



**DRAFT**

**REPORT  
ON PRODUCTION & BUSINESS RESULTS AND  
CONSTRUCTION INVESTMENT IN 2025 - PLAN  
FOR PRODUCTION & BUSINESS AND  
CONSTRUCTION INVESTMENT IN 2025**

*(Report Documents for the 2026 Annual General Meeting of Shareholders)*

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*April, 2026*

**PART 1**  
**PRODUCTION & BUSINESS RESULTS AND CONSTRUCTION**  
**INVESTMENT IN 2025**

**A. Assessment of the Socio-Economic Situation in 2025**

The global situation in 2025 experienced complex and unpredictable developments, with increasing risks arising from conflicts and geopolitical instability in certain regions. Strategic competition among major economies, along with the growing trend of trade protectionism, negatively affected global economic growth. Meanwhile, international financial and monetary markets fluctuated significantly, and public debt levels in many countries remained high...

Domestically, Vietnam's economy in 2025 continued to recover and maintain macroeconomic stability. The Government consistently implemented measures to control inflation and ensure major economic balances, while promoting institutional reforms, supporting businesses, and encouraging investment. Key national projects and several large-scale infrastructure projects were accelerated, contributing to growth momentum for the construction and building materials sectors.

The domestic cement market in 2025 showed signs of recovery, mainly driven by public investment, particularly in transport infrastructure, irrigation, and social housing projects. However, the recovery has not been truly sustainable and has been concentrated in the Northern and Southern regions, while the Central region remains at a low level. The situation of oversupply persists, leading to increasingly intense competition. Cement prices have increased to some extent but have not been sufficient to offset rising input costs. Meanwhile, many enterprises have introduced low-priced products accompanied by high discount policies, putting significant pressure on the market.

Cement and clinker exports in 2025 showed positive signals as some markets, such as Africa, Central and South America, increased imports due to infrastructure development demand. In addition, the Government's policy to reduce the export tax on clinker from 10% to 5% contributed to supporting enterprises. However, export activities continued to face numerous challenges as major markets such as the Philippines, Bangladesh, Malaysia, Taiwan, and the United States imposed anti-dumping and safeguard measures, tightened technical and environmental standards. At the same time, competition from countries with surplus supply such as Turkey, Indonesia, and China continued to exert significant pressure on Vietnam's cement exports.

Input raw material and fuel prices for cement production in 2025 remained at high levels. In particular, the average retail electricity price was increased by an additional 4.8% effective from May 10, 2025.

## B. Results of Production & Business Operations and Construction Investment in 2025

### I. Key Performance Indicators of Production and Business Operations in 2025

In 2025, Vicem Hoang Mai carried out its production and business operations in the context of a cement industry business environment that continued to face numerous challenges. Thanks to the timely direction and support from VICEM, as well as the attention and assistance from local authorities at all levels, together with the solidarity and efforts of all employees, the Company proactively implemented management solutions and organized its production and business activities in line with the 2025 plan.

The results of the Company's production and business operations in 2025 are as follows:

No	Criteria	Unit	Plan in 2025 (*)	Actual amount in 2024	Actual amount in 2025	Comparison (%)	
						Actual amount in 2025/ Actual amount in 2024	Actual amount in 2025/ Plan in 2025
1	Production						
	Self-produced clinker	Ton	1.263.000	1.267.398	1.332.031	105,1%	105,5%
	Cement (including outsourced processing)	Ton	1.575.000	1.474.846	1.522.495	103,2%	96,7%
2	Consumption	Ton	1.735.000	1.855.222	1.863.031	100,4%	107,4%
	Clinker	Ton	170.000	354.086	343.500	97,0%	202,1%
	Cement (including outsourced processing)	Ton	1.565.000	1.501.136	1.519.531	101,2%	97,1%
3	Revenue and other income	Million VND	1.566.904	1.718.319	1.695.925	98,7%	108,2%
4	Profit before tax	Million VND	20.075	(69.861)	23.320		116,2%
+	Profit before tax (excluding foreign exchange differences)	Million VND	20.075	(69.734)	23.625		117,7%
5	Profit after tax	Million VND	20.075	(69.861)	23.320		116,2%
+	Profit after tax (excluding foreign exchange differences)	Million VND	20.075	(69.734)	23.625		117,7%
6	Post-tax profit margin (excluding foreign exchange differences) on charter capital	%	2,08	(7,24)	2,45		
7	Dividend payout ratio	%	0	0	0		
8	Payment to State Budget	Million VND	40.216	36.337	42.902	118,1%	106,7%
9	Total wage fund	Million VND	146.058	137.027	151.058	110,2%	103,4%
10	Average labor utilization	Person	750	746	688	92,2%	91,7%

(\*) Pursuant to Document No. 1441/VICEM-HĐTV dated July 25, 2025 issued by the Members' Council of Vietnam National Cement Corporation regarding the 2025 Production and Business Plan and Construction Investment Plan of Vicem Hoang Mai Cement Joint Stock Company.

(\*) Pursuant to Decision No. 81/QĐ-XMHM-HĐQT dated September 19, 2025 issued by the Board of Directors of the Company approving the key targets of the 2025 Production and Business Plan and Construction Investment Plan of Vicem Hoang Mai Cement Joint Stock Company.

## II. Assessment of Production Performance in 2025

In 2025, Vicem Hoang Mai mobilized all available resources and sought solutions to improve production efficiency and reduce product costs, while ensuring that output targets and consumption norms closely adhered to the assigned plan. In its production operations, the Company achieved several key results as follows:

### ***1. Production Results of Main Process Stages***

#### ***\* Clinker production stage***

- Clinker output in 2025 reached 1,332.0 thousand tons, equivalent to 105.5% of the 2025 plan and 105.1% compared to the 2024 actual performance.

- Kiln productivity in 2025 reached 4,132 tons/day, equivalent to 98.3% of the 2025 plan and 97.4% compared to the 2024 actual performance. The kiln productivity was lower than planned, mainly due to periods when fan 142FN1 experienced high vibration, requiring a reduction in kiln output to ensure operational safety. In addition, various minor incidents leading to kiln stoppages also reduced the average equipment productivity.

- In 2025, the Company shut down the kiln for major repair and for connection of the waste heat power generation system, combined with kiln system maintenance, in two phases:

+ Phase 1 was implemented at the end of March and early April 2025, with a total shutdown duration of 16 days. Major repair items included: installation of 8.4 meters of refractory bricks in the kiln; concrete works for C5AB air ducts, air duct No. 3, calciner cone bottom, and kiln hood roof; replacement of fan blades and casing of 142FN1; replacement of motor, fan blades, and casing of 143FNH; connection of standby thermal pipelines at the clinker cooler and preheater tower of the waste heat system; etc.

+ Phase 2 was implemented from August 20, 2025 to August 28, 2025, with a total shutdown duration of 7.6 days. The Company carried out the connection of the waste heat system combined with kiln system maintenance. Major repair items included: installation of 14 meters of alkali-resistant bricks in the upper transition zone; installation of 5.2 meters of high-alumina bricks at the kiln inlet; recasting approximately 20 m<sup>2</sup> of kiln hood concrete; removal and recasting of worn-out calciner coal burner concrete; DCS connection and trial operation of certain waste heat equipment; etc.

- Specific heat consumption (coal and alternative fuels) in 2025 was 827.18 kcal/kg of clinker, decreasing by 1.90 kcal/kg of clinker compared to the 2025 plan (of which: coal consumption increased by 11.58 kcal/kg of clinker compared to the plan, while alternative fuel consumption decreased by 13.48 kcal/kg of clinker compared to the plan). Compared to the 2024 actual performance, heat consumption in 2025 increased by 9.83 kcal/kg of clinker (of which: coal consumption decreased by 139.1 kcal/kg of clinker compared to 2024, while alternative fuel consumption increased by 148.9 kcal/kg of clinker compared to 2024). The higher clinker

production heat consumption in 2025 compared to 2024 was mainly due to the fact that, since late 2024, the Company had just begun using alternative fuels to partially replace coal in clinker production.

- Power consumption in 2025 was 32.02 kWh/ton of clinker (CLK), increasing by 0.81 kWh/ton of clinker compared to the 2025 plan and by 0.53 kWh/ton of clinker compared to the 2024 actual performance. Clinker power consumption in 2025 was higher than both the plan and 2024 mainly due to numerous minor incidents during the year that led to kiln stoppages, reducing the average kiln productivity. In addition, at various times, fan 142FN1 experienced increased vibration, requiring a reduction in kiln output, which resulted in higher power consumption.

*\* Cement production stage*

- Cement production output in 2025 fully met the Company's product consumption demand. Cement output at the plant in 2025 reached 1,518.0 thousand tons, equivalent to 96.7% of the 2025 plan and 103.2% compared to the 2024 actual performance.

- In 2025, the Company carried out a major repair of the cement grinding section in March 2025, with a total shutdown duration of 4.5 days (from March 7, 2025 to March 12, 2025). The main repair items included: replacement of liner plates in compartment 1 and inlet grate liners of compartment 2; reversing CKP roller liners; regrading grinding media in compartment 1 of the mill; replacement of weighing belt 162.WF1; installation of anti-sticking plates for the blast furnace slag weighing hopper; replacement of fan blades 163.FN2; etc.

- The Company efficiently utilized various additives for different cement product types, particularly high-activity additives derived from common solid waste of other industries such as activated slag, blast furnace slag, artificial gypsum, and fly ash. The flexible management of blending and use of these additives not only ensured product quality but also improved production and business efficiency, while contributing positively to environmental protection. The results are as follows: the additive ratio for PCB40 civil cement in 2025 reached 33.92%, equivalent to the 2025 plan and increasing by 4.07% compared to the 2024 actual performance; the additive ratio for PCB40 industrial cement in 2025 reached 20.76%, equivalent to both the 2025 plan and the 2024 actual performance.

- Cement grinding power consumption in 2025: PCB40 civil cement was 32.96 kWh/ton, decreasing by 0.13 kWh/ton compared to the plan and by 0.13 kWh/ton compared to the 2024 actual performance; PCB40 industrial cement was 33.76 kWh/ton, equivalent to the plan and decreasing by 0.24 kWh/ton compared to the 2024 actual performance.

## ***2. Implementation of Solutions in Science, Technology, and Innovation in Production***

In 2025, the Company continued to promote the implementation of science and technology solutions and innovation, with a focus on the program of using alternative raw materials and fuels in production. This contributed to environmental protection, reduced the use of non-renewable resources, and improved production and business efficiency. Specifically as follows:

\* Results of using artificial gypsum: In 2025, the Company used 100% artificial gypsum (including thermal power gypsum and phosphogypsum) in cement production, an increase of 19.1% compared to the 2024 actual performance.

\* *Results of using alternative fuels in production:*

- The Company has commissioned and put into operation a waste drying system for use as alternative fuel; to date, the equipment has been operating stably and fully meeting the demand for dried waste supplied to the kiln.

- The Company uses alternative fuels (such as bark, fabric scraps, plastic, etc.) to partially replace coal in clinker production. The rate of alternative fuel usage in 2025 reached 34.45% of total heat consumption and 37.10% of heat consumption based on actual output when co-processing waste.

\* *Program for the use of common and hazardous waste as alternative raw materials and co-processing in clinker and cement production:*

- The Company has put into operation a waste treatment system for use as alternative raw materials in production, partially replacing limestone/clay/silica-rich materials/iron-rich materials, and co-processing in clinker and cement production. Currently, the system's equipment is operating stably and meeting regulatory requirements for waste treatment.

- In 2025, the total volume of solid waste used as alternative raw materials reached 60,979 tons, averaging approximately 5,082 tons per month.

\* *Waste heat recovery power generation program:* In 2025, the Company commissioned and put into operation the waste heat recovery power generation project, contributing to reducing electricity costs from the national grid, utilizing excess heat, and supporting environmental protection.

### **III. Assessment of Product Consumption Results in 2025**

#### ***1. Product Consumption Results in 2025***

- Total product consumption in 2025 reached 1,863.0 thousand tons, increasing by 7.4% compared to the 2025 plan and by 0.4% compared to the 2024 actual performance. Of which: clinker consumption reached 343.5 thousand tons, increasing by 102.1% compared to the 2025 plan and decreasing by 3.0% compared to 2024; cement consumption reached 1,519.5 thousand tons, decreasing by 2.9% compared to the 2025 plan and increasing by 1.2% compared to 2024.

- Domestic consumption of Vicem Hoang Mai branded cement in 2025 reached 1,238.0 thousand tons, decreasing by 10.6% compared to the 2025 plan and by 5.9% compared to the 2024 actual performance. Of which:

+ Bagged cement consumption reached 845.8 thousand tons, decreasing by 11.4% compared to the plan and by 6.8% compared to 2024, mainly due to a 34.8% decrease in cement supplied to the rural transport program.

+ Bulk cement reached 392.3 thousand tons, decreasing by 8.8% compared to the plan and by 4.0% compared to 2024, mainly declining in Ha Tinh and Binh Tri Thien areas as the North–South expressway sections in these provinces had been completed.

- Cement export volume in 2025 reached 212.0 thousand tons, increasing by 17.8% compared to the 2025 plan and by 14.4% compared to the 2024 actual performance, mainly driven by export activities under commercial trading arrangements.

## ***2. Key Factors Affecting Product Consumption Results in 2025***

### *a) Factors Contributing to Output Growth*

#### *\* Objective factors*

- The domestic economy continued to maintain stability, inflation was kept under control, and major economic balances were ensured. The Government decisively directed the acceleration of public investment disbursement, particularly for key transport infrastructure projects such as expressways, ring roads, overpasses, and seaports. As a result, cement demand in many localities, including the Central region, was maintained steadily and continuously.

- The real estate market showed signs of gradual recovery in 2025, supported by stable interest rates, policies to resolve legal bottlenecks, and the unlocking of new project supply. Construction activities in residential housing, urban areas, and social housing rebounded, thereby improving cement consumption demand compared to previous years.

#### *\* Subjective factors*

Enhanced coordination efficiency between the Company and its distribution system through market area reviews and volume commitment agreements. Strengthening market discipline and linking distributors' responsibilities with consumption targets helped limit market share decline, while focusing resources on areas with short-term growth potential.

### *b) Factors Leading to Output Decline*

#### *\* Objective factors*

- The merger of wards and communes and the implementation of a two-tier local government model affected the progress of public investment projects in

various localities, leading to reduced demand for cement supplied to small-scale projects and rural transport projects.

- In key markets of Vicem Hoang Mai (Nghe An and the Central – Central Highlands regions), the prices of construction materials such as sand, stone, bricks, and steel surged while supply became scarce. As a result, many projects were postponed, and households and investors had to recalculate costs, switch to lower-grade materials, or reduce construction volumes.

- During the last six months of 2025, prolonged storms and extreme weather in the Central region disrupted construction activities, transportation, and product delivery. Many projects had to be suspended or delayed, directly affecting cement consumption demand.

- Export activities faced difficulties as many markets imposed trade barriers, increased anti-dumping duties, or reduced orders. At the same time, competition from cement supplies of other countries forced exporters to lower prices to secure orders, thereby pushing down the overall export price level.

*\* Internal factors*

- Cement companies competing across different segments did not increase prices, increased prices later than Vicem Hoang Mai, or immediately applied additional discounts after price increases. Meanwhile, Vicem Hoang Mai, in coordination with its distributors, attempted to maintain the higher selling price, which led to a decline in sales volume and market share of both bagged and bulk cement. In particular, the price gap of bulk cement from Vicem Hoang Mai, ranging from VND 20,000 to 40,000 per ton higher than competing cement supplied to strategic batching plants, significantly reduced bulk cement sales in this segment.

- Market coordination efforts were not sufficiently strong or effective, including: coordination between Hoang Mai and Bim Son markets; coordination between the Company's center and distributors in handling market hotspots; and coordination in supplying cement to construction projects and batching plants.

#### **IV. Assessment of Construction Investment Performance in 2025**

##### **1. Implementation of Construction Investment**

- Planned investment volume for 2025: VND 281.3 billion;
- Planned payment for 2025: VND 209.9 billion;
- Actual investment volume in 2025: VND 216.4 billion, achieving 76.9% of the annual plan;
- Actual payment in 2025: VND 110.7 billion, achieving 52.7% of the annual plan.

The execution rate of construction investment in 2025 reached 76.9% of the annual plan. The main reasons were: the Waste Heat Recovery Power Generation

project saved over VND 50 billion compared to the approved total investment; changes in the Company's production and business plan, including postponing the major kiln overhaul to the end of February 2026, required adjustments to the Electrostatic Dust Filter 123EP1 conversion project to align with the Company's plan; additionally, the Company did not implement the Cement Silo No. 5 Upgrade project because, after surveys and consultations, the consulting unit concluded that "the space and location of Silo No. 5 make upgrading and renovation very difficult, and construction methods are challenging (located between four cement silos at Hoang Mai)."

## **2. Assessment of Project Implementation Results**

### **a) Hoang Mai 2 Cement Project – Phase 1**

- *Regarding raw material sources for the project:* Vicem Hoang Mai is currently coordinating with consulting units to study and propose the most feasible project plan in order to apply for mining permits for the Bac Thang limestone mine and Da Bac clay mine (exploration reserves were approved by the Ministry of Natural Resources and Environment on March 15, 2022).

- *Regarding the project location:*

+ On March 12, 2025, the Department of Finance issued Document No. 804/STC-TC&PTDN providing guidance on the investment policy dossier for the Hoang Mai 2 Cement Project

+ On March 12, 2026, Vicem Hoang Mai issued Document No. 1276/XMHM-DTXD to the People's Committee of Hoang Mai Ward regarding a field survey of the proposed site for the construction of Hoang Mai Cement Plant.

+ Currently, the Company is working with the People's Committee of Hoang Mai Ward to survey and select the project construction site.

### **b) Waste Heat Recovery Power Generation Project – Hoang Mai Cement Plant**

- The system completed warranty acceptance testing from September 23 to September 26, 2025, with an average power generation capacity of 6.106 MW, a self-consumption rate of 6.74%, and water consumption of 0.0058 m<sup>3</sup>/kWh. (All parameters met or exceeded the required warranty criteria: power generation  $\geq$  5.698 MW, self-consumption  $\leq$  8.6%, and water consumption  $\leq$  0.01 m<sup>3</sup>/kWh). The time from groundbreaking (February 3, 2025) to grid connection (September 9, 2025) was approximately 7.2 months, making it the fastest completed project among VICEM member units that have implemented similar projects, contributing to the Company's economic efficiency.

- On January 26, 2026, the Nghe An Provincial Fire Prevention and Fighting Police issued Document No. 28/NT-PCCC approving the fire safety acceptance results of the system.

- Currently, the contractor is performing warranty obligations and addressing issues arising during system operation during the Company's major kiln repair shutdown.

*c) Vicem Hoang Mai Cement Grinding Station Project at Dong Hoi – Nghe An*

- After a period of working on adjustments and completing the documentation, on March 10, 2025, the Company submitted the Investment Proposal Dossier to the Department of Finance and the People's Committee of Nghe An Province to seek approval for the project's investment policy.

- From March 2025 to August 2025, based on feedback from relevant departments and agencies, Vicem Hoang Mai coordinated with the consulting unit to provide explanations, supplement, and adjust the proposal dossier as required by the Department of Finance

- On August 8, 2025, the Department of Finance issued Document No. 5020/STC-TC&PTDN to Vicem Hoang Mai, providing feedback on the investment proposal for the Vicem Hoang Mai Cement Grinding Station Project at Dong Hoi – Nghe An. The feedback highlighted two main points: "1. The project did not meet the required environmental sanitary safety distance to residential areas (1 km from emission sources). 2. The land proposed for the project is the site of VICEM's Dong Hoi concrete and non-fired building materials plant, which has not yet completed the procedures for cessation of operations and settlement of financial and asset matters."

- On January 13, 2026, Vicem Hoang Mai held a working session with the Southeast Industrial Zone Management Board regarding the proposal to implement the Cement Grinding Station Project at Dong Hoi Industrial Zone and the General Port Project at Dong Hoi Seaport, Nghe An Province. By February 25, 2026, the Southeast Industrial Zone Management Board issued Document No. 302/KKT-XDMT to Vicem Hoang Mai providing feedback. According to the document, the project did not meet the required environmental sanitary safety distance to residential areas and was not aligned with the planning and development orientation of the Dong Hoi Industrial Zone.

- On March 3, 2026, the VICEM capital representative group at Vicem Hoang Mai issued Document No. 1155/XMHM-NĐĐ to VICEM, reporting and making recommendations regarding the investment proposal for the Hoang Mai Cement Grinding Station Project at Dong Hoi – Nghe An. Based on this, Vicem Hoang Mai has coordinated with VICEM's departments to discuss project implementation.

- Currently, Vicem Hoang Mai is working with the consulting unit to study suitable options to propose for the project's investment.

*d) Vicem Hoang Mai General Port Project at Dong Hoi – Nghe An*

- Vicem Hoang Mai coordinated with the consulting unit to complete the investment proposal dossier based on feedback from VICEM's departments. On this basis, Vicem Hoang Mai prepared the project investment proposal and submitted it to the Department of Planning and Investment and the People's Committee of Nghe An Province for consideration and approval of the investment policy.

- From January 2025 to September 2025, based on feedback from relevant departments and agencies, Vicem Hoang Mai worked with the consulting unit to provide explanations, supplement, and adjust the proposal dossier according to the requirements of the Department of Finance.

- On September 25, 2025, the Department of Finance of Nghe An Province issued Document No. 6379/STC-TC&PTDN to the Provincial People's Committee, consolidating opinions from various departments on the project's investment policy and proposing that the Southeast Economic Zone Management Board take over, lead, review, appraise, and advise on the project's investment policy. On October 1, 2025, the People's Committee of Nghe An Province issued Document No. 10400/UBND-CN, assigning the Department of Finance to take the lead and perform the functions in accordance with regulations.

- Currently, the Company is coordinating with the consulting unit to supplement, revise, and finalize the investment policy proposal report. Accordingly, the project's feasibility and efficiency are being reassessed based on updated information regarding cargo volume and the scale of the port, in order to select the most effective and feasible option for submission to obtain approval of the investment policy.

**e) Hoang Mai B Limestone Mining Construction Investment Project**

**- Regarding land lease for the Hoang Mai B limestone mine area in Thanh Hoa.**

+ On December 9, 2025, the Thanh Hoa Provincial People's Council issued Resolution No. 702/NQ-HĐND approving the list of projects requiring land recovery and deciding on the conversion of forest land use in Thanh Hoa Province in 2025. This included 4.3 hectares of natural forest located within the Hoang Mai B Mine of the Company, arising from activities in 2019.

+ On February 7, 2026, the People's Committee of Thanh Hoa Province issued Decision No. 463/QĐ-UBND approving the conversion of forest land for the implementation of the Hoang Mai B limestone mine project in Truong Lam Commune, Thanh Hoa Province.

+ On February 10, 2026, Vicem Hoang Mai submitted the land lease dossier to the People's Committee of Truong Lam Commune, with the land lease contract expected to be completed in Q1/2026.

**- Regarding the application for the Hoang Mai B limestone mine permit:**

+ Based on Document No. 9707/BTC-ĐT dated June 30, 2025, from the Ministry of Finance regarding the investment policy for the limestone and clay mine project, and the contents of the meeting on August 1, 2025, between Vicem Hoang Mai and the Department of Agriculture and Rural Development & Natural Resources and Environment of Nghe An Province, these serve as important bases for the Company to carry out subsequent procedures in reapplying for the exploitation permits for the Hoang Mai B limestone and clay mines.

+ Currently, with numerous changes in the prevailing laws such as the Law on Environmental Protection, Law on Construction, Law on Geology and Minerals, etc., Vicem Hoang Mai is coordinating with consulting units to review the submitted dossiers and procedures related to the Hoang Mai B limestone mine permit, and is working with relevant ministries and agencies to obtain guidance on the sequence and procedures for reapplying for the Hoang Mai B limestone mining permit.

*f) Quynh Vinh Clay Mine Exploitation Adjustment Project*

- On January 15, 2025, the Company signed Contract No. 258/2025/XMHM-MICC for the implementation of the package: “Consulting for Feasibility Study Report; Environmental Impact Assessment Report; Preparation of Application/Adjustment Dossier for Mining Permit.”

- On June 16, 2025, the Department of Finance of Nghe An Province issued Document No. 3433/STC-TC&PTDN to the Ministry of Finance and the Ministry of Agriculture & Environment requesting opinions on the investment procedures for the Quynh Vinh Clay Mine Exploitation Project, which will supply raw materials for cement production in Quynh Vinh Commune, Hoang Mai Town, Nghe An Province.

- On July 15, 2025, Vicem Hoang Mai issued Document No. 3689/XMHM-ĐTXD to the Department of Agriculture & Rural Development and Natural Resources and Environment of Nghe An Province requesting guidance on the procedures for mineral exploitation permits for the Hoang Mai B limestone mine and Quynh Vinh clay mine of Hoang Mai Cement Plant.

- In November 2025, Vicem Hoang Mai coordinated with the consulting unit to complete the dossier submitted to the One-Stop Division of the Department of Agriculture & Rural Development and Natural Resources and Environment of Nghe An Province to request an adjustment of the mining permit. However, since the additional reserves of the Quynh Vinh clay mine (Phase 3) had not yet completed environmental assessment procedures, the Department of Agriculture & Rural Development and Natural Resources and Environment has not accepted the dossier.

- Currently, Vicem Hoang Mai, together with the consulting unit, is working with the Ministry of Agriculture & Rural Development and Natural Resources and

Environment and awaiting guidance on environmental procedures regarding the Environmental Impact Assessment Report of the Hoang Mai Cement Plant Construction Project, which was approved under Decision No. 2467/QĐ-MTg dated September 28, 1996, in order to request adjustment of the mining permit for the Quynh Vinh clay mine.

*g) Hoang Mai Cement Plant Access Branch Removal Project*

Currently, Vicem Hoang Mai is continuing to review the design dossiers, technical plans, and lessons learned from the implementation of similar projects by other units to establish a practical basis for project execution.

*h) Internal Concrete Road and Automatic Weighing Station Project at the Plant*

- On July 10, 2025, Vicem Hoang Mai signed Contract No. 3594/2025/XMHM-XV-CĐTNA for the construction of the works.

- At present, the construction and equipment installation have been completed. The parties are coordinating to conduct training, provide operational guidance, and finalize the system software to meet actual usage requirements.

*i) 123EP1 Electrostatic Precipitator to Bag Filter Conversion Project*

- On June 26, 2025, the Company's Board of Directors issued Decision No.53/QĐ-XMHM-HĐQT approving the project to convert the 123EP1 electrostatic precipitator to a bag filter system.

- On July 7, 2025, the Board of Directors issued Decision No. 59/QĐ-XMHM-HĐQT approving the contractor selection plan for the 123EP1 electrostatic precipitator to bag filter conversion project.

- On November 18, 2025, Vicem Hoang Mai signed Contract No. 5768/2025/XMHM-C-HOPE-TASCO for Package 1: "Provision of design, equipment, materials, technical services, fabrication, construction, and installation."

- Currently, the contractor has completed the construction design drawings for review and appraisal, supplied all goods, executed the construction works, and dismantled existing equipment. The main equipment of the dust filtration system has been installed, and the project is expected to be completed and handed over for operation in Q1/2026.

*j) Projects: Upgrade and Expansion of Ordinary Sludge Storage for Use as Alternative Raw Material; Upgrade and Expansion of Solid/Sludge Waste Storage and Technical Infrastructure; Export Cement Sack Warehouse No. 2.* These projects have completed construction acceptance, been put into operation, and the project capital finalization has been completed.

*k) Railway Level Crossing Handover Project:* On June 1, 2025, the Company completed all procedures and handed over the level crossing at Km 242+73 on the

Hanoi – Ho Chi Minh City railway line to the Ministry of Transport. Following the handover, the Company is expected to save approximately VND 1.5 billion per year (equivalent to VND 45 billion over the expected life of the mine).

## **V. Organization and Labor in 2025**

### ***1. Labor Utilization***

- Planned workforce for 2025: 750 employees.
- Workforce as of December 31, 2025: 669 employees, a decrease of 21 employees compared to the beginning of 2025.
- During 2025, the Company recruited 13 new employees; terminated labor contracts or retirement applied to 34 employees.
- Average workforce in 2025: 688 employees.

### ***2. Implementation of Salary and Employee Income***

- Salary fund in 2025: VND 151.1 billion, achieving 103.4% of the 2025 plan and 110.2% compared to 2024. Average salary in 2025: VND 18.3 million/person/month, achieving 112.7% of the 2025 plan and 119.5% compared to 2024.

- In 2025, Vicem Hoang Mai fully and timely implemented all employee-related policies in accordance with legal regulations, including: salaries, bonuses, meal allowances; social insurance, health insurance, unemployment insurance; annual salary increments; sickness and maternity allowances; hazardous work allowances; and periodic medical check-ups for employees.

### ***3. Organizational and Workforce Restructuring***

- In 2025, the Company continued implementing organizational and workforce restructuring to streamline its structure, improve operational efficiency, and enhance labor productivity. Accordingly, the Company converted the Industrial Services Enterprise into a Repair Workshop model to better suit the current production and business requirements. In addition, the Company gradually carried out the restructuring of the Quarry Workshop according to the 2025 roadmap and plan. As of now, the Workshop's organizational units have been reorganized and consolidated, reducing the workforce from 42 employees to 23 employees.

## **VI. Information Technology in 2025**

In 2025, the Company continued to implement IT applications in production and business activities, ensuring efficiency and cost savings in line with Resolution No. 1166-NQ/ĐU dated November 29, 2022, of the Party Committee of Vietnam Cement Corporation on the topic “Digital Transformation in Vietnam Cement Corporation by 2025, with orientation toward 2030”, focusing on digitalizing sales and management areas. The Company implemented the following key initiatives:

- Reviewed the network system, servers, computers, and IT infrastructure. Implemented guidance to ensure network safety, security, and data confidentiality in accordance with Document No. 1163/VICEM-CNTT dated July 17, 2024, of VICEM.

- Integrated and synchronized order data on the Vicem Hoang Mai Websales platform with VICEM member units: Vicem But Son, Vicem Ha Long, Vicem Hai Van, and Vicem Ha Tien.

- Developed an automated goods receipt software system. Conducted surveys and prepared plans for implementing access control, timekeeping, human resources, and payroll systems.

- Installed security camera systems to monitor production and occupational safety in areas such as the Waste Heat Recovery Power Generation project, and areas handling solid and sludge waste used as alternative raw materials.

## **VII. Occupational Safety, Health, and Environmental Protection in 2025**

In 2025, the Company continued to strictly implement occupational safety and health (OSH), fire prevention and fighting, and environmental protection measures to ensure stable and safe production while complying with legal regulations.

- The Company issued and fully implemented plans on OSH, fire prevention and fighting (FPF), and environmental protection; strengthened inspection and supervision of safety in production and contractors' construction activities. Safety training for employees and contractor personnel was conducted regularly. Equipment with strict safety requirements was fully inspected, and personal protective equipment was provided in accordance with regulations. At the same time, the Company maintained effective management systems in compliance with ISO 9001, ISO 14001, and ISO 45001 standards, contributing to enhanced professionalism in safety and environmental management.

- Regarding environmental protection, the automatic continuous emission monitoring system was operated stably; periodic environmental monitoring was conducted in full compliance with regulations; generated waste was classified, collected, and treated in accordance with legal requirements.

## **PART TWO**

### **BUSINESS OPERATION AND CONSTRUCTION INVESTMENT PLAN IN 2026**

#### **A. Forecast for 2026**

- In 2026, the global situation is expected to remain complex and unpredictable; escalating political tensions and military conflicts could further

disrupt supply chains and production. These factors will continue to affect Vietnam's domestic economy, impacting business operations and exports across industries, including cement.

- 2026 is a significant year for Vietnam, with the 14th National Congress of the Communist Party, the elections for the 16th National Assembly, and the elections for People's Councils at all levels for the 2026–2031 term. It is also the first year of implementing the 5-year socio-economic development plan for 2026–2030, marking a new development phase for the country. Accordingly, public investment activities will continue to be accelerated, focusing on key infrastructure projects such as transportation, seaports, urban areas, and industrial zones.

- The domestic cement market in 2026 is expected to grow compared to 2025, supported by infrastructure investment and the recovery of the real estate sector. However, cement supply remains high (an additional 5 million tons of capacity is expected in 2026 from the Hoang Long 2 Cement Project in Phu Thọ and the Bach Dang Cement Project in Hai Phong, bringing the total industry production capacity to around 130 million tons). In addition, rising fuel prices are driving up input costs for cement production, and higher transportation costs are putting pressure on selling prices. In this context, cement companies need to ensure operational efficiency while maintaining competitiveness to secure market share and increase sales volume.

- Cement export activities are increasingly challenging as many countries strengthen domestic production protection through taxes and technical barriers such as anti-dumping duties, safeguard tariffs, import permit requirements, and strict environmental and emission standards for products exported to markets like the U.S., South Africa, and Europe. Moreover, competitive pressure from surplus supply sources in the Middle East, Pakistan, Indonesia, and Turkey continues to rise.

## **B. Production, Business, and Investment Plan for 2026**

### **I. Main Targets for Production, Business, and Investment in 2026**

Based on the production and business results of 2025, the capacity to mobilize machinery and equipment for production, and the forecasted demand for cement in the upcoming period, Vicem Hoang Mai Cement Joint Stock Company has established the production, business, and construction investment plan for 2026 as follows:

#### 1. Production volume:

- *Self-produced clinker: 1,358,710 tons.*

- *Cement (including outsourced processing): 1,636,000 tons.*

#### 2. Sales volume:

- *Total sales volume: 1,866,000 tons, including:*

- + *Clinker: 230,000 tons;*
- + *Cement (including outsourced processing): 1,636,000 tons.*
- 3. Revenue and other income: VND 1,627.0 billion.
- 4. Profit before tax (excluding foreign exchange differences): VND 27.3 billion.
- 5. Profit after tax (excluding foreign exchange differences): VND 27.3 billion.
- 6. Post-tax profit margin (excluding foreign exchange differences) on charter capital: 2.83%
- 7. Dividend payout ratio: 0%
- 8. Payment to State Budget: VND 56.2 billion.
- 9. Total wage fund: VND 153.0 billion.
- 10. Planned workforce: 700 people.
- 11. Construction investment:
  - Planned volume: VND 130.8 billion.
  - Planned payment: VND 198.9 billion.

## **II. Key Measures to Implement the 2026 Production, Business and Construction Investment Plan**

To achieve the 2026 production, business, and construction investment plan, the Company needs to implement the following main measures:

### **1. Production**

- Maintain stable operation of equipment and reduce production consumption by identifying optimal operating parameters, especially for the kiln section when the waste heat recovery power generation system is in operation, in order to ensure productivity, product quality, consumption efficiency, and stable power generation capacity.
- Develop operational plans and closely monitor costs for each production stage; implement reductions in variable costs and maintenance expenses to improve production efficiency.
- Strengthen maintenance, supervision, and equipment inspections to enable timely repairs and prevent malfunctions; comply with the practice of avoiding no-load or unnecessary peak-hour operation to reduce electricity unit costs and contribute to lower production electricity expenses.
- Strengthen research and application of scientific and technical advancements in production; implement solutions to minimize the use of fossil raw materials and fuels in clinker and cement production, gradually replacing them with alternative raw

materials and fuels such as industrial waste, refuse, sludge, ash, slag, and artificial gypsum. This contributes to promoting a circular economy and green economic development in cement production.

- Optimize the operation of systems using alternative raw materials and fuels (such as bark, fabric scraps, sludge, liquid waste...) and co-processing of waste in accordance with actual production conditions and legal regulations.

- Optimize the operation of systems using alternative raw materials and fuels (such as bark, fabric scraps, sludge, liquid waste...) and co-processing of waste in accordance with actual production conditions and legal regulations.

- Ensure close coordination between production and sales units to review and develop optimal kiln operation plans, minimizing clinker dumping to the lowest possible level.

## ***2. Product consumption***

- Implement coordinated measures to boost bagged cement sales, linked to the objective of stabilizing the final selling price, specifically:

- + Proactively roll out from the beginning of 2026 programs related to the structure of the retail network, sales policies tied to sales volume, and pricing regulations.

- + In areas where bagged cement market share remains low: closely coordinate with distributors to rigorously implement customer-attraction measures (servicing homeowners, contractors, etc.), while being flexible with sales policies to drive consumption when market demand arises, especially in the residential segment.

- + Continue to expand and maintain the loyalty store program to consolidate bagged cement market share in districts with high share (North Nghe An); simultaneously, promote the Maxpro cement and KPK 40 bag programs through contractors and homeowners in districts and towns with low market share (Southwest Nghe An, Ha Tinh, Quang Binh, Quang Tri, Khanh Hoa).

- Enhance market coordination efficiency with other cement producers, coordinating strictly between groups and store associations in Nghe An and Ha Tinh, combined with reward and penalty mechanisms to increase cement selling prices and maintain stable prices after adjustments.

- In addition to consolidating sales volumes at traditional commercial batching plants, proactively engage with projects and construction works from the early stages; maintain and develop cooperative relationships with major construction corporations and companies (Deo Ca, Sun Group, Phu Xuan, Xuan Truong, Hop Luc, etc.). Implement a professional approach for project engagement and supply, including gathering complete information and developing specific supply plans (competitive capacity, suppliers, relationships, pricing policies, etc.).

- Closely coordinate with the production division to understand and capture the demand for special-purpose cement for national key projects such as ports, tunnels, bridges, and wind turbine foundations, in order to develop suitable production plans for special cements such as Type II, PC50, and marine-resistant cement, which have higher selling prices and are supplied to port projects in Central and Southern regions (Cua Lo deep-water port, Quang Tri, Da Nang, Quang Ngai, etc.).

- Perform internal cement processing within VICEM to optimize logistics costs and maintain stability in the customer network.

### ***3. Construction and Investment Activities***

- Hoang Mai Cement 2 Project – Phase 1:

+ Project location: Review and study local planning and other necessary conditions (market, products, capital, etc.) to develop an implementation plan; coordinate with the People's Committee of Nghe An Province, the Department of Construction, and other relevant authorities and localities to establish a feasible approach for project implementation.

+ Project raw material sources: Settle payments for exploration contracts of the Bac Thang limestone mine and Da Bac clay mine; coordinate with consulting units to study and propose the most feasible project plan in order to obtain mining permits for Bac Thang limestone mine and Da Bac clay mine.

- Waste Heat Recovery for Power Generation Project – Hoang Mai Cement Plant: Completed the settlement of contracts and the project.

- Vicem Hoang Mai General Port Project at Dong Hoi – Nghe An:

+ Coordinate with consulting units to complete the Project Investment Proposal Report and carry out procedures for submission to the People's Committee of Nghe An Province and the Department of Finance for review and approval of the investment policy.

+ Prepare and appraise the Project Investment Proposal Report; submit the report to the VICEM equity representatives at the Company for review and agreement, and then forward to VICEM as required; conduct surveys and prepare the Project Feasibility Study Report.

- Vicem Hoang Mai Cement Grinding Station Project at Dong Hoi – Nghe An:

+ Coordinate with VICEM departments to work with the People's Committee of Nghe An Province and relevant authorities to resolve project-related issues.

+ Work with consulting units to re-evaluate the project's feasibility based on current information (market, raw material sources, product mix, etc.) to decide on project continuation; on that basis, study and develop suitable proposals for investment.

+ Report to VICEM on the project implementation status and propose that VICEM support the Company in coordinating with the People’s Committee of Truong Lam Commune and relevant authorities of Nghe An Province to resolve project-related issues.

- Hoang Mai B Limestone Mining Construction Investment Project:

+ Work with the People’s Committee of Truong Lam Commune and the Department of Agriculture and Rural Development of Thanh Hoa Province to complete land lease procedures.

+ Coordinate with consulting units to finalize the application for re-issuance of the Hoang Mai B limestone mining license and work with competent state management authorities to carry out the required procedures in accordance with regulations.

- Quynh Vinh Clay Mine Adjustment Project:

+ Work with the People’s Committee of Hoang Mai Ward to complete land lease procedures.

+ Coordinate with consulting units to work with relevant authorities to obtain guidance for completing the adjustment application for the Quynh Vinh clay mining license.

- Removal of Branch Line into Hoang Mai Cement Plant Project: Complete preparation, appraisal, and approval of the economic-technical report; organize contractor selection and carry out construction; project completed.

- Conversion of 123EP1 Electrostatic Dust Filter to Bag Filter Project: Carry out construction; complete acceptance of the project, hand over for use, and settle project capital.

- Implement investment in other projects under the 2026 construction investment plan currently submitted to VICEM for agreement and approval.

#### ***4. Management and Administration***

- Strengthen supervision and closely monitor the implementation of the Company’s production, business, and construction investment plans.

- Implement synchronized management solutions to control costs, practice thrift, and prevent waste to enhance production and business efficiency.

- Continue to promote the application of information technology and digital transformation in production and business; focus on digitizing production, sales, and management activities to improve transparency, timeliness, and effectiveness in operations.

- Carry out organizational restructuring linked with reasonable labor arrangement in line with the Company's production and business situation; improve labor efficiency, reduce costs, and enhance employee income.

- Ensure proper occupational safety, labor hygiene, security, fire prevention, and environmental protection to safeguard employees and equipment, preventing environmental incidents that could affect the community.

The above is the report on the Production & Business and Construction Investment results of 2025 and the Production & Business and construction Investment Plan for 2026 of Vicem Hoang Mai Cement Joint Stock Company. The Company's Board of Directors respectfully submits this report to the General Meeting of Shareholders./.

***Recipients:***

- General Meeting of Shareholders;
- Company Secretary;
- File: Office, Board of Directors.

**FOR AND ON BEHALF OF BOARD  
OF DIRECTORS  
GENERAL DIRECTOR**

**Nguyen Dinh Dung**

