### ANNUAL REPORT



**SAPULICO** 

HO CHI MINH CITY
PUBLIC LIGHTING JOINT STOCK COMPANY

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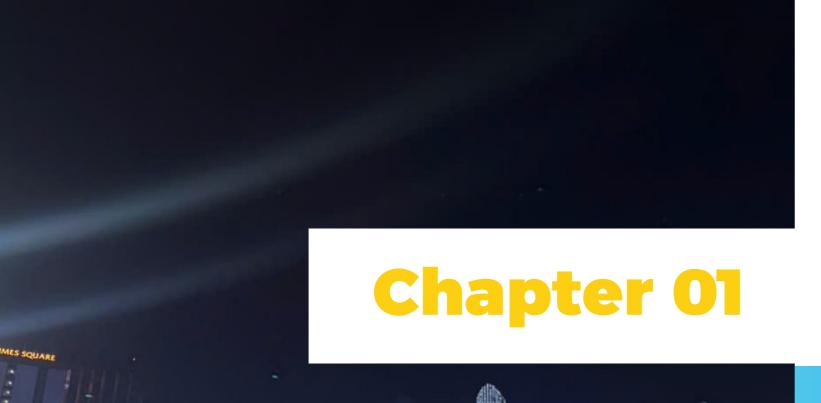
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### **BACKGROUND INFORMATION**

- History and development
- Business lines and geographical footprint
- Corporate governance, business management and organizational structure
- Development orientation
- Risks

### **COMPANY OVERVIEW**

Legal name (English) : HO CHI MINH CITY PUBLIC LIGHTING JOINT STOCK COMPANY

**Abbreviation** : SAPULICO

**Business Registration Certificate No.** 

: 0300423479, initially issued by the Department of Planning and Investment of Ho Chi Minh City on August 12, 2010, with the sixth

amendment issued on December 30, 2021

**Stock symbol** : CHS

**Charter capital** : VND 284,000,000,000

**Shareholder's equity** : VND 284,000,000,000

**Address** : 121 Chau Van Liem Street, Ward 14, District 5, Ho Chi Minh City

**Telephone** : +84-28 38 536 883

: +84-28 38 592 896 **Fax** 

: http://www.chieusang.com/ **Website** 









### HISTORY AND DEVELOPMENT

Ho Chi Minh City Public Lighting JSC was founded on January 26, 1993, originating from the Sidewalk Lighting and Drainage Enterprise.

Pursuant to Decision No. 3544/QD-UB-KT-CN dated July 11, 1997, of the Ho Chi Minh City People's Committee, Ho Chi Minh City Public Lighting JSC ("The Company") was converted into a public service state-owned enterprise, responsible for the management, and maintenance of the public lighting and traffic signal systems. The Company also engaged in other business lines, including the design and construction of new public lighting and traffic signal systems.

In 2010, the Company officially commenced operations as a singlemember limited liability company under Decision No. 82/QD-UBND dated January 9, 2010, of the Ho Chi Minh City People's Committee.

In 2011, the Company constructed offices for subsidiaries in District 12.

Pursuant to Decision No. 4608/QD-UBND dated September 6, 2012, by the Ho Chi Minh City People's Committee, on assigning 05 wholly state-owned single-member limited liability companies to become member companies of Ho Chi Minh City Finance and Investment Stateowned Company (HFIC), the Company became a member company of HFIC to execute the pilot program for state capital ownership representative as mandated.

1993 - 1997

1997 - 2010

2010 - 2011

2012

2024

The Company entered into and performed contracts for the management of lighting systems in Phong Dien District, Can Tho City, and traffic signal systems in Da Nang City.

2023

Company signed a contract with the Ho Chi City Infrastructure Minh Management Center for the delivery of public services for maintaining the urban lighting system in districts across the city, from April 2023 to the end of March 2026.

During 2023, the Company also registered additional business lines.

2022

The Company signed four contracts with the Roads Management Center for the management maintenance of traffic signal systems and road traffic infrastructure, effective from 2022 to the end of 2024.

The management and maintenance of the public lighting system underwent a significant restructuring of state management authorities, with the consolidation of oversight from four project owners to a single entity under the City's Department of Construction, previously under the Department of Transportation.

2019

Similarly, the management of the traffic signal system was also consolidated under a single entity from four project owners.

2016 - 2018

On July 1, 2016, the Company was granted the Business Registration Certificate as a joint stock company.

The Company stabilized our business performance and strived to expand our market.

The Ho Chi Minh City People's Committee issued Decision No. 6770/ QD-UBND approving the plan to convert the Company from a singlemember limited liability company to a joint stock

company.

2015



#### **BUSINESS LINES**

The Company's main business lines include:

- Core business: Management, operation, and maintenance of public lighting systems; management, operation, and maintenance of traffic signal systems; and other related services (construction and installation, design consultancy, etc.).
- Public works construction: Management, operation, and maintenance of public lighting systems, traffic signals, Closed circuit television (CCTV) cameras, electronic traffic information display, programmable logic controllers (PLC), fiber optic cables, and image transmitters.
- Architecture and related technical consulting: Design of electrical systems for residential, commercial, and industrial buildings. Construction supervision for residential, commercial, and industrial buildings (electrical installation and equipment). Provision of consulting services in surveys, project development, cost estimation, tender document preparation, and construction project management for public lighting, traffic signals, CCTV cameras, electronic traffic information display, image transmitters, programmable logic controller (PLC), automated control systems for toll stations and parking lots, and electrical systems for residential, commercial, and industrial buildings.
- Electrical system installation: Construction and installation of public lighting, traffic signals, CCTV cameras, electronic traffic information display, image transmitters, programmable logic controller (PLC), automated control systems for toll stations and parking lots, and electrical systems for residential, commercial, and industrial buildings.
- Lighting equipment manufacture: Operation and manufacturing of traffic signals and mechanical products (excluding machining and recycling of electroplating sludge at the head office).
- Other construction system installation: Installation of underground works for public lighting, traffic signals, CCTV cameras, electronic traffic information display, image transmitter, programmable logic controllers (PLC), and advertising installation services.

#### **GEOGRAPHICAL FOOTPRINT**

- The Company's operations are currently concentrated in Ho Chi Minh City.
- However, we consistently seek and evaluate potential markets, expanding our project portfolio across other localities. To date, SAPULICO has established successful partnerships in provinces including Dong Nai, Ba Ria - Vung Tau, Ben Tre, Da Nang, Ha Tinh, Long An, Tay Ninh, Hanoi, and Can Tho. We have been expanding our geographical footprint within Vietnam and actively pursuing opportunities in neighboring countries.

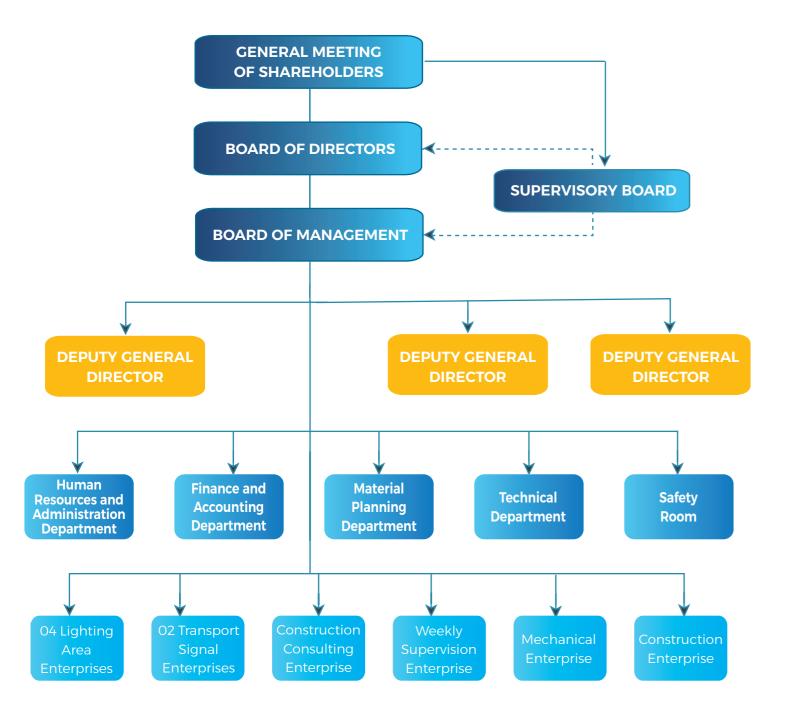




#### **CORPORATE GOVERNANCE, BUSINESS** MANAGEMENT AND ORGANIZATIONAL **STRUCTURE**

#### CORPORATE GOVERNANCE

Ho Chi Minh City Public Lighting Joint Stock Company is organized and operated under the joint-stock company model as stipulated in Point a, Clause 1, Article 137 of the 2020 Law on Enterprises, comprising:



#### ORGANIZATIONAL AND MANAGEMENT STRUCTURE



**General Meeting** of Shareholders (GMS)

**Board of Directors** (BOD)

The General Meeting of Shareholders, composed of all shareholders with voting rights, serves as the highest decision-making body of the Company.

The Board of Directors is SAPULICO's management body, authorized to make decisions on behalf of the Company on all matters related to our objectives and interests, except for those falling under the authority of the GMS. Currently, the Company's BOD includes five members.



**Supervisory Board** 

**Board of Management** (BOM)

Elected by the GMS, the Supervisory Board represents shareholders in supervising all business, management, and operational activities of the Company to ensure the protection of shareholders' legitimate interests. The Supervisory Board consists of three members, each serving a term not exceeding five years. Supervisory Board members must not be related persons of the BOD, the General Director, Deputy General Directors, Chief Accountant, or any other internal supervisor of the Company. Currently, the Company's Supervisory Board comprises three members.

The General Director of SAPULICO is responsible for managing and directing all aspects of the Company's business activities, ensuring alignment with resolutions of the GMS, decisions of the BOD, and the Company's Charter. The General Director acts as the Company's legal representative. Currently, three Deputy General Directors provide support to the General Director in running the Company.

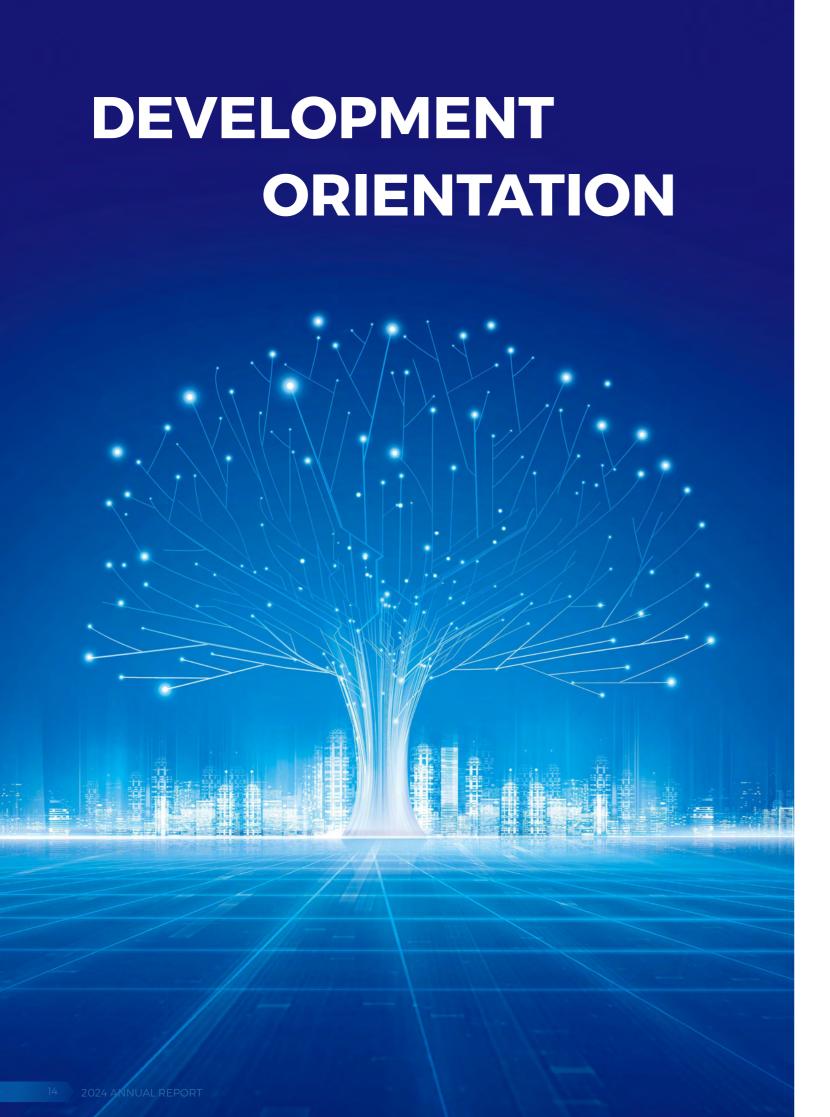


**Departments** and Affiliated Units

Our departments and affiliated units perform their specialized functions, with a streamlined organizational structure yet still ensuring effective and high-performing business management, organization, and operations under the direction of the BOM.

#### SUBSIDIARIES AND AFFILIATES

The Company currently has no subsidiaries or affiliates.





#### **KEY OBJECTIVES OF THE COMPANY**

SAPULICO, evolving alongside Vietnam's national progress, has formulated a clear strategy for urban lighting development, aiming to solidify and expand our position within the industry. Key elements of this strategy include:

Broader geographical footprint: Gradually expanding our reach from Ho Chi Minh City to provinces such as Tay Ninh, Ba Ria - Vung Tau, Ben Tre, Da Nang, Long An, Nha Trang, and Can Tho, with the aim of nationwide operations.

Project portfolio diversification: Actively pursuing and engaging in construction and installation projects through competitive bidding, thereby driving revenue growth and sharpening our competitive edge.

**Expanded market share in lighting business:** Expanding our offerings beyond public lighting, including streetlights and traffic signals, to encompass architectural lighting. Strengthening the development of lighting systems in schools, hospitals, shopping malls, parks, architectural works, and festival venues.

Research and development promotion: Focusing on research and adoption of smart lighting technologies, particularly LED lighting and other emerging trends to optimize energy efficiency and elevate service quality.

Human resource management and development strengthening: Building a robust workforce with highly skilled professionals and effective management skills. while simultaneously implementing performance assessment to enhance efficiency.

Urban development initiative engagement: Contributing to the Ho Chi Minh City urban lighting development program for the period 2020-2030, through activities such as modernizing community-funded lighting systems, implementing architectural lighting projects, and enhancing the illumination of key arteries.

Infrastructure investment: Increasing investment in advanced production facilities and support equipment to ensure operational efficiency, support expansion goals, and secure a greater share of the market.

### **DEVELOPMENT ORIENTATION**

#### **MEDIUM- AND LONG-TERM DEVELOPMENT STRATEGY**

The Company has consistently held a leading position in Vietnam with expertise in urban lighting, traffic signals, and electronic traffic information display. Therefore, we are committed to implementing an expansive development strategy, strengthening our capabilities in other areas (including construction and installation, design consultancy, etc.), and striving to maximize our success in bids and contracts with project investors.

SAPULICO will endeavor to bolster our business activities with a particular emphasis on public works construction and technical consulting services. In the short term, our focus will be on maintaining stable operations while enhancing our corporate governance for long-term growth, with the goal of becoming a leading public utility company in Vietnam. This strategy will be implemented through the following solutions:



#### **Organizational approaches**

Continually refining the organizational structure of affiliated units from time to time as needed.

Developing solutions to improve labor productivity to increase regular maintenance workload, offsetting reductions in unit prices and operational norms.

Establishing risk mitigation strategies to address potential penalties for contract breaches in the management, operation, and maintenance of urban lighting and traffic signal systems.



#### **Technological and investment approaches**

Continuing to invest in and implement IT, digital technologies, and technical innovations in the Company's management and business activities to maximize our strengths and improve business efficiency.



#### **Policy and incentive approaches**

Continuing to assign output targets to affiliated units based on their capacity, local conditions, bidding results, etc., empowering unit directors to proactively and creatively pursue projects and manage their implementation. Implementing reward policies for highperforming and innovative units while addressing underperformance units appropriately.

Researching, proposing, and adopting methods to strengthen competitiveness in bidding for consulting, construction, and management projects (if applicable).

Continuing to apply Key Performance Indicators (KPIs) across the Company's business lines.

#### SUSTAINABLE DEVELOPMENT GOALS

Strictly adhering to implement production and business programs that prioritize environmental monitoring and management; encouraging the adoption of energy-efficient LED lighting as a replacement for traditional lights and actively participating in bidding for urban upgrading projects aligned with green urban development, contributing to environmental protection in line with industry development directions, state policies, global trends and sustainable development. Safeguarding the well-being and job security of our workforce, contributing to the development of communities within the Company's geographical footprint. Actively engaging in social and charitable initiatives, contributing to the construction of a vibrant and prosperous Vietnam.







#### **INDUSTRY-SPECIFIC RISKS**

#### **ECONOMIC RISKS**

The global economic landscape in 2024 remained characterized by significant challenges. Global GDP growth was limited to only 2.7%, hampered by sustained high inflation rates (4-5% in major economies), restrictive monetary policies across many countries, and ongoing geopolitical conflicts, particularly in Ukraine and the Middle East. These events collectively contributed to weakened global demand, supply chain disruptions, and energy price fluctuations, placing upward pressure on production costs in most countries. Despite global volatilities, Vietnam's economy achieved a significant 7.09% GDP increase according to the General Statistics Office. This growth rate was slower only than in 2018, 2019, and 2022 within the 2011-2024 timeframe. The industrial and construction sector grew by 8.24% (contributing 45.17%), and the service sector expanded by 7.38% (contributing 49.46%). Inflation remained controlled, with the average Consumer Price Index increasing by 3.63% over 2023, surpassing the National Assembly's target. Even so, the economy remains vulnerable to potential risks arising from global geopolitical instability and unpredictable extreme weather events, which could spark a resurgence of inflation and curb economic growth.

As a primary provider of maintenance for lighting systems, traffic signals, and electronic traffic information display, predominantly within Ho Chi Minh City, our business is closely linked to socio-economic development and government public investment. Furthermore, heightened inflation and exchange rate instability, which increase input prices, could adversely impact our performance. Therefore, to manage these economic risks, SAPULICO has implemented agile and adaptive strategies designed to maintain operational stability. Through diligent financial risk forecasting and management, we stay proactive in navigating market turbulence and unexpected circumstances.

#### INPUT PRICE FLUCTUATION OF ELECTRONIC COMPONENTS AND EQUIPMENT

The Company's business centers on the maintenance of public lighting infrastructure, traffic signals, and electronic traffic information display. We also frequently participate in competitive bidding for projects. During 2024, SAPULICO observed a modest increase in short-term raw material prices relative to prior levels, which could impact the anticipated profitability of certain projects. A primary driver of this price fluctuation is reliance on foreign supply chains, which represents the Company's primary source for lighting components and equipment. Accordingly, any changes in trade policies or import pricing could exert pressure on the Company's input costs.

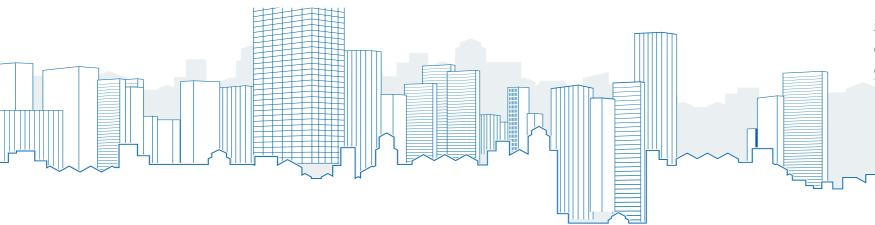
To confront these challenges, SAPULICO has implemented a range of flexible strategies, including negotiating competitive prices with suppliers and diversifying our sourcing to include both domestic and international alternatives. At the same time, the Company maintains longterm contracts with key suppliers to minimize exposure to market volatility. These measures not only help us manage input costs but also ensure business stability.

#### **TECHNOLOGY**

During 2024, the public lighting sector faced the risk of technological obsolescence, which could drive down performance and market competitiveness. Companies that embrace cutting-edge technologies will benefit from utilizing sustainable materials, reducing energy consumption, and deploying state-of-the-art equipment, ultimately enhancing project outcomes.

The Vietnam Lighting Association has noted that the sector is placing significant emphasis on digital transformation, shifting from traditional product manufacturing to offering smart lighting equipment and control systems, and advanced technology solutions in support of "Made in Vietnam" and "Designed in Vietnam" initiatives. Investment in infrastructure, expanded research and development, and mastery of technology and equipment production are viewed as critical priorities.

SAPULICO is committed to proactively maintaining our competitive edge by continuously enhancing product and service quality, optimizing production processes, and adhering to environmental standards to meet the evolving demands of customers and the market.





#### **INDUSTRY-SPECIFIC RISKS**

#### **LABOR SUPPLY**

As our business relies on a significant skilled workforce in maintenance services, the Company recognizes the potential risk of a constrained labor supply due to the industry's unique characteristics. Individuals pursuing jobs in this industry often face limited career paths and fewer opportunities for advanced training, leading to challenges in recruiting and retaining high-skilled staff.

To address this, SAPULICO has developed a flexible and competitive workforce policy. Remuneration is calibrated to align with specific roles, complemented by appealing social benefits designed to attract and retain skilled professionals. The Company is also fully compliant with the provisions of the 2019 Labor Code and the 2024 Law on Social Insurance, fostering a positive and equitable workplace that enhances employee's sense of belonging. In addition, SAPULICO prioritizes training and upskilling, ensuring our workforce is well-equipped to meet the requirements of their roles and to adapt to evolving industry trends. Maintaining a stable workforce is a key driver of both our competitive strength and long-term sustainability.

#### **ELIANCE ON PUBLIC INVESTMENT PLANS**

As a public utility, SAPULICO primarily undertakes public projects and is therefore closely tied to government-led public investment plans. This reliance presents potential challenges in achieving exponential growth, as project timelines and scope are directly influenced by governmental decisions. Throughout 2024, the Government reaffirmed its commitment to the disbursement of public investment capital as an imperative for driving economic growth. Data from the Ministry of Finance indicates that public investment disbursement reached an estimated 77.55% of the Prime Minister's assigned target by year-end 2024, with total disbursements approximating VND 529,632 billion. While this figure remains below expectations, the pace of disbursement is trending upward, driven by decisive government leadership and commitment to accelerating key national projects.

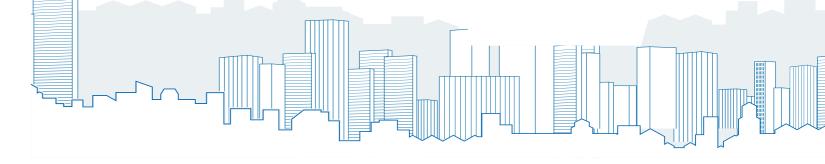
This positive momentum offers considerable growth opportunities for SAPULICO, particularly in rapidly urbanizing satellite cities. The Government's ongoing prioritization of infrastructure development and promotion of investment capital will provide a conducive environment for the Company to broaden our operations. However, to mitigate risks arising from reliance on public sector investment, SAPULICO must sustain our competitiveness, optimize operational efficiencies, and pursue broader engagement in diversified projects, ranging from public services to promising private sector initiatives.

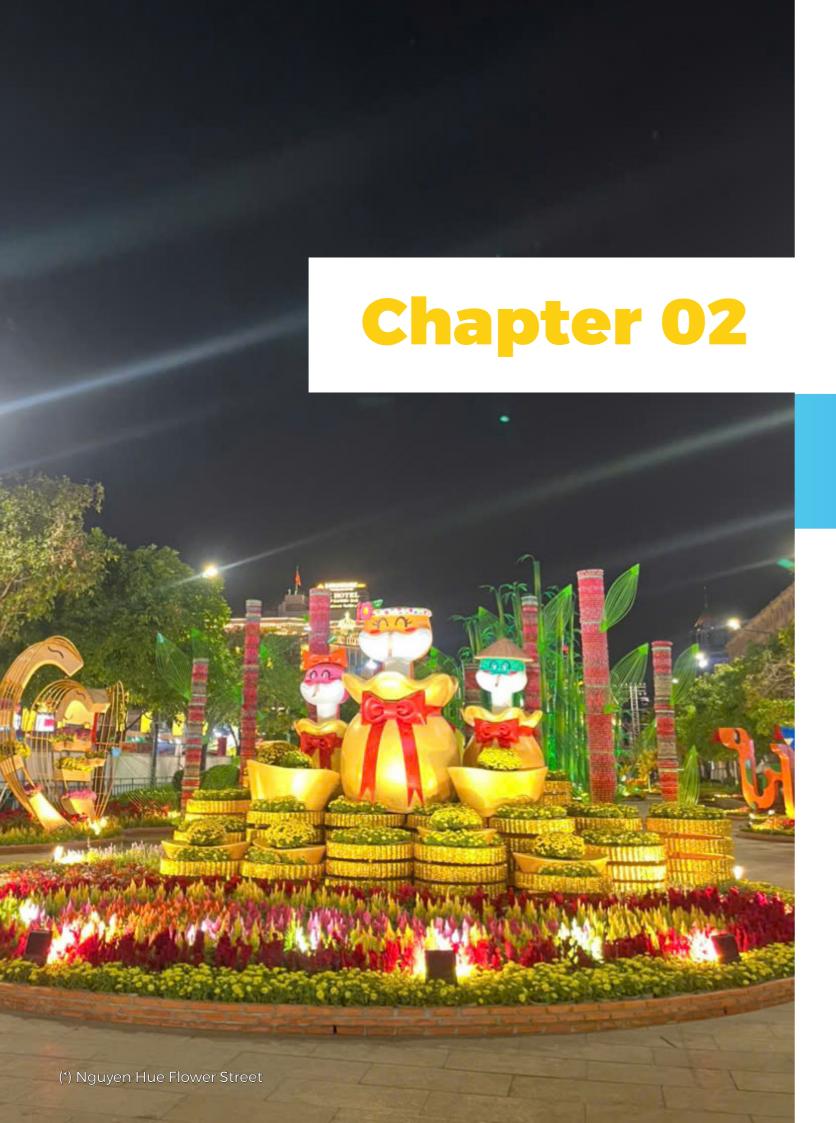
### LEGAL AND POLICY RISKS

Throughout 2024, SAPULICO continued to face a multitude of legal and policy challenges. Adherence to regulations concerning safety, environmental protection, and construction remains a significant challenge, particularly given the need to satisfy stringent standards for lighting materials, environmental protection, and traffic safety across all projects. Notably, shifts in public and urban planning policies have the potential to impact the Company's operations. Adjustments in urban development strategies, locality-level planning, or environmental policies may influence the demand for and priorities regarding public lighting services. Furthermore, measures related to security protocols, data governance, and human resource policies require careful consideration to ensure regulatory compliance and mitigate potential legal risks.

As a publicly traded company on Hanoi Stock Exchange's Unlisted Public Company Market (UPCoM), and given our specialization in public infrastructure projects, SAPULICO must comply with Vietnam's regulations, including the Law on Enterprise, the Law on Securities, and their corresponding guiding decrees and circulars. Therefore, the Company must proactively adapt to emerging legal developments while rigorously adhering to applicable regulations. To minimize potential risks, SAPULICO must continuously update and provide ongoing training for our employees on new legal requirements, establish an effective compliance management system, and maintain close communication with regulatory authorities to promptly understand and respond to changes in policies and legal requirements.

SAPULICO faces increasingly complex environmental risks, encompassing natural disasters, climate change, and emergency events that have grown in frequency and intensity in recent years. These risks can lead to unforeseen events that directly affect completed projects, equipment transportation, project timelines, and the safety of our workforce. As a company engaged in the installation and maintenance of public lighting equipment, SAPULICO places the highest priority on the assessment and management of environmental impacts in all business planning. The Company implements strategic measures to mitigate environmental risks by fortifying our forecasting and emergency response system capabilities, utilizing adaptable transportation options, and equipping our personnel with comprehensive emergency preparedness training to ensure safety under adverse weather conditions.





# **BUSINESS PERFORMANCE IN 2024**

- Production and business performance
- Organization and human resources
- Project investment and implementation
- Financial performance
- Shareholder structure and changes in owner's equity
- Report on the Company's Environmental and Social Impact

#### **PRODUCTION AND BUSINESS PERFORMANCE**

#### **Production and business results in 2024**

Unit: VND million

No.	Indicator	2023 (Revised)	2024	2024/2023
1	Net revenue	635,625	629,840	99,09%
2	Cost of goods sold	514,721	510,146	99,11%
3	Gross profit	120,904	119,694	99,00%
4	Financial income	11,541	6,200	53,72%
5	Financial expenses	-	-	-
6	General administration expenses	82,506	81,853	99,21%
7	Net profit from business activities	49,939	44,041	88,19%
8	Profit before tax	49,871	44,225	88,68%
9	Profit after tax	39,517	35,263	89,23%
10	EPS (VND)	989	1,242	125,58%

#### **Actual vs. Plan**

Revenue breakdown by business line:

Unit: VND million

No.	Indicator	2024 planned target	2024 actual results	Ratio of revenue	Actual / Plan (%)
1	Management, operation, and maintenance of the public lighting system	419,000	461,254	72.27%	110.08%
2	Management, operation, and maintenance of the traffic signal system	75,000	117,140	18.35%	156.19%
3	Others (e.g., construction and installation, design consultancy, etc.)	11,000	59,816	9.37%	543.78%
	Total revenue	505,000	638,210	100%	126.38%
	Profit before tax	36,124	44,225	6.93%	122.43%

#### **COMMENTS**

In 2024, SAPULICO achieved a revenue of over VND 638 billion. Although this represents a slight decrease of 1,46% year-over-year, it still exceeded the Company's planned target by 26.38%. This performance can be attributed to several factors:

For management, operation, and maintenance of the public lighting system: With thorough preparation and diligent efforts of our workforce, the revenue in 2024 of this business line exceeded the planned target by 110,08%.

For management, operation, and maintenance of the traffic signal system: As 2024 concluded the contract period, the Project Owners' early planning and task assignments, combined with scope adjustments, allowed for proactive and efficient implementation, exceeding the planned target by 56.19%.

For others (e.g., construction and installation, design consultancy, etc.): The Company continued to complete existing bid packages. At the same time, we actively participated in bidding and tendering for a number of key projects, including construction and equipment installation projects in Quang Ngai, as well as maintenance, repair, and replacement of urban lighting control panels across wards in Thu Duc City, with substantial total values.





#### **Members of the Board of Management**

As of December 31, 2024

No.	Member	Title	Number of shares owned (shares)	Ownership (%)	Appointment date
1	Huynh Tri Dung	General Director	4,800 Legal representative of HFIC: 4,544,000	16.02%	June 1, 2016
2	Tran Chien Thang	Deputy General Director	7,500	0.03%	June 30, 2021
3	Nguyen Minh Tuan	Deputy General Director	7,100	0.03%	June 30, 2021
4	Duong Chi Nam	Deputy General Director	8,700	0.03%	June 30, 2021
5	Nguyen Thi Xuan Dong	Chief Accountant	5,700	0.02%	June 30, 2021

#### **Changes in Board of Management in 2024**

In 2024, there is no change in the Board of Management of the Company.



#### **Profiles of the Board of Management**

#### **HUYNH TRI DUNG**

**General Director** 

**Date of birth**: September 2, 1969 **Place of birth**: Ca Mau

Nationality: Vietnamese

#### Qualification

Degree	Major	Educational institution
Master of Engineering	Power grid system	Vinnytsia Polytechnic Institute
Certificate	Executive Director	Business Administration Research United Countries Institute
Advanced	Advanced Political Theory and Administration	Academy of Politics Region II

#### **Experience:**

Time	Organization	Title
1992 - 2003	Gia Dinh Power Company - Ho Chi Minh City Power Corporation	Technician; Head of Go Vap Grid Management Team; Head of Business Department
2003 - 2005	Go Vap Power Company - Ho Chi Minh City Power Corporation	Deputy Director
2005 - 2008	Tan Phu Power Company - Ho Chi Minh City Power Corporation	Director
2008 - 2013	Ho Chi Minh City Power Corporation	Head of Business Division
2013 - July, 2016	Ho Chi Minh City Public Lighting Company Limited	Member of the Members' Council; Director
July, 2016 - present	Ho Chi Minh City Public Lighting Joint Stock Company	Member of the Board of Directors; General Director

Number of shares owned: 4,800 shares, representing 0.02% of the charter capital

Number of shares represented: 4,544,000 shares, representing 16% of the charter capital

Securities ownership in other companies: None

Number of shares currently held by related persons: None

Title(s) held at other organizations: None



#### **Profiles of the Board of Management**

**TRAN CHIEN THANG** 

Deputy General Director

Date of birth: June 19, 1967

Place of birth: Ninh Binh

Nationality: Vietnamese

#### Qualification

Degree	Major	Educational institution
Engineer	Electrical engineer	Ho Chi Minh City University of Technology
Advanced	Advanced Political Theory and Administration	Academy of Politics Region II

#### **Experience:**

Time	Organization	Title
1990 - 1992	Ho Chi Minh City Sidewalk Lighting and Drainage Company	Technician
1992 - 1993	Electricity Testing Center - Power Company No. 2	Technician
1993 - 2010	Ho Chi Minh City Public Lighting Joint Stock Company	Deputy Head of Planning and Procurement Department; Deputy Director of Construction Consulting Company; Deputy Director
2010 - July, 2016	Ho Chi Minh City Public Lighting Company Limited	Member of the Member's Council; Deputy Director
July, 2016 - present	Ho Chi Minh City Public Lighting Joint Stock Company	Deputy General Director

Number of shares owned: 7,500 shares, representing 0.03% of the charter capital

**Number of shares represented: None** 

Securities ownership in other companies: None

Number of shares currently held by related persons: None

Title(s) held at other organizations: None

#### **NGUYEN MINH TUAN**

Deputy General Director

Date of birth: November 29, 1969

Place of birth: Ho Chi Minh City

Nationality: Vietnamese

#### Qualification

Degree	Major	Educational institution
Engineer	Electrical Supply and Electrification	Ho Chi Minh City University of Technology and Education
Advanced	Advanced Political Theory and Administration	Ho Chi Minh National Academy of Politics and Administration

#### **Experience:**

Time	Organization	Title
1994 - 2010	Ho Chi Minh City Public Lighting Joint Stock Company	Director of Lighting Construction Company; Director of Lighting Company No. 06
2010 - July, 2016	Ho Chi Minh City Public Lighting Company Limited	Director of Lighting Company No. 06; Deputy Director
July, 2016 - present	Ho Chi Minh City Public Lighting Joint Stock Company	Deputy General Director

Number of shares owned: 7,100 shares, representing 0.03% of the charter capital

**Number of shares represented: None** 

Securities ownership in other companies: None

Number of shares currently held by related persons: None

Title(s) held at other organizations: None

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#### **Profiles of the Board of Management**

#### **DUONG CHI NAM**

**Deputy General Director** 

Date of birth: October 9. 1975 Place of birth: Quang Ngai Nationality: Vietnamese

#### Qualification

Degree	Major	Educational institution
Engineer	Electrical and Electronics Engineering	Ho Chi Minh City University of Technology
Intermediate	Intermediate Political Theory	Ho Chi Minh City Cadre Academy

#### **Experience:**

Time	Organization	Title
1998 - 2010	Ho Chi Minh City Public Lighting Joint Stock Company	Staff; Director of Public Lighting Construction Consulting Company; Head of Technical Department
2010 - July, 2016	Ho Chi Minh City Public Lighting Company Limited	Head of Technical Department; Deputy Director
July, 2016 - present	Ho Chi Minh City Public Lighting Joint Stock Company	Deputy General Director

Number of shares owned: 8,700 shares, representing 0.03% of the charter capital

**Number of shares represented: None** 

Securities ownership in other companies: None

Number of shares currently held by related persons: None

Title(s) held at other organizations: None

#### **NGUYEN THI XUAN DONG**

Chief Accountant

Date of birth: February 17, 1974 Place of birth: Hoa Binh Nationality: Vietnamese

#### Qualification

Degree	Major	Educational institution
Master's Degree	Finance - Banking	Ho Chi Minh City University of Economics and Finance
Certificate	Chief Accountant	University of Economics Ho Chi Minh City
Intermediate	Political Theory	Ho Chi Minh City Cadre Academy

#### **Experience:**

Time	Organization	Title
April, 1997 - October, 2003	Southern Life Insurance Company	Accountant
November, 2003 - April, 2005	Southern Life Insurance Company	Deputy Head of Accounting Department
May, 2005 - February, 2007	Southern Life Insurance Company	Deputy Head, in charge of Accounting Department
March, 2007 - May, 2008	Southern Life Insurance Company	Head of Accounting Department
September, 2008 - December, 2009	Waterway Management Authority	Accountant
January, 2010 - February, 2011	Waterway Management Authority	Deputy Head of Accounting Department
March, 2011 - December, 2012	Ho Chi Minh City Public Lighting Company Limited	Accountant
January, 2013 - January, 2014	Ho Chi Minh City Public Lighting Company Limited	Deputy Head of Accounting Department
February, 2014 - June, 2016	Ho Chi Minh City Public Lighting Company Limited	In charge of Accounting Department
July, 2016 - June, 2017	Ho Chi Minh City Public Lighting Joint Stock Company	In charge of Accounting Department
July, 2017 - present	Ho Chi Minh City Public Lighting Joint Stock Company	Chief Accountant

Number of shares owned: 5,700 shares, representing 0.02% of the charter capital

**Number of shares represented: None** 

Securities ownership in other companies: None

Number of shares currently held by related persons: None

Title(s) held at other organizations: None



### ORGANIZATION AND HUMAN RESOURCES

#### **Number of employees in 2024**

As of December 31, 2024

		20	23	20	24
No.	Classification	Headcount (person)	Percentage (%)	Headcount (person)	Percentage (%)
1	By qualification	401	100%	395	100%
1	Undergraduate and postgraduate degrees	151	37.66%	149	37.72%
2	Associate degrees and intermediate professional diplomas	117	29.18%	118	29.87%
3	Basic diplomas and technical workers	128	31.92%	128	32.41%
4	General workers	5	1.25%	0	0%
п	By gender	401	100%	395	100%
1	Male	362	90.27%	356	90.13%
2	Female	39	9.73%	39	9.87%
III	By labor contract term	401	100%	395	100%
1	Short-term contract (less than 1 year)	1	0.25%	0	0%
2	Fixed-term contract (1-3 years)	71	17.71%	69	17.47%
3	Indefinite contract	329	82.04%	326	82.53%
	Total	401	100%	395	100%





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#### **ORGANIZATION AND HUMAN RESOURCES**

#### **Human resource policies**

At SAPULICO, our employees are our most valuable asset and play a vital role in our sustainable development. As such, our top priority is to build human resource policies, achieved through thorough discussion and consensus from both the Board of Directors and the HR Department. Our goal is to foster a safe, engaging, and supportive working environment where all employees are ensured a stable livelihood and peace of mind at work. The Company's human resource policies are structured around these main points:



#### **WORKING ENVIRONMENT AND OCCUPATIONAL SAFETY**

The Company is committed to ensuring a safe and healthy working environment for all employees by adhering to occupational safety regulations, providing appropriate personal protective equipment, and organizing safety awareness training. In 2024, the Company's Occupational Safety and Health Council conducted 19 inspections and held monthly safety meetings to raise employee awareness. Regarding personal protective equipment (PPE), the Company provides sufficient quantities of work uniforms and raincoats as per regulations, and carries out regular procurement and distribution throughout the year. In addition, we provide comprehensive safety training programs, which include annual technical staff promotional exams in the first quarter, mandatory electrical safety training for all staff in the first quarter, and immediate training for new recruits.



#### **RECRUITMENT POLICY**

We ensure open and transparent recruitment, with a flexible, fast, and equitable process for all candidates. Furthermore, the Company ensures the incentives for candidates with special backgrounds, such as families of war invalids and martyrs, or those with revolutionary contributions. To foster a culture of continuous improvement and life-long learning, we support our employees in enhancing their management skills and workmanship.

#### **COMPENSATION AND BENEFITS POLICY**

We develop a clear salary progression plan for each employee level, and conduct performancebased compensation assessments to drive employee motivation and productivity. We are also committed to guaranteeing 100% payment of social security, health insurance, unemployment insurance, and other employee benefits in accordance with the 2019 Labor Code No. 45/2019/ QH14 and the 2024 Law on Social Insurance No. 41/2024/QH15.



#### A POSITIVE WORK ENVIRONMENT

The Company organizes performance contests and sports competitions. At the same time, we regularly collaborate with organizations such as the Trade Union and Youth Union to care for the employees' wellness through visits to employees facing hardship or illness, and families of war invalids, martyrs, and revolutionary contributors. We also present small gifts on annual holidays, most notably during the Lunar New Year.







#### PROJECT INVESTMENT AND IMPLEMENTATION



#### **MAJOR INVESTMENTS**

During the year, the Company did not make any major investments or purchases.



#### **SUBSIDIARIES AND AFFILIATES**

The Company currently has no subsidiaries or affiliates.



#### **Financial performance**

Unit: VND million

No.	Indicator	2023 (Revised)	2024	2024/2023
1	Total assets	542,509	469,814	86.60%
2	Net revenue	635,625	629,840	99.09%
3	Profits from business activities	49,939	44,041	88.19%
4	Other profits	(68)	184	-
5	Profit before tax	49,871	44,225	88.68%
6	Profit after tax	39,517	35,263	89.23%
7	Dividend payment to charter capital	9.5%	8.5% (*)	89.47%

(\*) This is the proposed plan, which can be modified and will be finalized upon approval by the 2025 Annual General Meeting of Shareholders.

In 2024, the Company maintained stable business operations despite market headwinds such as increased cost pressures from fluctuating raw material prices and intensifying competition. As of December 31, 2024, total assets reached VND 469,814 million, equivalent to 86.60% compared to 2023, primarily due to a downward adjustment of short-term financial investments. Net revenue remained stable at VND 629,840 million compared to 2023. However, profit before tax experienced a decline to VND 44,225 million, and profit after tax reached VND 35,263 million, equivalent to 89.23% year-over-year. The primary reason for this reduction was the fall in financial revenue, driven by reduced deposit interest, coupled with a drop in revenue from construction, one of the Company's high-profit margin segments, throughout the year.



#### **Key financial indicators**

Indicator	Unit	2023 (Revised)	2024
Liquidity rati	os		
Current ratio: (Short-term assets/Short-term liabilities)	Times	2.35	3.04
Quick ratio: (Short-term assets - Inventory)/Short-term Liabilities	Times	2.15	2.83
Capital structure	ratios		
Debt-to-total assets ratio	%	39.66%	31.00%
Debt-to-equity ratio	% 65.74%		44.92%
Activity ratio	os		
Inventory turnover ratio (Cost of goods sold/Average inventory)	Times	6.86	13.70
Total asset turnover ratio (Net revenue/Average total assets)	Times	1.18	1.24
Profitability ra	tios		
Profit after tax/Net revenue	%	6.22%	5.60%
Profit after tax/Average equity	%	12.42%	10.82%
Profit after tax/Average total assets	%	7.34%	6.97%
Profit from business activities/Net revenue	%	7.86%	6.99%



#### **FINANCIAL PERFORMANCE**

#### **Liquidity ratios**



SAPULICO demonstrated further improvement in our liquidity ratios throughout 2024, indicating a strong financial foundation and efficient cash flow management. The current ratio increased from 2.35 to 3.04 times, primarily driven by a significant more than 32% reduction in current liabilities. This was achieved by effectively managing payables and limiting short-term loans. Meanwhile, short-term assets witnessed a slight decrease due to adjustments in the short-term financial investment portfolio.

Furthermore, the quick ratio increased from 2.15 to 2.83 times, indicating an enhanced capacity to promptly pay off short-term loans. This improvement was primarily due to a significant 30.54% reduction in inventory following the completion of major projects, which enhanced the liquidity of our short-term assets. Thanks to this improvement, the Company not only ensures higher liquidity but also possesses a robust financial base for operational expansion and future growth investments.

#### **Capital structure ratios**



In 2024, SAPULICO's capital structure continued to show significant improvement, as evidenced by the debt-to-total assets ratio decreasing from 39.65% to 31% and the debt-to-equity ratio falling from 65.74% to 44.92%. This trend is primarily attributed to the continued decrease in current liabilities, specifically a substantial decline in short-term trade payables and customer advances by December 31, 2024, reflecting the Company's completion of various constructions and projects from prior contracts. This also demonstrates the Company's effective debt management policy and high liquidity. Furthermore, maintaining a debt-free capital structure enables SAPULICO to mitigate financial risks and facilitates future investment expansion plans.



#### **Activity ratios**



In 2024, SAPULICO's activity ratios continued to improve, reflecting better asset utilization and inventory management. The inventory turnover ratio surged from 6.86 times to 13.70 times, indicating that the Company accelerated our inventory turnover, reduced storage time, and optimized the use of raw materials. Additionally, there was a slight improvement in the total asset turnover ratio, rising from 1.18 times to 1.24 times, which demonstrates the Company's increasing efficiency in leveraging assets to generate revenue.

#### **Profitability ratios**



In 2024, SAPULICO's profitability ratios experienced a slight downward trend, partly influenced by high operating expenses and a 46.28% decrease in financial revenue, equivalent to a reduction of VND 5.3 billion compared to 2023. During the year, escalating inflationary pressures drove up the cost of supplies, raw materials, meal allowances, and fuel subsidies, leading to a significant increase in the cost of goods sold, particularly in the servicing operations. Consequently, the profit after tax/net revenue ratio decreased from 6.22% to 5.60%, and the profit after tax/average equity ratio fell from 12.42% to 10.82%, indicating a decline in return on equity due to reduced net profit despite stable equity. Likewise, the profit after tax/average total assets ratio fell from 7.34% to 6.97%, reflecting a decrease in the return on total assets.



#### **Shares**



#### **Treasury share transactions:**

N/A

Other securities:

N/A

**Overseas share transactions:** 

N/A

#### **Shareholder structure**

As of December 31, 2024

No.	Shareholder type	Number of shares	Value (VND)	Ownership (%)
I	Ownership structure	28,400,000	284,000,000,000	100%
1	Major shareholders (holding at least 5% of voting shares)	24,694,300	246,943,000,000	86.95%
2	Shareholders holding less than 5% of voting shares	3,705,700	37,057,000,000	13.05%
II	State-owned shareholders	14,484,000	144,840,000,000	51.00%
Ш	Domestic shareholders	27,420,400	274,204,000,000	96.55%
1	Individuals	5,030,600	50,306,000,000	17.71%
2	Organizations	22,389,800	223,898,000,000	78.84%
IV	Foreign shareholders	979,600	9,796,000,000	3.45%
1	Individuals	12,800	128,000,000	0.05%
2	Organizations	966,800	9,668,000,000	3.40%
	Total (III+IV)	28,400,000	284,000,000,000	100%

Maximum foreign ownership ratio: 49%

#### **List of major shareholders**

As of December 31, 2024

No.	Shareholder	ID/Passport/ Business Registration Certificate No.	Address	Number of shares	Ownership ratio/ Charter capital
1	Ho Chi Minh City Finance and Investment State-owned Company	0300535140	No. 67-73 Nguyen Du Street, Ben Nghe Ward, District 1, Ho Chi Minh City	14,484,000	51%
2	Long Hau Corporation	1100727545	Hamlet 3, Long Hau Commune, Can Giuoc District, Long An Province	7,899,500	27.8%
3	Nguyen Thanh Duc	051065012593	My Loc Residential Area, An Truong, Pho Ninh Ward, Duc Pho Town, Quang Ngai Province	2,310,800	8.137%

#### Changes in owner's equity

During the year, the Company did not experience any changes in owner's equity.



Environmental and social responsibility have always been a focus in all of our operations. We recognize that sustainable development encompasses not only profitability but also environmental protection and social contributions. SAPULICO's Board of Management bears chiefly responsibility for implementing environmental and social policies and solutions. As leaders, the Board of Management not only ensures that all operations strictly comply with environmental regulations but also takes charge of developing and implementing sustainable development initiatives. The Board is also committed to integrating environmental and social goals into the Company's longterm development strategy, balancing economic interests with social responsibility.



#### **Environmental impact**

Total greenhouse gas (GHG) emissions: At the United Nations's 2021 COP26, Prime Minister Pham Minh Chinh declared Vietnam's commitment to reach Net Zero emissions by 2050. Net Zero is an environmental goal aimed at reducing anthropogenic GHG emissions (such as CO2, CH4, N2O) to a level where they are fully offset by the Earth's absorption or elimination capacity, effectively bringing net emissions to zero. Given the nature of our business-maintaining and servicing public lighting systems, traffic signals, and electronic traffic information display —our operations do not generate significant adverse environmental impacts. To support the national goal, the Company continuously strives in our day-to-day operations to optimize machine and equipment efficiency, conducting regular maintenance and inspections for proper equipment use, and minimizing fuel consumption for lower GHG emissions. Over the past year, the Company has not recorded any violations related to improper waste discharge or environmental harm.

#### 2024 Fuel Consumption:

No.	Indicator Unit		Data	
1	Total diesel oil (DO)	Liters	162,514.29	
		Manufacture 0.500 pm 1.2.222 code		
2	Total gasoline	Liters	121,273.97	
3	Total lubricants	Liters	1,303.00	
	Total lublicalits	Liters	1,303.00	

(\*) Diesel oil, gasoline, and lubricants are used for on-site construction vehicles only.

Material cost management: Given the nature of our business, materials are a vital and indispensable input for our business operations, particularly in maintaining and installing public lighting systems, traffic signals, and electronic traffic information display. Effective material management contributes to not only cost optimization but also corporate sustainability. Every decision regarding material selection and usage has a direct impact on work quality, project timelines, and the environment. Therefore, we consistently place great emphasis on controlling and utilizing materials properly to ensure cost efficiency and environmental protection throughout our operations. The nature of our business line does not involve the recycling of used materials.

Material Costs: Unit: VND

Indicator	2023	2024
Total material costs	335,618,989,864	341,577,499,425

Energy consumption, water usage, and waste management: Deeply aware of the crucial role of energy and water conservation in the country's modernization, industrialization, and waste reduction, efforts towards energy savings and efficiency and the preservation of national resources are among the Company's top business goals, which are reflected in:

- Energy-efficient lighting with high performance for public, artistic, traffic signal, and road sign lighting is installed. The quality of lighting is continuously improved to ensure high performance and energy efficiency. We also proactively advise project investors to use LED lights as a replacement for traditional lighting to save energy, extend equipment lifespan, and reduce electronic waste.
- The Company conducts regular maintenance and cleaning of machinery, equipment, and air conditioning systems to extend their lifespans and minimize energy consumption. Electricitysaving measures, such as setting rules on air conditioning usage time and temperature, optimizing the number of active lights, and encouraging natural lighting during office hours, are also in place. Energy-saving office equipment is also prioritized.
- Water management: Water is primarily for non-industrial use, with Cho Lon Water Supply Joint Stock Company and Saigon Water Corporation as our suppliers. Our employees are regularly educated on water conservation, and our internal culture is fostered with a focus on a green, clean, and vibrant environment. Quarterly inspections of pipelines and faucets are put into action to detect and repair damages promptly, preventing water wastage. In 2024, our total electricity and water consumption were 239,659 kWh and 3,475 m<sup>3</sup>, respectively.
- Waste management and treatment: Commercial waste is collected and treated in compliance with regulations. Non-industrial waste is properly sorted by the Company and collected by a contracted waste collection service as legally required. SAPULICO also constantly promotes awareness among employees about reducing the use of plastic bags and packaging for a green environment.

Compliance with environmental protection laws: From the day of establishment, Ho Chi Minh City Public Lighting Joint Stock Company has strictly complied with all environmental regulations as outlined in the 2020 Law on Environmental Protection (No. 72/2020/QH14) to prevent any related violations.



#### **Employee-related policies**

Throughout our operations, the Company's leadership has consistently gathered and reviewed employee feedback to ensure timely updates to our compensation and benefits policies, ensuring both employees' physical and mental well-being and fostering their continued motivation and dedication.

#### Health, safety, and employee benefits policies:

#### Work environment:

The Company's leadership, in close coordination with the Executive Committee of Trade Union, consistently strives to cultivate a safe, comfortable, and inspiring workplace where every employee feels valued and a sense of belonging. Guided by the philosophy that "the workplace is our shared home for development and advancement," SAPULICO continuously invests in creating a convenient and efficient workspace that underpins our sustainable development. In terms of facilities, 2024 marks a significant milestone as we systematically roll out the plan of equipping all departments and affiliated units with modern tools and equipment. Our aim is to not only meet business demands but also boost productivity and performance, setting the stage for future achievements. In terms of occupational safety, the Company pays particular attention to selecting reputable suppliers for high-quality personal protective equipment (PPE) and uniforms. Strict occupational safety and health standards are enforced to ensure absolute safety for employees under all working conditions. At SAPULICO, employees are more than valued contributors—they are the driving force behind sustainable development. Therefore, we are strongly committed to building a safe and inspiring workplace for our workforce.

Our 2024 occupational and system safety operations and inspections are as follows:

- 1. Regular occupational safety inspections and monthly safety briefings to educate employees.
- 2. Inspection of traffic signals and lighting: Identifying and addressing issues such as damaged urban lighting, illegal electrical connections, and precariously hanging lamps...
- 3. Ground resistance and residual current control: Measuring ground resistance and residual currents of lighting and traffic signal control panels
- 4. Distribution of personal protective equipment: Supplying protective uniforms and raincoats as required, with periodic procurement and distribution throughout the year.
- 5. Equipment testing and calibration: Medium-voltage insulating gloves, resistance and leakage current meters, telescopic measuring rods, and testing equipment for pole climbing rods
- 6. Fire prevention and fighting & workplace environmental monitoring: Recharging fire extinguishers, organizing quarterly fire safety inspections and additional checks during holidays, testing ground resistance for lightning protection systems, and workplace environmental monitoring

#### Salary, bonus, welfare, and benefits policies:

As of the end of 2024, SAPULICO has a total of 395 employees. We are committed to fully and rigorously implementing salary, bonus, insurance, and benefits policies to maximize the rights of our employees. The 2019 Labor Code, the 2024 Law on Social Insurance, and other relevant legal instruments are strictly adhered to. SAPULICO's labor policies are continuously updated to ensure workers' maximum rights and foster a sense of security as they contribute to the Company's collective good. Designed to be transparent and equitable, our salary policy is based on clear criteria, including qualifications, competencies, and work performance. A salary progression plan has also been established based on seniority and performance coefficients, along with rewards for individuals and teams with outstanding contributions or technical innovations that enhance business performance.

There was a 4.43% decrease in the average employee salary between 2023 and 2024.

In terms of social security, the Company ensures full payment of social, health, and unemployment insurance contributions as legally required, providing employees with a sense of security as they work and advance in their careers. Our 2024 efforts include providing periodic health check-ups, 24/24 accident insurance, and occupational disease support, reflecting our all-encompassing attention to employee wellbeing.

Beyond physical welfare, employees' mental and emotional well-being are also emphasized. Internal performances and sports activities, as well as communist events, in collaboration with organizations such as the Party Committee, Trade Union, and Youth Union, are regularly held to foster team solidarity and motivation. We also meet and support retirees, struggling families, and employees affected by accidents or hardships. Gifts are handed out on major holidays such as the Lunar New Year, International Children's Day, Mid-Autumn Festival, and Women's Day.

Our female employees are ensured full entitlements, including maternity leave, prenatal check-up leave, and gifts on International Women's Day and Vietnamese Women's Day, reflecting our special appreciation and deep respect for women. Alongside employees' welfare, SAPULICO also focuses on raising political awareness among Trade Union officials through programs coordinated with state administrations, encouraging participation in movements and initiatives launched by the higher-level Trade Union and city administration.

These comprehensive policies not only enhance employees' well-being but also reinforce our human-centric sustainable development philosophy.





#### **Employee-related policies**

#### **Training policy**

SAPULICO is underpinned by our people—the Company will prosper only when our people thrive. As such, our leadership consistently emphasizes training and upskilling for managers and technicians, which are incorporated into the resolutions following the Party Committee and state administrations' directives. To keep pace with continuous innovation and drive operational professionalism, SAPULICO partners with the Electric Power College and the Vietnam National Institute of Occupational Safety and Health to organize annual training for our workforce, most notably:

- ♦ Periodic occupational safety and health (OHS) training: Under Decree No. 14/2014/ND-CP, we organize comprehensive training courses on OHS and electrical safety for our workforce.
- OHS technical training for leadership and dedicated personnel: Under Decree No. 44/2016/ ND-CP, training courses are developed specifically for company leaders, affiliated unit heads, and occupational safety officers to provide them with technical knowledge and improve their management skills.
- Occupational safety training for newcomers: This training provides them with fundamental OHS knowledge and awareness from the outset.
- Skill competitions, periodic assessments, and competency evaluations to drive comprehensive development for the workforce.

These efforts not only meet innovation needs but also demonstrate our professionalism and commitment to sustainable development.

2024 SAPULICO's employee training initiatives:

No.	Classification	Number of employees trained	Average training time (hours/employee)
1_	By qualification		
1	Undergraduate and postgraduate degrees	47	32
2	Associate degrees and intermediate professional diplomas	74	32
3	Basic diplomas and technical workers	67	32
4	General workers	_	-
Ш	By gender		
1	Male	185	32
2	Female	3	32
III	By type of employment contract	_	
1	Full-time	188	32
	-		



#### Report on corporate social responsibility to the local community

Our focus is not only on business performance but also on sustainable values that contribute positively to the community and society. With a strong commitment to sustainable development, we set clear objectives while encouraging employees' active participation.

Guided by the aim of solidarity, gratitude, and mutual support, the Company has always upheld our corporate social responsibility through practical policies and programs that enhance quality of life and create lasting value for the community. In 2024, we continued and expanded our corporate social responsibility initiatives, spreading compassion and supporting both the community and the workforce. A range of meaningful activities were organized to improve quality of life and assist those in need.

#### **Scholarship awards**

SAPULICO continues to join hands with local scholarship and talent development funds to support students from disadvantaged backgrounds. In 2024, the Company contributed VND 50 million to the Scholarship Fund of Phong Dien District, Can Tho City. We also awarded Nguyen Duc Canh Scholarships to our employees' children, totaling VND 55 million.

#### **Support for struggling families and workers**

To ease their burdens, SAPULICO provided VND 115 million in support during the Lunar New Year for those suffering from critical illnesses and hardships. The Company also donated VND 9 million to assist families struggling financially in Wards 4 and 14 (District 5), Thanh Loc Ward (District 12), and Ward 15 (District 8).

#### Support for shelters and elderly people in need

As evidence of our commitment to social responsibility, the Company donated VND 11 million to the Thanh Loc Paralysis Nurturing Center (District 12) to improve living conditions and healthcare services for those in need.





# Report and evaluation of the Board of Management

- Business performance assessment
- Financial performance
- Plan for Future Development
- Explanation of the Board of Management Regarding the Auditor's Opinions
- EvaluationReportontheCompany'sEnvironmental and Social Responsibilities



### **BOARD OF MANAGEMENT'S OVERALL EVALUATION OF 2024 PERFORMANCE**

#### **Overall operations**

- The Company continued to sustain stability in production and business operations in the face of external challenges and complexities, including increasing market competition and rising costs of materials and supplies;
- The quality management of our assigned systems has been guaranteed, with continuous focus on and rigorous implementation of electrical and occupational safety throughout the process. As such, no occupational or electrical accidents occurred.
- ♦ We have continued to perform:
- » 05 contracts for the management, operation, and regular maintenance of traffic signal systems, CCTV cameras, and electronic traffic information display, with 2024 being the final year of the contract term.
- » 05 contracts for the management, operation, and regular maintenance of urban lighting systems from April 1, 2023, to March 31, 2026, across Ho Chi Minh City.
- ♦ SAPULICO successfully held the 2024 Annual General Meeting of Shareholders on May 28, 2024.

#### **Business performance**

Unit: VND million

No.	Indicator	2023 actual results (revised)	2024 planned targets	2024 actual results	2024 actual results/ 2024 planned targets	2024 actual results/ 2023 actual results
1	Charter capital	284,000	284,000	284,000	100%	100%
2	Total revenue	647,678	505,000	638,210	126.38%	98.54%
3	Total expenditure	597,807	468,876	593,985	126.68%	99.36%
4	Profit before tax	49,871	36,124	44,225	122.43%	88.68%





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#### **BOARD OF MANAGEMENT'S OVERALL EVALUATION OF 2024 PERFORMANCE**

#### Assessment of SAPULICO's 2024 opportunities and challenges

#### **OPPORTUNITIES**

- The Company has received continued support from city leaders, relevant city-level departments, and HFIC in our operations.
- ♦ In corporate management and administration, our leadership has shown strong unity and consensus.
- Our project owners have also continued to entrust us with the management, operation, and regular maintenance of the two systems of technical infrastructure and traffic infrastructure. Notably, the Company successfully expanded our traffic signal system management and maintenance operations from Ho Chi Minh City to Da Nang City for the very first time.
- The collective efforts, dedication, and commitment of all employees in our assigned work have significantly contributed to fulfilling the business targets approved by the General Meeting of Shareholders.
- These include:

For management, operation, maintenance of the public lighting system: Completed 05 contracts for the management, operation, and regular maintenance of urban lighting systems from April 1, 2023, to March 31, 2026, following competitive bidding.

Traffic signal system management, operation, and maintenance through bidding: Based on assigned initial workloads with reviews, adjustments, and supplements by SAPULICO's project owners as needed.

For others (e.g., construction and installation, design consultancy): Primarily focused on construction and installation, with the Company actively seeking and securing industryspecific contracts. We also received payment for a previously completed high-value project.

#### **CHALLENGES**

Alongside the above achievements and advantages, the Company faces several challenges in business operations, including:

- Mechanisms and policies: SAPULICO's difficulties and obstacles include:
  - Settlement of value accounts for public service projects from 2015 and 2016;
  - Land use planning (the Company has undergone equitization but is still awaiting approval of a land use plan);
  - Financial processing for settlements, causing delays in equitization settlements in accordance with regulations.
- Operational challenges: Rising costs of materials and supplies have placed a significant strain on our operations.

#### Costs:

Goodwill valuation allocation post-equitization.

Increased depreciation and equipment costs due to revaluation during equitization.

Cost escalation (materials, social security, food, severance, and fuel (e.g., gasoline, diesel oil, electricity, and water)).

These have impacted the Company's administration and production capacity.

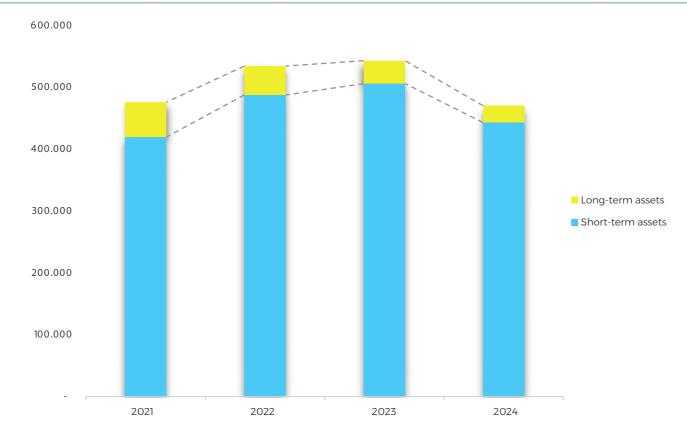




#### **Asset status**

Unit: VND million

Indicator	December 31, 2023 (revised)	December 31, 2024	Increase/ Decrease (%)	2023 proportion	2024 proportion
Short-term assets	505,677	442,642	-12.47%	93.21%	94.22%
Long-term assets	36,832	27,172	-26.23%	6.79%	5.78%
Total assets	542,509	469,814	-13.40%	100%	100%



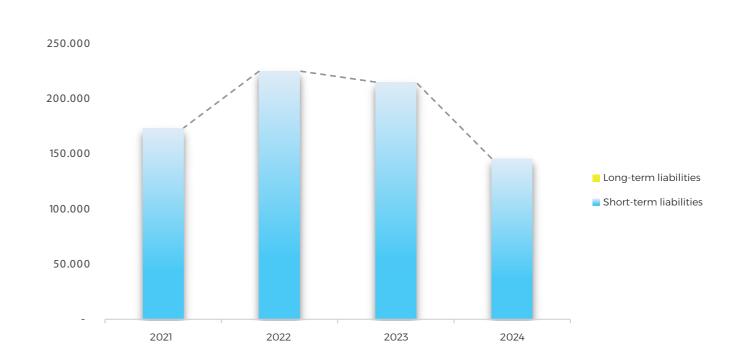
As of December 31, 2024, SAPULICO recorded total assets of VND 469,814 million, marking a 13.40% decline from 2023. This decrease was primarily driven by reductions in both short-term and long-term assets. Short-term assets totaled VND 442,642 million, accounted for 94.22% of total assets, reflecting the nature of operations in maintenance, installation and construction services. Among short-term liabilities, short-term receivables, cash and cash equivalents held the highest proportions at 43.49% and 47.36%, respectively. Cash and cash equivalents increased by 9.12% at year-end, supported by business profitability and the restructuring of held-to-maturity investments.

The Company's long-term assets recorded a 26.23% decline to VND 27,172 million compared to the end of 2023, primarily due to the gradual allocation of goodwill value into business expenses in accordance with Circular No. 127/2014/TT-BTC. Despite the decrease in total assets, the asset structure remained stable, with a high proportion of short-term assets, ensuring liquidity and ability to meet financial obligations in business operations.

#### **Liability status**

Unit: VND million

Indicator	December 31, 2023 (revised)	December 31, 2024	Increase/ decrease (%)	2023 proportion	2024 proportion
Short-term liabilities	215,182	145,626	-32.30%	100%	100%
Long-term liabilities	-	-	-	-	-
Total liabilities	215,182	145,626	-32.30%	100%	100%



In 2024, total liabilities of SAPULICO amounted to VND 145,626 million, marking a 32.30% decrease compared to the end of 2023. The primary reason for this decline was the completion and handover of projects, resulting in lower advance payments from customers and the gradual settlement of outstanding payables to suppliers. The Company continued to maintain a debt-free capital structure, with 100% of our liabilities classified as short-term, which eased financial pressure, particularly amid constant macroeconomic uncertainties.

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#### IMPROVEMENTS IN ORGANIZATIONAL STRUCTURE, POLICIES, AND MANAGEMENT

#### **Party and Union affairs**

The Company's Party Committee led officials, Party members, and employees towards successful achievement of the annual plan targets.

#### **Operations and Human Resources of Affiliated Units**

The operations and human resources of affiliated units continued to be refined, ensuring a high level of stability.



### PLAN FOR FUTURE DEVELOPMENT

#### **Overall goals**

- ♦ Striving to meet and exceed the financial targets set for 2025.
- Maintaining and enhancing the operational quality of two key systems under the Company's management, which are urban infrastructure and urban transportation infrastructure, contributing to public order, traffic safety, and the overall social welfare of the City.
- ♦ Ensuring stable income in compliance with legal regulations while providing the best possible benefits for employees.
- ♦ Ensuring a proactive, flexible, and effective approach in workload coordination, as well as optimizing system management, operation, and maintenance.
- ♦ Strengthening electrical safety measures across all systems under the Company's management and ensuring occupational safety in all construction activities.
- ♦ Maintaining the highest levels of accuracy, rationality, and efficiency in the Company's consulting and design deliverables.
- ♦ Continuing to innovate and upgrade our quality management system in accordance with ISO 9001:2015 standard, further solidifying our reputation and excellence in all operations.
- ♦ Enhancing organizational structure and workforce capabilities to effectively support the Company's growth in the new phase.
- ♦ Further solidifying and expanding the Company's brand presence, strengthening our market
- Implementing rigorous management measures to prevent losses, waste of assets, materials, and equipment.
- Promoting research, development, and application of advanced technologies in management and operations, aiming at business efficiency optimization and sustainable development.

#### 2025 Business Plan

No.	Indicator	2024 planned targets	2025 planned targets (*)	2025/2024
1	Charter capital	284,000	284,000	100.00%
2	Revenue	505,000	468,000	92.67%
3	Expenses	468,876	435,000	92.78%
4	Profit before tax	36,124	33,000	91.35%
5	Dividend payment to charter capital	8.5% (*)	-	-

(\*) This is the proposed plan, which can be modified and will be finalized upon approval by the 2025 Annual General Meeting of Shareholders.



### PLAN FOR FUTURE DEVELOPMENT

#### **Key Tasks**

The Company is committed to fulfilling all outstanding workloads from signed contracts to deliver the best results.

For the Management, Operation, and Maintenance of Traffic Signal Systems: Striving to finalize initial procedures to ensure the timely execution of signed contracts of the Project Owner.

#### For Other Areas:

- » Although potential construction and installation projects have yet to materialize, the Company aims to achieve performance metrics equivalent to the 2024 plan.
- » Securing stable employment for all employees.
- » Maintaining a minimum uptime of 98% for all systems under the Company's management.
- » Guaranteeing 100% on-time payments for management, operation, and maintenance of the systems, and ensuring over 70% on-time payments for consulting, installation and construction projects.
- » Delivering 100% of construction and installation projects with complete design documentation, as-built records, and settlement reports, adhering to contractual timelines.

#### Technical and Safety Management Tasks:

- » Ensuring that 95% of the proposed workload for system maintenance is justified and legally compliant.
- » Striving for zero electrical and occupational accidents. Enhancing training on safety knowledge and skills.
- » Ensuring the rationality and accuracy of over 97% of consulting and design deliverables.
- Proactively researching, proposing, and enhancing the application of information technology in urban lighting system management and business operations to create a competitive advantage in the Industry 4.0 era.

#### Financial, Asset, and Equipment Management Tasks:

- » Financial management: ensuring 100% accuracy and full compliance with all financial obligations as prescribed by laws.
- » Asset and equipment management:
- » Assets, materials, and equipment are well-managed, efficiently utilized, and maximized for effectiveness.
- » Promoting cost-saving practices and preventing waste in managing, leveraging, and utilizing resources, capital, assets, and labor.
- Further developing and proposing plans for the procurement of specialized vehicles to gradually replace those that have exceeded their service life, become damaged, and lack spare parts for replacement, ensuring an adequate fleet to support public lighting and traffic signal maintenance and construction needs.
- » By implementing these tasks concertedly, the Company aims to enhance management efficiency, maximize asset and resource value, and establish a solid foundation for sustainable development.





### EXPLANATION OF THE BOARD OF MANAGEMENT REGARDING THE AUDITOR'S OPINIONS

In the audit report dated March 31, 2025, AASC Auditing Firm Company Limited expressed a qualified opinion and emphasis of matter as detailed:

#### » Qualified Opinion:

"In Audit Report No. 290324.011/BCTC.KTI dated March 29, 2024, concerning the Financial Statements for the fiscal year ended December 31, 2023 of Ho Chi Minh City Public Lighting Joint Stock Company, we issued a qualified opinion regarding the inability to obtain debt confirmations and assess the recoverability of accounts receivable totaling 3.57 billion VND. As of December 31, 2024, despite implementing all requisite procedures, we were still unable to obtain the necessary documentation pertaining to accounts receivable amounting to 2.28 billion VND. Consequently, we cannot evaluate the potential impact of this matter on the Company's Financial Statements for the fiscal year ended December 31, 2024."

Ho Chi Minh City Public Lighting Joint Stock Company would like to clarify this matter as follows:

In compliance with regulatory requirements, our Company annually distributes debt reconciliation statements to all customers. However, as of the Audit report issuance date, several Project Investors had yet to confirm their outstanding balances. The Company has proactively engaged with these investors to request the required debt confirmations, though some have not responded to date. As of December 31, 2024, we have successfully reduced the unconfirmed receivables from 3.57 billion VND to 2.28 billion VND. We continue to pursue resolution of this matter with the relevant project investors.

#### » Emphasis of Matter:

"As disclosed in Note 7 under the accompanying Notes to the Financial Statements, the Company has recorded the net negative adjustments from final settlements of projects completed prior to equitization under "Other short-term receivables" totaling 9.345 billion VND, pending further directives from the appropriate regulatory authorities.

Furthermore, as noted in Note 30, the Company's Equitization Settlement Report has not yet received approval from the competent government authorities as of the Financial Statements' preparation date. Therefore, the financial figures presented in the Financial Statements may be subject to adjustment upon final approval of the Equitization Settlement Report by the relevant government authorities."

Ho Chi Minh City Public Lighting Joint Stock Company would like to clarify this matter as follows:

As of December 31, 2024, we have received settlement approval notifications for contracts executed during the equitization phase (prior to July 1, 2016). These approvals contain various adjustments that both increase and decrease previously recognized revenue. The Company has temporarily recorded these adjustments under other receivables and payables while awaiting definitive guidance from the competent authorities following the approval of our Equitization Settlement Report.

The Board of Management hereby affirms the accuracy of this clarification and assumes full responsibility for all information presented herein.



### EVALUATION REPORT ON THE COMPANY'S ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES

#### **Evaluation of Environmental Indicators**

As an established enterprise in the industry, SAPULICO is fully aware of the role of environmental protection in our sustainable development direction. In 2024, the Company remained focused on implementing energy-saving solutions and policies aimed at minimizing our environmental footprint. A key highlight was the accelerated adoption of LED lamps to replace conventional ones, which contributed to energy savings, extended equipment lifespan, and reduced electronic waste.





In addition, the Board of Management fostered a culture of resource conservation within the Company, promoting practices such as saving electricity and water, and embracing the "switch off when not in use" discipline. The Company also regularly conducted training sessions to enhance employees' awareness of environmental responsibilities. SAPULICO takes pride in knowing that every small action we undertake not only helps maintain a cleaner, greener environment but also spreads the message of action for a sustainable planet.



#### **EVALUATION REPORT ON THE COMPANY'S ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES**

#### **Evaluation of Labor-Related Matters**







In 2024, SAPULICO reaffirmed our position as a "second home" for employees through comprehensive policies on welfare, training, and development. The Company not only ensured stable compensation but also provided the best conditions for employees to develop their skills and commit in the long run.

Recruitment efforts were guided by the principle of "quality meeting demand", ensuring that each role was filled by the most qualified candidates while maximizing individual strengths. For training, SAPULICO implemented a diverse range of programs, from skill enhancement to technical upskilling, aiming to build a highly qualified workforce that meets the demands of the new development phase.

Regarding working conditions, the Company provided regular health check-ups, 24/7 accident insurance coverage, and high-quality personal protective equipment to ensure maximum safety for employees in the workplace. Besides, SAPULICO continuously enhanced employees' well-being through periodic trips, vacation programs, maternity support, hardship allowances, and team-building events.

Notably, the Company's compensation policy was structured based on performance evaluation, ensuring equitable and proper recognition for outstanding contributions. SAPULICO remains dedicated to being a workplace where employees feel valued, supported, and empowered to thrive and contribute their best.

#### **Evaluation of Corporate Social Responsibility to the Local Community**

As a company operating in the public service sector, SAPULICO believes that our value is not only measured by profit but also by our meaningful contributions to the community and society. SAPULICO remains steadfast in our commitment to community support, solidarity, and compassion.

Under the leadership of the Board of Management, the Company actively participates in impactful initiatives, such as building charity homes for underprivileged children, providing support to disadvantaged families during Tet holiday, awarding scholarships and bicycles to outstanding students from low-income backgrounds, and donating to support central Vietnam communities affected by natural disasters. SAPULICO is proud to contribute to meaningful social initiatives, working toward a more prosperous Vietnam.





# EVALUATION OF THE BOARD OF DIRECTORS REGARDING THE COMPANY'S OPERATIONS

- Evaluation of the Board of Directors regarding the Company's Operations
- Evaluation of the Board of Directors on the Board of Management's Performance
- Plans and directions of the Board of Directors



### EVALUATION OF THE BOARD OF DIRECTORS REGARDING THE COMPANY'S OPERATIONS

#### **Background**

In 2024, the global economy continued to face numerous challenges, grappling with high inflation, contractionary monetary policies, and geopolitical instability. While certain regions showed signs of recovery, overall economic growth remained below pre-pandemic levels. Major economies such as the United States, China, and the Eurozone struggled to maintain growth momentum. Southeast Asia, supported by the recovery of tourism and investment inflows, has maintained relative stability, yet remained affected by climate change and natural disasters. Against this backdrop, Vietnam's economy demonstrated remarkable growth. Backed by policies promoting public investment, exports, and foreign direct investment, Vietnam's economy achieved positive results in 2024, with GDP growth reaching 7.09% and inflation kept below 4%. Key sectors driving this growth included manufacturing and services. However, the country was not immune to global economic fluctuations and rising raw material costs.

Amid these challenges, the Company maintained stable business operations despite facing rising material costs and intensified market competition. In 2024, total revenue reached VND 638,000 million, while pre-tax profit amounted to VND 44,236 million, achieving 126.34% and 122.46% of the targets set by the Company, respectively.

Throughout the year, the Company continued to execute: 05 contracts for the management, operation, and regular maintenance of the traffic signal system, including traffic lights, CCTV cameras, and electronic traffic information display, marking the final year of the existing contracts; 05 contracts for the management, operation, and regular maintenance of the urban lighting system in Ho Chi Minh City for the period from April 1, 2023, to March 31, 2026, ensuring the system's efficiency in supporting traffic needs and urban aesthetics. Additionally, SAPULICO successfully held the 2024 Annual General Meeting of Shareholders on May 28, 2024, fulfilling our commitment to transparent and efficient governance, laying a solid foundation for future sustainable development.

### **Evaluation of Environmental, Social, and Community Activities**

SAPULICO fully acknowledges our role and responsibility in environmental protection and community development. In alignment with our corporate philosophy of credibility and social responsibility, we prioritize quality assurance in every system project we are assigned to execute and manage, strictly enforcing electrical and occupational safety protocols to prevent occupational accidents and electrical incidents during operations. The Board of Directors (BOD) consistently encourages and supports the Board of Management in implementing and proposing to project owners the use of environmentally friendly and energy-efficient materials across projects. A notable example is the adoption of advanced LED lighting, which enhances operational efficiency while reducing electronic waste. Internally, SAPULICO fosters a strong environmental awareness culture, encouraging employees to conserve energy and water and organizing regular training sessions to raise employees' awareness.

Beyond operational stability, the Company also ensures job security for employees, prioritizing their well-being by offering comprehensive benefits while fostering a safe, cohesive, and motivating workplace.

Regarding social responsibility, SAPULICO remains committed to being a proactive and engaged enterprise, actively contributing to the community. Social support programs such as awarding merit scholarships, building charitable homes, and providing aid to those affected by natural disasters in northern and central Vietnam, etc. have become an integral part of the Company's operations. With a long-term vision, SAPULICO is dedicated to developing and implementing innovative solutions to continuously contribute to sustainable development, creating lasting value for the community, society, and the environment.





### EVALUATION OF THE BOARD OF DIRECTORS ON THE BOARD OF MANAGEMENT'S PERFORMANCE

The BOD continued to set the strategic direction and development objectives in line with the plan approved at the 2024 Annual General Meeting of Shareholders, while maintaining close oversight of their implementation. In 2024, the Board of Management (BOM) remained proactive in adhering to assigned directions and tasks, maximizing its leadership capabilities to navigate challenges while ensuring flexibility in the organization and management of the Company. The Board of Management implemented appropriate business solutions to meet practical demands, strictly complying with the resolutions of the General Meeting of Shareholders and the directives of the BOD.

Beyond that, the BOM maintained periodic reporting on business performance and proposed operational plans during BOD meetings. These reports enabled the BOD to closely monitor progress, financial performance, and operations of the Company, ensuring a proactive approach in management and operational decision-making.

By ensuring adequate and timely resource allocation, the BOD effectively supported the BOM in achieving business objectives while maintaining operational stability amid ongoing economic fluctuations. The strong coordination between the BOD and the BOM has been a key factor in sustaining the Company's growth momentum and successfully fulfilling our commitments in 2024.



### PLANS AND DIRECTIONS OF THE BOARD OF DIRECTORS

Ensure that the Board of Directors fully exercises its role and authority in organizing and managing the Company's operations, ensuring all forum activities comply with regulations and align with overall development objectives.

Fulfill the duties and responsibilities of the Board of Directors in formulating comprehensive development strategies, as well as planning and directing the Company's production and business activities.

Ensure the effective implementation of the Board of Directors' general management, particularly in task assignment, allocation of planned targets, and supervision of the Company's business operations.

Adhere to the duties and authorities related to approving and signing contracts and key management and operational paperwork, ensuring transparency and efficiency.

Guarantee the Board of Directors' thorough supervision and decision-making on critical financial and budgetary matters, maintaining stability and fostering sustainable growth.

Effectively carry out the role of the General Meeting of Shareholders, particularly in approving short-term and long-term development plans, as well as matters related to the Company's organization and operations.

Uphold the principles of corporate governance and operation within the Board of Directors, ensuring compliance with established regulations and enhancing trust and transparency in management.





### **CORPORATE GOVERNANCE**

- Board of Directors
- Supervisory Board
- Transactions, remuneration and benefits of the Board of Directors, Board of Management and Supervisory Board



#### **Structure and composition of the Board of Directors**

As of December 31, 2024

No.	Member	Title	Number of shares owned	Number of shares represented	Ownership
1	Tran Van Hung	Chairman of the BOD	0	HFIC representative (*): 5,680,000	20.00%
2	Huynh Tri Dung	Executive member	4,800	HFIC representative: 4,544,000	16.02%
3	Le Van Bac	Non-executive member	0	HFIC representative: 3,408,000	12,00%
4	Bui Le Anh Hieu	Non-executive member	0	LHC	
5	Hoang Thien Anh	Non-executive member	0	representative (**)	

<sup>(\*)</sup> Representative of Ho Chi Minh City Finance and Investment State-Owned Company.

#### **Changes to Board of Directors members in 2024**

N/A

#### **Committees of the Board of Directors**

The Company's Board of Directors does not establish committees under the Board of Directors.

#### **Activities of Board members at other Companies**

As of December 31, 2024

No.	Member Board members  at other Companies		Position at other Companies
1	Tran Van Hung	N/A	N/A
2	Huynh Tri Dung	N/A	N/A
3	Bui Le Anh Hieu	N/A	Director of Marketing Department, Long Hau Joint Stock Company
			Manager of Da Nang Branch, Long Hau Joint Stock Company
4	Le Van Bac	N/A	Deputy General Director of Ho Chi Minh City Finance and Investment State-Owned Company
5	Hoang Thien Anh	N/A	Deputy Technical Director of Long Hau Joint Stock Company

#### **Activities of the Board of Directors**

The Board of Directors oversees the performance of the Board of Management in managing the Company's production and business activities, ensuring compliance with resolutions of the General Meeting of Shareholders, Board resolutions, the Company's Charter, and approved decisions.

Promptly address issues within the Board of Directors' authority, facilitating the Board of Management's smooth operations and effective management of the Company.

Provide strategic guidance to the Board of Management on production and business activities, offering support solutions to aid the development of production and business plans.

Actively participate in regular and ad hoc Company meetings.

Provide feedback and supervise the Board of Management' directives on the following tasks:

- Guide participation in bidding packages in Ho Chi Minh City and other provinces and cities.
- ♦ Conduct monthly quality assessments.
- ♦ Oversee the execution of awarded contracts related to the management, operation, and routine maintenance of public lighting and traffic signal systems in Ho Chi Minh City.
- Supervise the implementation of bidding packages in Can Tho and Da Nang provinces.
- Monitor and guide the Company's leadership in aligning with the investor policies to ensure timely and appropriate actions.
- ♦ Oversee the development of the 2025 business plan.
- ♦ Supervise the organization of the 2025 Annual General Meeting of Shareholders.
- ♦ Facilitate dialogues between the leadership and employees.

<sup>(\*\*)</sup> Mr. Bui Le Anh Hieu, Mr. Hoang Thien Anh and Mr. Nguyen Tan Phong - members of the Supervisory Board and share-owning representatives of Long Hau Joint Stock Company.



### **BOARD OF DIRECTORS**

In 2024, the Board of Directors held 08 meetings, approved 12 Resolutions and Decisions. All members attended fully, ensuring 100% attendance rate, thereby ensuring the Company's management and business operations in a timely, effective and flexible manner:

No.	Full name	Title	Number of BOD meetings attended	Attendance rate	Reason for absence
1	Tran Van Hung	Chairman of the BOD	08	100%	
2	Huynh Tri Dung	Member	08	100%	
3	Le Van Bac	Member	08	100%	
4	Bui Le Anh Hieu	Member	08	100%	
5	Hoang Thien Anh	Member	08	100%	

#### **Resolutions/Decisions of the Board of Directors**

No.	Resolution/ Decision No.	Date	Brief description
1	01/NQ-HDQT	March 28, 2024	Agreed to extend the 2024 Annual General Meeting of Shareholders but not more than 06 months from the end of the fiscal year.
2	02/NQ-HDQT	March 28, 2024	Approved the 2023 Actual Salary
3	03/NQ-HDQT	April 3, 2024	<ul> <li>Agreed on the final registration date to make the final list of attendees to the 2024 Annual General Meeting of Shareholders and the date of the Meeting:</li> <li>Last registration date to compile the list of shareholders attending the Meeting: April 23, 2024.</li> <li>Organization date of the 2024 Annual General Meeting of Shareholders: May 28, 2024.</li> </ul>
4	04/NQ-HDQT	May 7, 2024	Approved the 2024 Annual General Meeting of Shareholders Documents.
5	05/NQ-HDQT	May 22, 2024	Approved of the revised content of the 2024 Annual General Meeting of Shareholders Documents:  Proposal to approve the adjusted 2024 salary and remuneration plan for members of the Board of Directors and Supervisory Board.

#### **Resolutions/Decisions of the Board of Directors**

No.	Resolution/ Decision No.	Date	Brief description
6	06/NQ-HDQT	August 26, 2024	Approved the 2024 Working plan Approved the 2024 Salary plan
7	07/NQ-HDQT	August 26, 2024	<ul> <li>Approved the last registration date to compile the list of stock owners and the date of payment of cash dividends in 2023:</li> <li>Last registration date to compile the list of stock owners: September 18, 2024.</li> <li>Dividend payment date: October 8, 2024.</li> <li>Dividend ratio: 9.5%</li> </ul>
8	08/NQ-HDQT	November 29, 2024	Approved the Information Disclosure Regulations of Ho Chi Minh City Public Lighting Joint Stock Company
9	01/QD-HDQT	April 26, 2024	Decision to establish the Organizing Committee of the 2024 Annual General Meeting of Shareholders.
10 02/QD-HDQT May 28, 2024		May 28, 2024	Decision to promulgate the amended Charter of Ho Chi Minh City Public Lighting Joint Stock Company which was approved by the General Meeting of Shareholders on May 28, 2024.
11	03/QD-HDQT	May 28, 2024	Decision to promulgate the revised Internal Regulations on Corporate Governance which was approved by the General Meeting of Shareholders on May 28, 2024.
12	04/QD-HDQT	November 29, 2024	Decision to promulgate the Information Disclosure Regulations of Ho Chi Minh City Public Lighting Joint Stock Company.

#### **Activities of independent Board members**

The Company does not have independent Board members.

#### List of Board members with corporate governance training certificates

In 2024, no members participated in any formal training courses.



#### **Structure and composition of the Supervisory Board**

As of December 31, 2024

No.	Member	Title	Number of shares owned	Number of shares represented	Ownership
1	Pham Thi Xuan Lieu	Head of Supervisory Board	5,600	0	0.02%
2	Le Thi Ngoc Anh	Member	0	HFIC representative (*): 852,000	3.00%
3	Nguyen Tan Phong	Member	0	LHC representative (**)	

(\*) Representative of Ho Chi Minh City Finance and Investment State-Owned Company.

(\*\*) The BOD members include: Mr. Bui Le Anh Hieu, Mr. Hoang Thien. Supervisory Board members include: Mr. Nguyen Tan Phong and share-owning representatives from Long Hau Joint Stock Company.

#### Changes to Supervisory Board members: N/A **Activities of the Supervisory Board**

No.	Member of BOD	Title	Number of BOD meetings attended	Attendance rate	Reason for absence
1	Pham Thi Xuan Lieu	Head of Supervisory Board	02	100%	
2	Le Thi Ngoc Anh	Member	02	100%	
3	Nguyen Tan Phong	Member	02	100%	

#### SUPERVISORY BOARD OVERSIGHT OF THE BOARD OF DIRECTORS

- ♦ The Supervisory Board attended all BOD meetings. The BOD resolutions were provided to the Supervisory Board completely and promptly, in compliance with legal regulations and aligned with the Company's actual situation.
- ♦ The BOD provided timely guidance and closely monitored the Company's established plan. Business operations and management were generally conducted in accordance with legal regulations.
- ♦ Continued to approve the Regulations on organization and operation, direct the review and completion of the Company's internal management regulations for amendment and issuance aligned with the Company's production and business operations.
- ♦ The BOD Resolutions in 2024 were lawful, consistent with the Company Charter and the Resolutions of the General Meeting of Shareholders, effectively provided medium and long-term direction; proposed in-depth solutions appropriate for the unit's production and business operations.





#### **SUPERVISORY BOARD**

- ♦ Directed the unit to disclose information on the Company's production and business operations in accordance with regulations.
- ♦ The members of the BOD fully complied with the provisions of the Company Charter, and the Resolution of the General Meeting of Shareholders and performed their duties in a proactive and responsible manner.
- The development and implementation of policies consistently received strong consensus within the BOD. All policies demonstrated high feasibility, complied with legal regulations, the Company Charter, and the Resolutions of the General Meeting of Shareholders, and were seriously implemented by the Board of Management of the Company.

#### SUPERVISORY BOARD OVERSIGHT OF THE BOARD OF MANAGEMENT AND SHAREHOLDERS

- ♦ The Board of Management closely adhered to the policies, plans and Resolutions of the General Meeting of Shareholders, Resolutions of the BOD, and directed and managed the Company's production and business operations. Managed and leveraged the Company's capital, asset and labor resources, and fulfilled all obligations to the state, shareholders and employee benefit policies. Conducted reviews, arranged and consolidated the organizational structure to align with the unit's production and business operations.
- ♦ The Board of Management directed specialized departments to strengthen coordination to complete assigned tasks; reviewed the implementation of the Company's production and business plan; and developed plan targets and implementation solutions to achieve the assigned targets.
- ♦ The Supervisory Board supervised the Board of Management's directives in the Company's production and business operations.

### COORDINATION BETWEEN THE SUPERVISORY BOARD AND THE BOARD OF DIRECTORS, BOARD OF MANAGEMENT AND OTHER MANAGERS

- The Supervisory Board's activities adhered to its responsibilities and complied with the provisions of law and the Company Charter. The Supervisory Board has closely coordinated with the BOD and the Board of Management in managing and directing all Company activities, contributing to the high effectiveness of the Company's production and business operations, exceeding assigned targets.
- The BOD and the Board of Management facilitated the Supervisory Board's effective executive of its supervision function across all areas of the Company's operations, provided complete information, minutes, data, production and business performance reports, financial statements, and other relevant materials related to the BOD meetings and production and business operations.
- ♦ The feedback of the Supervisory Board was fully considered and implemented by the BOD and the Board of Management.
- ♦ Affiliated units actively cooperated with and supported the Supervisory Board in performing its duties.
- ♦ The Supervisory Board consistently listened to and updated shareholders' information, readily providing feedback and sharing information obtained through its supervision with shareholders fully, transparently and promptly.



## TRANSACTIONS, REMUNERATION AND BENEFITS OF THE BOARD OF DIRECTORS, BOARD OF MANAGEMENT AND SUPERVISORY BOARD

#### Compensation, bonus, remuneration, benefits

Unit: VND/year

No.	Full name	Title	Income in 2024
		<b>Board of Directors</b>	
1	Tran Van Hung	Tran Van Hung Chairman of the BOD	
2	Huynh Tri Dung	Member of the Board of Directors and General Director	656,332,000
3	Bui Le Anh Hieu	Member	133,612,000
4	Le Van Bac	Member	61,400,000
5	Hoang Thien Anh	Member	40,840,000
		Supervisory Board	
6	Pham Thi Xuan Lieu	Head of Supervisory Board	583,035,000
7	Le Thi Ngoc Anh	Member	61,400,000
8	Nguyen Tan Phong	Member	112,968,000
		Board of Management	
9	Tran Chien Thang	Deputy General Director	577,035,000
10	Nguyen Minh Tuan	Deputy General Director	577,035,000
11	Duong Chi Nam	Deputy General Director	577,035,000
12	Nguyen Thi Xuan Dong	Chief Accountant	583,035,000

#### **Contracts or transactions with insiders**

Transactions between the Company and our related persons, or between the Company and our major shareholders, insiders, or related persons of insiders: N/A

Transactions between insiders or their related persons and subsidiaries or companies controlled by the Company: N/A



# TRANSACTIONS, REMUNERATION AND BENEFITS OF THE BOARD OF DIRECTORS, BOARD OF MANAGEMENT AND SUPERVISORY BOARD

#### Share transactions by insiders and their related persons

Transaction	Relationship	Number of shares owned at the beginning of the period		Number of shares owned at the end of the period		Reason for
by	with insiders	Number of shares	Percentage	Number of shares	Percentage	increase/ decrease
Long Hau Corporation	Related person of BOD members (Mr. Bui Le Anh Hieu, Hoang Thien Anh) and Supervisory Board member (Nguyen Tan Phong)	9,656,000	34%	7,899,500	27.8%	Sold

### Assessment of the implementation of corporate governance regulations

In 2024, the Company continues to implement governance and assessment practices based on the Vietnam Corporate Governance Code of Best Practices, aligned with the ASEAN Corporate Governance Scorecard, to continuously enhance and improve the quality of corporate governance. At the same time, SAPULICO ensures full compliance with corporate governance regulations, including Decree 155/2020/ND-CP dated December 31, 2020, which details the implementation of certain provisions of the Law on Securities; and Circular 96/2020/TT-BTC dated November 16, 2020, which provides guidance on information disclosure in the stock market. The Board of Directors regularly updates governance practices in accordance with new legal regulations, promptly adjusting activities to ensure compliance. Additionally, the Company actively participates in training programs organized by the State Securities Commission and the Ho Chi Minh City Stock Exchange to strengthen corporate governance capabilities.

In 2024, the Board of Directors continued to provide strategic direction, while the Board of Management ensured the effective execution of strategies and tasks in alignment with the resolutions and principles set forth by the General Meeting of Shareholders. All Company activities are carried out with strict adherence to legal regulations, ensuring transparency, fairness, and the protection of the legitimate rights and interests of shareholders and stakeholders. Beyond effective governance, the Company is committed to fostering a safe working environment, maintaining occupational health and safety standards, protecting the environment, and making meaningful contributions to society, towards sustainable development for the future.





# 2024 FINANCIAL STATEMENTS

- Auditor's opinions
- Audited financial statements





#### INDEPENDENT AUDITORS' REPORT

To: Shareholders, the Board of Directors and the Board of Management Ho Chi Minh City Public Lighting Joint Stock Company

We have audited the accompanying Financial Statements of Ho Chi Minh City Public Lighting Joint Stock Company prepared on 31 March 2025 from page 6 to page 28 including: Statement of Financial position as at 31 December 2024, Statement of Income, Statement of Cash flows and Notes to Financial Statements for the fiscal year ended as at 31 December 2024.

#### Board of Management's Responsibility

The Board of Management is responsible for the preparation and presentation of Financial Statements that give a true and fair view in accordance with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to preparation and presentation of financial statements and for such internal control as Board of Management determines is necessary to enable the preparation and presentation of Financial Statements that are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with standards, ethical requirements, plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Board of Management, as well as evaluating the overall presentation of the Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

#### **Basis for Qualified Opinion**

In Audit Report No. 290324.011/BCTC.KT1 dated 29 March 2024 on the Financial Statements for the fiscal year ended as at 31 December 2023 of Ho Chi Minh City Public Lighting Joint Stock Company, the auditor expressed a qualified opinion on uncollection of debt confirmations and recovery capacity for trade receivables with the amount of VND 3.57 billion. As at 31 December 2024, we have fully implemented the audit procedures but not yet collected the necessary documents related to trade receivables, with a total value of VND 2.28 billion. Accordingly, we could not assess the effects of this matter on the accompanying Financial Statements for the fiscal year ended as at 31 December 2024.

#### Qualified opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the Financial Statements give a true and fair view, in all material respects, of the financial position of Ho Chi Minh City Public Lighting Joint Stock Company as at 31 December 2024, its operating results and its cash flows for the year then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to preparation and presentation of financial statements.

#### **Emphasis of Matter**

We would like to draw readers' attention to the fact that:

- As the Company presented at Note No. 7 Note to the accompanying Financial Statements, the Company has been recording a decrease in the finalization value of the works completed in the period prior to equitization on the basis of "Other short-term receivables" item with amount of VND 9.345 billion and waiting for guidance of the competent authority.
- As the Company presented at Note No. 30 Note to the accompanying Financial Statements, at the reporting date, the Equitization Settlement Report of the Company has not been approved by competent state agencies. Accordingly, the Company's Financial Statements could be changed when the Equitization Settlement Report is approved.

Our qualified opinion is not modified in respect of these matters.

**AASC Auditing Firm Company Limited** 

1110Audit Director

CONG TY

Nguyen Dieu Trang Registered Auditor No: 0938-2023-002-1 Hanoi, 31 March 2025

Auditor

Ha Van Xuyen Registered Auditor No.: 3383-2025-002-1



### **AUDITED FINANCIAL STATEMENTS**

The 2024 audited financial statements of Ho Chi Minh City Public Lighting Joint Stock Company (SAPULICO) have been publicly disclosed as required and published on the Company's website on March 31, 2025: www.chieusang.com

April 17, 2025

#### **CONFIRMATION OF LEGAL REPRESENTATIVE**

in behalf of the Board of Management General Director 🥂 CO PHAN E ICHIEU SANG CONG THANH PHO HÓ CHÍ MINI

**Huynh Tri Dung** 





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