**BTS: Solutions and roadmap to address the situation of securities put under alert**

On April 4, 2024, Vicem But Son Cement Joint Stock Company announced Official Dispatch No. 664/BTS-TCKT on measures and roadmap to address the situation of securities put under alert as follows:

In 2023, the cement industry faced unprecedented challenges as cement and clinker consumption declined significantly. The cement supply continued to far exceed demand, leading to increasingly fierce competition. Input costs increased significantly, leading many factories to operate intermittently or shut down kilns.

The cement and clinker export market faced many difficulties: The real estate market in China showed no signs of recovery; the demand for clinker imports from Bangladesh and China decreased; the Philippines implemented many protectionist policies for domestic production; competition from surplus supply sources in the Middle East, Southeast Asia... led to a sharp decline in the export prices of cement and clinker (FOB Quang Ninh) compared to the end of 2022.

Due to the aforementioned objective conditions, the cement consumption volume in 2023 of the Company decreased by 391,776.71 tons (equivalent to a decrease of 12.43%) compared to the same period last year; net revenue from sales and service provision in 2023 sharply declined, leading to negative profit after tax for the year 2023 and undistributed profit after tax as of December 31, 2023.

Given the aforementioned situation and the forecasted economic and business conditions in the near future, the Company has devised the following roadmap and measures to address the challenges:

The company has developed an operational production and business plan for 2024 based on all areas, saving all costs, and focusing on resolute management of key areas, specifically:

1. Manufacturing sector

* Ensure tight coordination between production and consumption sectors, select the most effective kiln operation plan, optimize operations, use coal with low heat rate (aiming to increase the rate of 5b coal to ≥ 70%), alongside maximize the utilization of alternative fuels and co-process hazardous waste (targeting utilization rate of thermal alternative fuels ≥ 32% and sludge of ≥ 12.3%), maintain efficient operations for two waste heat recovery systems for power generation.
* Conduct research on new products characterized by high quality, fine texture, strong adhesion, ease of application, waterproofed, crack resistance, enhancing longevity for structures, reducing CO2 emission, attaining green certifications, and environmental friendliness.
* Implement cost-saving measures in production rigorously, and continue to advance initiatives for innovation to minimize raw material and fuel consumption, reduce reliance on non-renewable resources, cut down production costs, and collectively participate in environmental preservation efforts, specifically:
* Increase the use of alternative raw materials, fuels, fly ash, thermal power, and artificial gypsum in clinker and cement production.
* Continue to promote the use of hazardous waste as alternative raw materials and fuels, as well as co-process waste in cement production, to generate profits for the company.
* Research on heat extraction options to dry waste from socialized capital.
* Develop a test plan for mixing pre-ground fine slag into cement to produce slag cement.
* Implement the procedures to obtain "Green" product certification to qualify for the European market under the Carbon Border Adjustment Mechanism (CBAM). Prepare the necessary conditions to participate in the Carbon Credit market as approved by the Vietnam Cement Industry Corporation (VICEM).

1. Consumption sector

* Ensure close coordination with the distribution network, issue flexible sales policies tailored to each region and product type, aim to increase sales volume and variety of cement products in core markets to maximize efficiency for the Company.
* Engage with investors, management boards, and contractors of large-scale public investment projects to secure cement supply contracts and enhance long-term collaboration in the coming years such as: The Belt Road 4, Dien Bien Airport, Yen Bai Airport, Hoa Binh 2 Hydroelectric Plant, several small hydroelectric plants in the Northwest region, Tam Toa Bridge, So Bridge - Nam Dinh, Phu Thu interchange, …
* Work with commercial partners and coordinate with the holding company to seek additional export orders to support the domestic market during periods of low market demand.
* Maintain and stabilize product quality to enhance competitiveness against cement brands outside of VICEM; Diversify products to maximize market segment coverage; On March 18, 2024, the Company officially launched a new product line named "PCB30 Multi-purpose But Son Xanh Cement", manufactured from high-quality raw materials and modern technology, providing construction solutions for all building categories. The launch of new products has contributed to improving the Company's competitiveness in the market.
* Deploy IT application in sales, business, and transportation management; Increase profits for distribution systems in areas; Strengthen marketing for construction works, projects, and mixing stations.
* Continue to deploy customer support services; Maintain effective operation of the non-stop export process to minimize shipping time and increase vehicle turnover for customers.