**BCC: Explanation on the situation of securities put under alert**

On April 11, 2024, BimSon Cement JSC announced Official Dispatch No. 904/XMBS-TCKT on measures and roadmap to overcome the situation of securities put under alert as follows:

According to the Consolidated Financial Statements 2023 of BimSon Cement JSC audited by Deloitte Vietnam Audit Company Limited, undistributed profit after tax as of December 31, 2023 was negative. The Company would like to explain and provide a roadmap for overcoming as follows:

In 2023, the world continued to face numerous difficulties and challenges; monetary policies tightened, and global public debts reached record levels; ongoing military conflicts between Russia and Ukraine, as well as escalating tensions between Israel and Hamas in the Middle East, have had significant impacts on global supply chains for energy, food, etc…; instability in geppolitics, food security, natural disasters, and climate change has also been on the rise.

The real estate market did not show signs of recovery, constructions and projects were slow in implementation and faced delays due to difficulties in funding and slow disbursement of public investment, the supply of cement continued to exceed demand (In 2023, the cement supply was around 117.8 million tons, while domestic cement consumption was only between 56-56.5 million tons), leading to increasingly fierce competition.

Interest rates for loans tended to decrease but still remained high, credit supply was tightened, causing difficulties in accessing capital for business operations; input costs for production were still high, while the market demand was challenging.

The prices of raw materials for cement production tended to decrease but still remained at high levels; the average retail electricity price increased by 3% starting from May 4, 2023, and further increased by 4.5% starting from November 9, 2023. The trend of shifting demand from bagged cement to bulk cement continued to increase, reducing the business efficiency of cement manufacturing companies as the added value and brand value were mainly associated with bagged cement.

The domestic consumption and export of cement and clinker declined, leading to a sharp increase in inventory, which led to the reduction of the production capacity or halt of kilns to limit the dumping of clinker. This led to the decrease in the efficiency in production and business. Cement manufacturing companies faced high inventory levels. In response to this pressure, they must be flexible in adjusting sales policies and reducing prices to compete and limit the decline in consumption and maintain market share.

Due to the aforementioned objective conditions, the company's consumption volume in 2023 decreased by 1,167,890 tons (equivalent to a decrease of 27%) compared to the same period, the revenue from sales and service provision also decreased, while the cost of goods sold increased, leading to the undistributed profit after tax as of December 31, 2023, was negative.

Given the actual situation in 2023 and the basis for forecasting the economic and business conditions in the near future, The Company develops a roadmap and corrective measures in the coming time as follows:

The company builds a production and business operating scenario in 2024 to save costs, drastically deploy and promptly implement solutions for each main field, specifically as follows:

1. Manufacturing field:

* Control the quality of input raw materials and fuel so that the 02 kilns operate stably and ensure clinker quality; Stabilize cement quality to meet customer requirements.
* Search and synchronously deploy measures to reduce wastage in production.
* Improve the quality of repair work, while increasing the proportion of self-repairs. Evaluate the causes of incidents, learn from experience to perform better preventative repairs
* Strictly control variable costs and repair costs to reduce production costs.
* Promote the implementation of "innovation-creativity" programs in production to minimize the consumption of raw materials, contribute to the use of non-renewable resources, reduce costs as well as contribute to protecting environment: Increase the use of alternative fuels and materials such as artificial plaster, ash and slag as adjustment materials

1. Consumption field:

* Regarding bagged cement: Closely coordinate with the system of distributors and large stores, promulgate flexible sales policies suitable to each area and each product type, increase sales volume in core markets to bring maximum efficiency for the Company.
* Regarding bulk cement: Build and adjust reasonable and effective selling prices, sign contracts directly to mixing plants, promote consumption in large projects and works such as bridges, hydropower plants, highway projects, etc.
* Regarding exported cement: Proactively seek orders to increase sales volume.
* Continue to deploy information technology applications in sales management

1. Investment field:

Coordinate with relevant units and sectors to implement and accelerate projects: The project utilizes excess heat to generate electricity; Tam Dien clay mine expansion phase 2 to improve the production and business efficiency.

1. Financial field:

* Ensure balance of capital for production and business and capital for investment
* Re-negotiate loan interest rates to reduce short-term loan interest rates.