

Draft

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REPORT ON THE ACTIVITIES OF THE BOARD OF DIRECTORS IN 2024 AND THE OPERATIONAL PLAN FOR 2025

The Board of Directors of Vicem Hoang Mai Cement Joint Stock Company reports on the performance of its rights and duties in accordance with the law and the company's charter regarding the governance and business operations of the company in 2024 with the following contents:

PART 1: REPORT ON THE ACTIVITIES OF THE BOARD OF DIRECTORS IN 2024

I. CHARACTERISTICS OF THE SITUATION

1. Advantages:

- The economic situation in Vietnam has seen positive changes, but it still faces challenges and opportunities, with mixed circumstances. The government has implemented key solutions to maintain macroeconomic stability, control inflation, and ensure the balance of major economic factors. At the same time, it has outlined specific solutions and policies to promote growth and resolve difficulties for businesses.

- The Prime Minister issued Directive No. 28/CT-TTg on August 26, 2024, on several solutions to address difficulties, obstacles, and promote the production and consumption of cement, steel, and construction materials. According to the directive, the Prime Minister requested relevant ministries, agencies, and provincial and municipal governments to focus on implementing certain tasks and solutions to remove difficulties for the building materials industry in general and the cement production sector in particular.

2. Difficulties:

- The supply of cement continues to exceed demand (in 2024, the supply of cement is about 117.8 million tons, while domestic consumption is only around 59.0 million tons; cement and clinker exports are about 30.0 million tons), leading to increasingly fierce competition.

- Domestic cement consumption and exports have decreased, causing inventory to rise sharply, so some cement plants have had to reduce production capacity or stop kilns to limit clinker dumping, which in turn reduces business efficiency.

- Due to the pressure of product inventory and surplus production capacity, cement brands are competing fiercely by lowering product prices, increasing sales policies, and developing new products to increase consumption and expand the market.

- Cement and clinker exports are becoming increasingly difficult as many importing markets face economic and political instability, an increase in protectionist trade policies, competition from countries in the region, and rising logistics costs.

- The prices of raw materials and inputs for cement production remain high, particularly with the electricity price increase of 4.8% starting from October 11, 2024.

II. RESULTS OF TASKS IMPLEMENTED IN 2024

1. Results of Key Business and Production Targets in 2024

In 2024, Vicem Hoang Mai carried out its business and production tasks amidst numerous challenges. However, with the support and guidance from VICEM, as well as the attention and backing from local government authorities, along with the solidarity and unity of the workforce, the company successfully overcame difficulties and achieved the assigned business and production plan.

The results of the business and production activities in 2024 are as follows:

No	Indicators	Unit	2024 Plan (Document No 1110/VICEM HDTV dated 10 July, 2024)	Actual amount in 2023	Actual amount in 2024	Comparison (%)	
						Actual amount in 2024/ Actual amount in 2023	Actual amount in 2024/ Planned amount in 2024
1	Production						
	<i>Clinker</i>	<i>Ton</i>	<i>1.260.691</i>	<i>1.282.002</i>	<i>1.267.398</i>	98,9%	100,5%
	<i>Cement (include outsourced cement)</i>	<i>Ton</i>	<i>1.516.331</i>	<i>1.439.978</i>	<i>1.474.846</i>	102,4%	97,3%
2	Consumption	<i>Ton</i>	1.766.000	1.652.235	1.855.222	112,3%	105,1%
	<i>Clinker</i>	<i>Ton</i>	<i>250.000</i>	<i>238.557</i>	<i>354.086</i>	<i>148,4%</i>	<i>141,6%</i>
	<i>Cement (include outsourced cement)</i>	<i>Ton</i>	<i>1.516.000</i>	<i>1.413.678</i>	<i>1.501.136</i>	<i>106,2%</i>	<i>99,0%</i>
3	Revenue and other income	Million VND	1.621.845	1.744.179	1.718.319	98,5%	105,9%
4	Profit before tax	Million VND	(103.868)	(31.024)	(69.861)		
+	<i>Profit before tax (exclude exchange rate</i>	Million VND	(103.868)	(31.152)	(69.734)		
5	Contribution to the state budget	Million VND	46.173	29.832	36.337	121,8%	78,7%

- The revenue and other income in 2024 amounted to 1,718.3 billion VND, an increase of 5.9% compared to the 2024 plan, and 98.5% of the actual performance in 2023.

- The pre-tax profit in 2024 was a loss of (69.861) billion VND, a reduction in loss by 34 billion VND compared to the 2024 profit plan.

2. Results of the Board of Directors' Activities

Based on the powers and responsibilities defined by the law and the Company's Charter, in 2024, the Board of Directors (BOD) organized 14 direct meetings and 23 non-direct meetings through written consultations. The members of the BOD carried out their responsibilities of directing, supervising, and promptly urging the activities of the Executive Board through quarterly meetings, participating in and providing guidance during important meetings of the Executive Board regarding the implementation of the BOD's resolutions and decisions, as well as the preparation of proposals and projects to be presented to the BOD.

In 2024, the Board of Directors issued 54 Resolutions/Decisions within its authority. Among these, the BOD agreed upon or decided on several key tasks as follows:

- Approved the results of the 2024 Production & Business activities and set the quarterly targets for 2024, while evaluating and proposing solutions to complete the 2024 business plan.

- Approved the schedule and agenda for the 2024 Annual General Meeting of Shareholders.

- Decided to approve the main targets for the Production & Business and Investment & Construction Plan in 2024.

- Approved the technical and economic norms for 2024.

- Approved the wage fund for 2023 of the Company.

- Approved the Internal Audit Activity Plan for 2024 and 2025.

- Decided to terminate the operation of the Vicem Hoang Mai Cement Joint Stock Company's Branch - Mining Enterprise.

- Agreed to approve the proposal for selecting the auditing firm for the 2024 financial statement audit.

- Agreed on the policy for transferring the level-crossing protection system at Km 242+730 on the Hanoi - Ho Chi Minh City railway line.

- Regarding personnel matters:

- + *Agreed and appointed the General Director of Vicem Hoang Mai Cement Joint Stock Company.*

- + *Agreed on the decision to relieve Mr. Mai Van Dung from the position of Head of the Materials Department in order to carry out tasks according to the resolution of the Company's Party Committee.*

- + *Agreed on the decision to transfer Mr. Tran Thanh Hau, Head of the Organization Department, to take on the role of Head of the Materials Department.*

- + *Agreed to appoint Mr. Nguyen Quoc Dat as the Head of the Organization Department.*

- + *Agreed to re-appoint Mr. Dang Ngoc Long as Deputy General Director of Vicem Hoang Mai Cement Joint Stock Company.*

- + *Agreed to appoint Mrs. Dau Thi Nga, Chief Accountant of the Company, as Deputy General Director of Vicem Hoang Mai Cement Joint Stock Company for a fixed term.*

- + *Resolution to appoint Mr. Nguyen Trung Thanh, Deputy General Director in charge of Consumption Enterprise, as the Director of Consumption Enterprise*

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+ *Approved the list of personnel to be removed from the planning and added to the leadership management planning list for the 2021-2026 and 2026-2031 periods under VICEM management.*

- Amendment and issuance of the following regulations:

+ *Project Management Regulations for Investment and Construction of Vicem Hoang Mai Cement Joint Stock Company.*

+ *Internal Audit Regulations of Vicem Hoang Mai Cement Joint Stock Company.*

+ *Procurement Regulations for goods and services of Vicem Hoang Mai Cement Joint Stock Company.*

- For the Company's construction investment Projects

+ *Agreed to assign the CEO of the company to organize the selection and sign a contract with a qualified consulting unit to prepare the investment proposal report for the Quynh Vinh Clay Mine exploitation project - Phase 3.*

+ *Agreed to assign the CEO of the company to implement some tasks in the investment preparation phase for the Vicem Hoang Mai General Port Project in Dong Hoi - Nghe An.*

+ *Approved the contractor selection plan for the waste heat recovery power generation project - Hoang Mai Cement Plant.*

+ *Approved the adjustment of the total budget for the project "Using waste as an alternative fuel in clinker production."*

+ *Approved the Contractor Selection Plan for the adjustment and supplementation of the "Using waste as an alternative fuel in clinker production" project.*

+ *Approved the investment policy for the project "Adjustment of the Quynh Vinh clay mine exploitation project."*

+ *Approved the adjustment of the construction investment project for the Hoang Mai B Limestone Mine Exploitation.*

- Approved the principle of signing 16 contracts and transactions with related parties according to the provisions of the law and the Company's Charter

3. Assessment of the Board of Directors' activities

The Board of Directors has organized, implemented, and carried out activities in accordance with the contents specified in the Company's Charter, the internal regulations on corporate governance, and the operational regulations of the Board of Directors in a compliant, appropriate, and effective manner.

The Board of Directors has continuously monitored closely, provided timely support, and ensured the effective operation of the General Director's Board. The Board of Directors has tracked and captured the production and business management process in 2024 through reports and documents submitted by the Executive Board to the Board of Directors; reviewed and monitored the financial reports of the Executive Board. The

Board of Directors has directly directed and provided feedback to the Executive Board on several important issues arising during the operation of the Company's production and business activities.

The organization of the Board of Directors' meetings, from the meeting invitation notice, the agenda, relevant documents related to the issues to be decided in the meeting, to the non-direct meetings for obtaining opinions in writing, has been carried out by the Board of Directors in full compliance with the law and the Company's Charter.

The issues discussed and decided by the Board of Directors at the meetings are recorded in minutes. The contents agreed upon by the Board of Directors at the meetings are issued in the form of Resolutions/Decisions for the executive body to implement, and are properly filed in accordance with regulations.

Based on the detailed and complete documents prepared by the executive body and sent in advance, and with the high level of responsibility from each member, the Resolutions/Decisions of the Board of Directors are closely aligned with the actual production and business requirements of the Company and are approved with 100% of the members present at the meeting in agreement.

4. Preparation and organization work of the 2024 General meeting of Shareholders

On April 26, 2024, the Board of Directors organized the Annual General Meeting of Shareholders for 2024 in accordance with the legal regulations and the Company's Charter, from preparing the necessary conditions for the meeting, issuing the invitation, to executing the proposed agenda for the meeting. The Board of Directors successfully conducted the Annual General Meeting of Shareholders for 2024, completing the agenda – approving all 09 items that had been notified to the shareholders, with a very high approval rate for the proposed items.

5. Supervisory work over the General Director and Executive Board

The Board of Directors exercises its supervisory rights over the CEO and the Executive Board by evaluating and reviewing the performance of assigned tasks outlined in the Resolutions/Decisions. During the Board meetings, the members of the Executive Board are required to present reports and assess the results of implementing the Resolutions/Decisions related to their respective responsibilities. In 2024, the CEO and the Executive Board fully carried out the functions and tasks stipulated in the Company's Charter, consistently adhering to the Company's production and business plans in their management. The Executive Board implemented various solutions to overcome challenges, boost consumption output, and reduce production benchmarks.



PART II: OPERATIONAL PLAN IN 2025

Based on the assessment of the socio-economic situation in 2025, the company's ability to leverage its production and business capacity, and building on the results achieved while addressing the shortcomings from 2024, the Board of Directors will continue to exercise its supervisory rights over the CEO and the Executive Board by evaluating and reviewing the performance of the tasks assigned in the Resolutions/Decisions. Specifically:

- Closely monitor the implementation of the Company's Production and Business plan.
- Implement management measures for procurement, expenditure, and practice cost-saving to prevent waste. Continue to review inventory goods and utilize stock materials and spare parts with the goal of minimizing the value of inventory in 2025.
- Promote the use of alternative raw and fuel materials and incorporate waste from other industries in clinker and cement production to reduce emissions, decrease reliance on fossil resources, and enhance production efficiency.
- Develop management plans to control costs strictly by process, reducing variable costs and repair costs.
- Strictly adhere to financial management regulations, control expenditures, and ensure tight management of receivables to avoid bad debts.
- Continue restructuring the workforce to streamline the organization, enhance operational efficiency, and increase labor productivity.
- Continuously improve the quality of the workforce in all areas through training programs, with a focus on on-site training and training directly on the Company
- Continue implementing information technology in production and business, focusing on digitizing production, consumption, sales management, and operational management.
- Ensure the highest standards of workplace safety, security, fire prevention, and environmental protection to guarantee the safety of personnel and equipment.

This is the report from the Board of Directors of Vicem Hoang Mai Cement Joint Stock Company regarding the Company's corporate governance activities.

The Board of Directors sincerely thanks all esteemed shareholders.

Recipients: 
 - GMS;
 - Filed at: Office, BoD.

**ON BEHAFT OF BOARD OF
 DIRECTORS
 CHAIRMAN**

Le Trung Kien