

No.: 01/2026/BC-BKS

Hanoi, April 2<sup>nd</sup>, 2026

## **REPORT OF THE SUPERVISORY BOARD AT THE ANNUAL GENERAL MEETING OF SHAREHOLDERS 2026**

Dear Shareholders of ELCOM Technology Communications Corporation,

- *Pursuant to the Enterprise Law and the Charter of ELCOM Technology Communications Corporation;*
- *Pursuant to the Operational Regulations of the Board of Supervisors;*
- *Pursuant to the Resolutions of the Annual General Meeting of Shareholders, the Resolutions of the Board of Directors, and the Company's business performance in 2025;*
- *Pursuant to the Financial Statements audited by CPA VIETNAM Auditing Company Limited.*

The Supervisory Board of ELCOM Technology Communications Corporation would like to report to the General Meeting of Shareholders on the following matters:

### **I. Activities of the Supervisory Board**

- The Board of Supervisors ("BOS") has fulfilled its functions and responsibilities in accordance with applicable laws and the Company's Charter, specifically:
  - + Supervising and reviewing compliance with the Company's Charter, Internal Governance Regulations, and the implementation of AGM and BOD Resolutions; reviewing the legality and reasonableness of management and business operations;
  - + Monitoring the Company's information disclosure in compliance with applicable laws;
  - + Reviewing the consistency, coherence, and appropriateness of the organisation of accounting, statistics, and financial reporting for FY 2024 and FY 2025;
  - + Reviewing the Business Performance Reports and BOD Reports submitted to the 2025 Annual General Meeting;
  - + Reviewing Internal Audit review reports submitted to the Company's management;
  - + Reviewing the financial situation and selected business and operational indicators of subsidiaries in which ELCOM holds a controlling interest;
  - + Reviewing the monthly/quarterly progress of revenue and contract cash collection targets;
  - + Assessing the effectiveness and efficiency of the Company's internal control system;

- + Reviewing contracts and transactions with related parties within the approval authority of the BOD or the AGM;
  - + Designating members to attend BOD meetings and selected management meetings.
- In 2025, the Board of Supervisors convened 3 meetings, attended in full by all members. Key agenda items included:
  - + Discussion and assessment of the internal control system, business performance, BOD governance activities, Executive Management operations, and implementation of AGM Resolutions, conducted on a semi-annual review basis.
  - + Agreeing on key issues and recommendations to be communicated to the Company's management and relevant departments.
  - + Evaluating the preparation of the separate and consolidated financial statements for FY 2024 and the first half of FY 2025.
  - + Evaluating the BOS's performance in 2024 and approving the activity plan for 2025.
  - + Agreeing on the content to be included in the Board of Supervisors' Report to the 2025 Annual General Meeting.
- The Board of Supervisors received no requests requiring extraordinary inspections of the Company's operations during 2025

## **II. Supervision of Legal Compliance, Adherence to the Company's Charter, and Implementation of General Meeting of Shareholders' Resolutions**

- The Company has complied with timely information disclosure requirements under the Securities Law and related regulations, including:
  - + Share transactions by insiders, managers, and related persons;
  - + Quarterly, semi-annual, and annual financial statements;
  - + Semi-annual and annual corporate governance reports;
  - + Reports on the status of share issuances for capital increases.
  - + BOD Resolutions and Decisions on Company operations.
- Pursuant to AGM Resolution No. 02/2024/NQ-ĐHĐCĐ dated 25 April 2024 and AGM Resolution No. 01/2025/NQ-ĐHĐCĐ dated 24 April 2025, the Company has completed the following:
  - + Completed the share issuance to existing shareholders via rights exercise as approved by the AGM under Resolution No. 02/2024/NQ-ĐHĐCĐ dated 25/04/2024 (12,493,511 shares).
  - + Completed the share issuance from equity (retained earnings capitalisation) as approved by the AGM on 25/04/2024 (4,163,848 shares).
  - + Completed the ESOP (Employee Stock Ownership Programme) share issuance as approved under AGM Resolution No. 01/2025/NQ-ĐHĐCĐ dated 24/04/2025 (4,900,000 shares).

- + Completed the share issuance for the 2024 stock dividend as approved under AGM Resolution No. 01/2025/NQ-ĐHĐCĐ dated 24/04/2025 (5,241,467 shares).
- + Selected the FY 2025 financial statement auditor pursuant to Resolution No. 01/2025/NQ-ĐHĐCĐ dated 24/04/2025.
- + Appropriated the reward and welfare fund in accordance with the 2024 Profit Distribution Plan.
- + Paid remuneration to the BOD and BOS in accordance with the plan approved under AGM Resolution No. 01/2025/NQ-ĐHĐCĐ dated 24/04/2025.
- + Completed the registration of additional business lines in accordance with Proposal No. 07/2025/TTr-BOD, as approved under AGM Resolution No. 01/2025/NQ-ĐHĐCĐ dated 24/04/2025.
- + Approved real estate project investments within the scope and authority delegated to the BOD by the AGM.

All resolutions passed at the 2025 Annual General Meeting of Shareholders have been duly implemented and completed.

### **III. Assessment of the Board of Directors and Executive Management in 2025**

#### **1. General Macroeconomic and Geopolitical Context**

The year 2025 continued to see significant global geopolitical shifts alongside long-term structural changes in the world economy. Vietnam's economy maintained positive growth momentum. The Government continued to advance the National Digital Transformation Programme, designating the digital economy as one of three strategic growth pillars for the 2025–2030 period. Initiatives in digital government, shared digital infrastructure, national databases, cybersecurity, and electronic payments continued to receive strong public investment and policy priority. Digital technology and artificial intelligence (AI) remained at the centre of the global economy in 2025, penetrating deeply into industry, finance, healthcare, and cybersecurity. These developments created substantial demand for ELCOM's products and services in the areas of telecommunications, information technology, and cybersecurity — presenting both significant opportunities and direct challenges for technology companies such as ELCOM.

#### **2. Assessment of the Board of Directors (BOD)**

- **BOD Composition:** In 2025, the ratio of independent to total BOD members was 2 out of 7, with the majority being non-executive members, meeting the corporate governance requirements for listed companies under applicable regulations.
- **BOD Meetings:**
  - + The BOD convened both regular and extraordinary meetings to discuss and approve key resolutions and decisions on strategy, investment, personnel, and finance.
  - + Meeting procedures and agenda items were conducted in full compliance with the Enterprise Law, the Company's Charter, and the BOD's Operational Regulations.
- **Strategic Direction and Investment:**
  - + Approved the 2025 business plan and budget; adjusted business targets in response to market conditions.

- + Approved the investment in real estate as delegated by the AGM, expanding the real estate investment portfolio alongside the Company's core business.
- + Formulated the ELCOM Development Strategy 2026–2030, centred on four pillars: Core Technology – Proactive People – Professional Organisation – Sound Financials, serving as the strategic framework for the Executive Management to develop and implement business plans for 2026 and beyond.
- + Approved the purchase of shares in the capital increase round of Smart Energy Management JSC.
- **Capital Management:**
  - + Approved credit limits and payment guarantees at various banks to support working capital for key projects.
  - + Approved and implemented the 2024 stock dividend payment and rights offering to existing shareholders; approved the shareholder record date and issuance results.
  - + Approved the revised use of proceeds from the rights offering and deployed idle capital.
  - + Completed the registration of charter capital increase to VND 1,100,889,030,000 with the business registration authority
- **Corporate Governance and Compliance:**
  - + Approved and issued new internal regulations and procedures to enhance governance quality.
  - + Approved the ESOP share issuance; approved the issuance results and managed the repurchase of ESOP shares, ensuring fairness and compliance with the ESOP regulations.
  - + Supervised the implementation of AGM Resolutions, ensuring information transparency and compliance with stock market disclosure requirements.
  - + Approved transactions between the Company and related parties.

### 3. Assessment of the Executive Management

- **Business Results:**
  - + Revenue: Achieved VND 1,517.7 billion, completing 130.8% of the plan and recording impressive growth of 89.7% compared to 2024. This represents a high growth rate, demonstrating the Company's ability to convert market opportunities into tangible financial results.
  - + Net Profit After Tax: Achieved VND 128.5 billion, completing 102% of the plan and growing 29.5% compared to 2024.
- **Core Business Segment Performance:**
  - + Intelligent Transportation Systems (ITS): Fully capitalised on the wave of public investment in transportation infrastructure, maintaining market leadership by successively winning major contracts in Phase 1 and Phase 2 of the North–South Expressway project.
  - + National Security and Defence: Successfully exported software to the EU market, marking a pivotal milestone in entering a market with the world's highest technical and security standards — a compelling demonstration that "Make by ELCOM" technology is ready to compete on the global stage.

- + Telecommunications: Sustained stable growth, reaffirming the Company's position as a trusted partner for major telecommunications operators as the 5G infrastructure investment wave continues across the market.
- + Digital Transformation: Proactively positioned ahead of the national digital transformation agenda, completing the product ecosystem and readying it for commercialisation in the near term.
- **Restructuring and Operational Optimisation:**
  - + Personnel restructuring: Completed the restructuring of the R&D division under a new organisational model to standardise research and development activities and provide opportunities for high-potential staff to demonstrate their capabilities and advance their careers. Restructured the Technical Implementation division to specialise functions, improve management capability, optimise resources, and clearly define roles and responsibilities.
  - + Process standardisation: Deployed digitalisation of processes and workflows on the eFlow platform, ensuring data readiness for timely decision-making; standardised project collaboration workflows to reduce duplication and improve coordination efficiency.
- **Human Capital Development:**
  - + Developed and enhanced staff competencies through in-depth training programmes on products, solutions, and regulatory updates.
  - + Talent retention: Implemented the ESOP programme to incentivise long-term commitment and align employee interests with the Company's success.
  - + Strengthened brand positioning through external engagement and promotional activities, including participation in and receipt of awards at technology product and solution competitions; organised forums to affirm the Company's position as a pioneering technology enterprise and long-term partner for investors.
- **Financial Management:**
  - + Strengthened receivables management and cash flow optimisation: The Executive Management directed assertive receivables collection (planning and monitoring), ensuring stable operating cash flow, reducing working capital pressure, and minimising bad debt risk. For legacy overdue receivables, the Company continued to engage legal counsel to pursue recovery and achieved significant progress (approximately VND 19 billion in overdue and difficult-to-collect debts recovered in 2025).
  - + Investment portfolio restructuring: Reviewed and addressed underperforming investments, made provisions, restructured investment positions, and focused resources on core business areas and high-return projects.
  - + Proactive management of foreign exchange and interest rate risk: Used financial instruments to fix exchange rates for payments to foreign suppliers and collections on export contracts, stabilising input costs, protecting profit margins, and mitigating the adverse impact of exchange rate and interest rate volatility.

#### **IV. Supervision of the Company's Financial and Accounting Operations**

1. The Board of Supervisors conducts periodic reviews of the Company's internal control system and financial and business data twice per year, combined with discussions on Internal Audit findings. The BOS's observations and recommendations on financial

statements, business operations, and governance are compiled into reports submitted to the Company's management.

2. The FY 2025 Financial Statements have been audited by CPA Vietnam Co., Ltd., which issued an unqualified opinion confirming that the financial statements present a true and fair view in all material respects. Key indicators from the Consolidated Financial Statements are as follows:

- Business Results:

No.	Indicator	Actual 2024	Plan 2025	Actual 2025	Achievement vs. Plan 2025	Growth vs. 2024
		(1)	(2)	(3)	(4)=(3)/(2)	(5)=(3)/(1)
1.	Net Revenue (VND billion)	800.2	1,160.0	1,517.7	130.8%	189.7%
2.	Net Profit After Tax (VND billion)	99.3	126.0	128.5	102.0%	129.5%

In 2025, revenue grew impressively above plan. Net revenue reached VND 1,517.7 billion, exceeding the plan by 30.8% and nearly doubling compared to 2024 (+89.7%). This result is a direct outcome of completing key transportation and telecommunications contracts during the year, in the context of sustained government investment in intelligent transportation infrastructure as part of the National Digital Transformation Programme.

Net profit after tax reached VND 128.5 billion, achieving 102% of the plan and growing 29.5% year-on-year. Selling expenses and general and administrative expenses both declined slightly while revenue grew strongly, indicating effective cost control and contributing to the above-plan profit result. Net financial income increased by 70.7% (from VND 11.3 billion to VND 19.3 billion), further contributing positively to the overall profit performance.

Although revenue grew significantly, the net profit margin declined compared to 2024. This is attributable to the Company's focus during this period on capturing market share and executing large transportation and telecommunications contracts, in which the proportion of equipment and hardware costs is higher relative to software and system integration services.

- About Assets, Capital:

No.	Indicator	FY 2025		FY 2024	
		Balance on 31/12 (VND billion)	%	Balance on 31/12 (VND billion)	%
<b>I.</b>	<b>Total Assets</b>	<b>2,495.1</b>	<b>100.0%</b>	<b>1,990.0</b>	<b>100.0%</b>
1.	Current Assets	1,701.4	68.2%	1,184.5	59.5%

No.	Indicator	FY 2025		FY 2024	
		Balance on 31/12 (VND billion)	%	Balance on 31/12 (VND billion)	%
2.	Non-Current Assets	793.7	31.8%	805.5	40.5%
<b>II.</b>	<b>Total Capital</b>	<b>2,495.1</b>	<b>100.0%</b>	<b>1,990.0</b>	<b>100.0%</b>
1.	Current Liabilities	693.5	27.8%	650.9	32.7%
2.	Long-term Borrowings	255.5	10.2%	90.4	4.5%
3.	Equity	1,546.1	62.0%	1,248.7	62.8%
	Of which: Non-controlling Interests	194.8	7.8%	191.5	9.6%

- + Total assets increased from VND 1,990 billion to VND 2,495 billion (+25.4%), driven by revenue growth and an increase in equity. Asset composition is predominantly current assets (68.2%), up 43% from 2024, mainly comprising short-term receivables (40%) and cash and cash equivalents/term deposits (16.7%). Non-current assets declined slightly compared to 2024, primarily due to a reduction in long-term work-in-progress assets (reflecting a lower proportional stake in the real estate project joint venture); investment positions are being restructured to focus on core business areas and high-potential projects.
- + Total liabilities increased approximately 28% compared to 2024, with the debt structure shifting towards long-term borrowings (attributable to a long-term loan for the real estate project investment). Equity remains at a high proportion (62% of total capital), indicating the Company is not excessively reliant on debt financing.

- Key Financial Ratios:

No.	Indicator	Unit	FY 2025	FY 2024
<b>I.</b>	<b>LIQUIDITY</b>			
1.	Overall Liquidity Ratio	times	2.63	2.68
2.	Current Ratio	times	2.45	1.82
3.	Quick Ratio	times	2.14	1.70
<b>II.</b>	<b>CAPITAL STRUCTURE &amp; SELF-FINANCING</b>			
1.	Total Debt to Total Assets	%	38.03	37.25
2.	Total Borrowings to Total Assets	%	15.88	1.81

No.	Indicator	Unit	FY 2025	FY 2024
3.	Total Borrowings to Equity	%	25.63	2.89
<b>III.</b>	<b>PROFITABILITY</b>			
1.	Net Profit Margin (on Net Revenue)	%	8.47	12.40
2.	Return on Equity (ROE)	%	9.20	8.27
3.	Return on Assets (ROA)	%	5.73	5.21
4.	Earnings Per Share (EPS)	VND/share	1,296	1,090

- + The current and quick ratios increased by approximately 1.3 times compared to 2024, primarily due to growth in cash and short-term receivables. The debt-to-assets and debt-to-equity ratios increased compared to 2024 but remain within a safe range. The total debt-to-assets ratio of approximately 38% is relatively conservative compared to many companies in the same sector. The increase in liabilities is primarily attributable to short- and long-term borrowings, with a new long-term loan drawn during the year for the real estate project investment.
- + The net profit margin on net revenue declined in 2025 compared to 2024, as the large contracts completed during the year were concentrated in the transportation and telecommunications segments, where equipment and hardware account for a higher proportion of revenue relative to software and integration services. Return on average equity and average assets increased slightly, although these ratios remain below the profitability levels typically expected in the technology sector.

### **3. Other Activities:**

- The Company prepared and published periodic financial statements in compliance with the Accounting Law, Securities Law, and related regulations.
- The Company disclosed related parties and related-party transactions in accordance with applicable regulations.
- Contracts and transactions with related parties within the approval authority of the BOD or the AGM, and transactions between the Company, its subsidiaries and other entities in which the Company holds more than 50% controlling interest, and BOD members, the CEO, and their related persons, have been reviewed to ensure that material transactions are appropriately approved and disclosed in accordance with related-party interest disclosure requirements

### **V. Remuneration and Operating Expenses of the Supervisory Board**

- The Company paid remuneration to the Board of Supervisors in 2025 in accordance with the AGM Resolution. Total remuneration paid to BOS members during the year amounted to VND 132 million, comprising VND 60 million for the Head of the BOS and VND 36 million per member for the remaining members.
- Other expenses: knowledge update and training costs for the Board of Supervisors.



## **VI. Assessment of Coordination Between the Supervisory Board, the Board of Directors, and the Executive Board**

- In the course of its activities, the Board of Supervisors has received the full cooperation of the Board of Directors, Executive Management, and relevant departments, and has been provided with comprehensive information on all matters subject to review and inspection.
- Through periodic reviews and in the course of its ongoing activities, the Board of Supervisors has provided observations and recommendations to the Board of Directors and Executive Management on the Company's internal control and risk management systems, with a view to enhancing the effectiveness of corporate governance

## **VII. Recommendations**

The year 2026 is a pivotal year in the 2026–2030 socio-economic development cycle. However, the global environment continues to present significant uncertainties, particularly risks arising from geopolitical conflicts, trade tariff pressures, and disruptions to global supply chains. For the technology sector, the Government has designated 2026 as the year to "accelerate breakthroughs in science, technology, innovation, and digital transformation." This represents a direct strategic opportunity for ELCOM to develop its ITS, cybersecurity, and digital transformation businesses, supported by a sound financial foundation and a strategy aligned with industry trends. The Board of Supervisors respectfully submits the following recommendations to the Board of Directors and Executive Management to further enhance governance quality and sustain the Company's growth:

- **Receivables Management:** Strengthen receivables management: Trade receivables account for a significant proportion consistent with the year's revenue growth. The risk of slow collections may affect operating cash flow. The Executive Management is requested to continue to maintain and improve the effectiveness of the monthly receivables monitoring and recovery system. Legacy overdue and difficult-to-collect receivables should be provisioned consistently and prudently.
- **Investment Portfolio:** Continue to regularly review and assess investment positions: Review divestment, restructuring, or liquidation options for underperforming investments; focus resources on high-potential projects; closely monitor the progress and cash flow performance of new projects; and make provisions for investments showing signs of impairment in accordance with applicable regulations, in order to protect the Company's capital.
- **Risk Management:** Proactively manage foreign exchange and interest rate risk: Develop monthly/quarterly cash flow forecasts, identify working capital requirements, and proactively select the timing and instruments for foreign exchange risk hedging; optimise the use of debt financing
- **Human Capital Investment:** The rapid growth in the Company's scale and business activities in 2025 requires the development and training of a capable and specialised core management team to ensure that this growth is sustained on a solid and competitive footing, and to realise the "Proactive People" pillar of the Company's 2026–2030 Strategy.
- **Information Security and Data Protection:** In the context of the Government's push for a digital economy and increasingly stringent personal data protection regulations, protecting the Company's, clients', and partners' information and data assets is of critical importance, directly affecting the Company's brand reputation and competitive

advantage. The Executive Management is requested to review and strengthen information security policies; develop a Personal Data Protection Law compliance programme for the entire Company; and conduct periodic information security and cybersecurity assessments of internal systems and systems deployed under contracts and projects.

The foregoing constitutes the Board of Supervisors' report on the Company's activities in 2025, respectfully submitted to the Annual General Meeting of Shareholders for consideration and approval.

We sincerely thank our valued shareholders and wish the General Meeting great success.

**Recipients:**

- *General Meeting of Shareholders of the Company,*
- *Board of Directors, Executive Board of the Company*
- *Members of the Supervisory Board*

**On behalf of the Supervisory Board  
Head of the Supervisory Board**



**Ngo Kieu Anh**