**POM: Explanation of restricted shares and remedy plan**

On May 29, 2024, Pomina Steel Corporation announced Official Dispatch No. 36/BGD/2024 as follows:

1. The reason for the late submission of the audited Financial Statements for 3 consecutive years and overcoming negative working capital.
2. The effects of the COVID-19 pandemic. In 2021, when the epidemic broke out, it was also the period when Pomina Steel Corporation was building the blast furnace project, leading to the project's extended time for installation, testing, and preparation for operation. The COVID-19 pandemic caused many incurred expenses causing project investment capital to increase significantly compared to the initial estimate.
3. The impact of the Russia-Ukraine conflict and China's zero COVID policy. The entire Vietnamese economy fell into crisis, the real estate industry froze when capital mobilization sources were tightened, loan interest rates increased sharply as well as inflation was accompanied by tightening monetary policies to control inflation, which caused Pomina Steel Corporation to both cut production output and erode profits, leading to negative working capital (short-term debt is greater than current assets).
4. Facing the difficult situation, Pomina Steel Corporation had to re-arrange and stabilize production and business activities to gradually and comprehensively restructure the enterprise. Therefore, collecting information, comparing documents, confirming debts, and negotiating with suppliers to delay payments took a lot of time to audit the Financial Statements of Pomina Steel Corporation.
5. The restructuring process of Pomina Steel Corporation up to now, although there have been positive changes, has also encountered many difficulties related to legal regulations, investor caution, preconditions, etc. Specifically, the transfer of shares to foreign investors has been hindered by the transfer rate not exceeding 50% according to the regulations of the State Securities Commission. This regulation could not meet the requirements of foreign investors as originally agreed with Pomina Steel Corporation according to the transfer rate of 51% of shares. Forcing Pomina Steel Corporation to look for opportunities to cooperate with domestic investors.
6. Remedy plan of Pomina Steel Corporation

In recent times, Pomina Steel Corporation also held the Extraordinary General Meeting of Shareholders on March 1, 2024 to ask shareholders for approval to allow Pomina Steel Corporation to transfer a part of its assets to cooperate with investors through a new legal entity (this is a prerequisite for investors that Pomina Steel Corporation needs to be approved by the General Meeting of Shareholders) and for the adjustment to increase project investment capital and was approved by shareholders.

This is the basis for Pomina Steel Corporation to work with investors in the restructuring plan as well as provide auditors to consider and evaluate the ability to assume continuous operations through solid evidence supporting this assumption to overcome the negative working capital situation.

Therefore, Pomina Steel Corporation is actively accelerating the progress of working with investors to soon have an investment cooperation agreement to provide to the audit company. Therefore, up to now, Pomina Steel Corporation has not been able to issue the Financial Statements. Currently, the Company is in the final stages with investors and an audit company to urgently complete the Financial Statements 2023, so it will be announced immediately after completion no later than June 20, 2024. At the same time, the Company has been making efforts to have complete reporting documents for the Annual General Meeting of Shareholders 2023 which is expected to be held as soon as possible.

As stated above, for reasons that investors are still considering progress, legality, and technology to announce the Cooperation Agreement, so it will take a certain amount of time. Pomina Steel Corporation respectfully submits to your agencies for consideration and creating conditions for our restructuring plan to be successful.