

No: 19/TM-HDQT

Ho Chi Minh City, February 14, 2025

INVITATION LETTER
TO ATTEND THE 2025 ANNUAL GENERAL MEETING OF SHAREHOLDERS

To: Shareholders of VNSTEEL – Nha Be Steel Joint Stock Company

Pursuant to the Law on Enterprises and the Charter of VNSTEEL – Nha Be Steel Joint Stock Company, the Board of Directors cordially invites you to attend the 2025 Annual General Meeting of Shareholders:

- Time: 8:30', March 07, 2025
- Location: Hall of Nhon Trach Branch - VNSTEEL – Nha Be Steel Joint Stock Company
Nhon Trach 2 Industrial Park - Nhon Phu, Phu Hoi Commune, Nhon Trach District, Dong Nai Province
- Content: As per the attached agenda
- Participants: All shareholders listed on the shareholder register of VNSTEEL – Nha Be Steel Joint Stock Company as of the registration deadline, 04/02/2025, or their duly authorized representatives are entitled to participate in the Meeting.

To facilitate the organization of the Meeting, we kindly request you to confirm your attendance or authorize your representative to attend by 15:00' on 05/03/2025 via this contact:

NHON TRACH BRANCH - VNSTEEL – NHA BE STEEL JOINT STOCK COMPANY
Nhon Trach 2 - Nhon Phu Industrial Park, Phu Hoi Commune, Nhon Trach District, Dong Nai Province

Phone number: (0251) 3569 672 – Fax: (0251) 3569 673

Original registration/authorization forms must be provided at the Organizing Committee's reception desk, prior to the commencement of the meeting.

Updates regarding the Meeting along with relevant material, shall be found on www.nbsteel.vn

Sincerely./.

Recipients:

- As above;
- BOD, BOS
- Archived: General Affairs
Division, BOD

On behalf of the Board of Directors
CHAIRMAN OF THE BOARD OF DIRECTORS



Pham Cong Dung

VIET NAM STEEL CORPRATION

VNSTEEL – NHA BE STEEL JOINT STOCK COMPANY

4th Floor, Representative Office Building in Ho Chi Minh City, Vietnam Steel Corporation – 56 Thu Khoa Huan, Ben Thanh Ward, District 1, Ho Chi Minh City

Telephone: (028) 38 298 244 Fax: (028) 38 298 245



DOCUMENT

ANNUAL GENERAL MEETING OF SHAREHOLDERS 2025

Ho Chi Minh City, February 2025



PROGRAM
ANNUAL GENERAL MEETING OF SHAREHOLDERS 2025
VNSTEEL - NHA BE STEEL JOINT STOCK COMPANY
March 07, 2025

1. CEREMONIAL PROCEEDINGS

- 8:00 AM – 8:30 AM ▪ Welcoming Shareholders
- 8:30 AM – 8:35 AM ▪ Flag Ceremony, Declaration of the Meeting’s Purpose, Introduction of Delegates
- 8:35 AM – 8:40 AM ▪ Report on Verification of Shareholder Attendance Eligibility
- 8:40 AM – 8:45 AM ▪ Chairman of the Board of Directors opens the Meeting, approves the list of the Presidium, and appoints the Meeting’s Secretary

2. MEETING AGENDA

- 8:45 AM – 9:00 AM ▪ Approval of the Agenda and Meeting Regulations
- 9:00 AM – 9:15 AM ▪ Report on the Board of Directors' Activities, Production and Business Results of 2024, and the Plan for 2025
- 9:15 AM – 9:30 AM ▪ Report of the Supervisory Board
- 9:30 AM – 10:00 AM ▪ Submission to the Meeting of proposals for the approval of: the 2024 Audited Financial Statements; Remuneration for the Board of Directors and Supervisory Board; Profit Distribution for 2024; Production, Business, Financial, and Investment Plan for 2025; Authorization for the Board of Directors to approve sales contracts with related companies; Authorization for the Board of Directors to approve credit limits for sales on credit; Selection of an Independent Audit Company for 2025; Personnel of the Board of Directors; Profit distribution plan for 2025.
- 10:00 AM – 10:15 AM ▪ Coffee and Tea Break
- 10:15 AM – 10:40 AM ▪ Discussion, Question & Answer Session
- 10:40 AM – 11:00 AM ▪ Voting to ratify meeting's agenda as reported
- 11:00 AM – 11:15 AM ▪ Approval of the draft Resolution of the General Meeting
- 11:15 AM – 11:25 AM ▪ Approval of the Meeting Minutes
- 11:30 AM ▪ Meeting Conclusion and Adjournment

ORGANIZING COMMITTEE

No: 21/TM-HĐQT

Ho Chi Minh City, February 14, 2025

WORKING REGULATIONS
ANNUAL GENERAL MEETING OF SHAREHOLDERS 2025
Nha Be Steel Joint Stock Company - VNSTEEL

To ensure the principles of openness, fairness, democracy, and compliance with the Charter, facilitating the organization and conduct of the General Meeting of Shareholders.

The Board of Directors of VNSTEEL - Nha Be Steel Joint Stock Company respectfully requests the General Meeting of Shareholders to approve the Working Regulations for the General Meeting as follows:

I. ORDER OF THE GENERAL MEETING

1. Upon entering the meeting room, shareholders must be seated in the designated area as instructed by the Organizing Committee and refrain from smoking in the meeting room.
2. Refrain from private conversations and the use of mobile phones during the General Meeting. Kindly set all mobile phones to vibrate and exit the meeting room if a call needs to be made.

II. VOTING ON MATTERS AT THE GENERAL MEETING

1. Principles

- All matters on the agenda of the General Meeting shall be resolved through a vote by raising voting cards by shareholders.
- Shareholders or their authorized representatives are issued Voting Cards, which indicate the shareholder code, the number of shares eligible for voting, and bear the seal of VNSTEEL - Nha Be Steel Joint Stock Company.

2. Voting Procedures: Shareholders express their vote (agree, disagree, abstain) by raising their voting cards. To approve a matter, agreeing shareholders shall raise their voting cards as guided by the Chairperson of the General Meeting.

3. Voting Regulations

- Each share held or represented has one voting unit.
- Pursuant to Clause 1, Article 21 of the Company Charter, Resolutions of the General Meeting of Shareholders on the following matters shall be adopted when approved by at least 65% of the total votes of all attending shareholders with voting rights:
 - a) Type of shares and total number of each type of share;
 - b) Change in industries, trades, and business lines;
 - c) Changes in the management structure of the Company;
 - d) Investment projects or sale of assets valued at 35% or more of the total asset value stated in the most recent financial statements of the Company, and
 - e) Reorganization, dissolution of the Company;

- Clause 2, Article 21 of the Company Charter stipulates that other Resolutions are passed when they are endorsed by shareholders representing at least 50% of the total votes of all shareholders present at the meeting.

III. STATEMENTS AT THE GENERAL MEETING

- Shareholders attending the General Meeting who wish to make statements or discuss matters must register the content of their statements and receive approval from the Chairperson.

- Method of Speaking: Shareholders shall speak concisely and focus on the key content needing discussion relevant to the approved agenda of the General Meeting. The Chairperson will arrange for shareholders to speak in the order of registration, and concurrently address the queries from the shareholders, or will address such later through formal written channels, when applicable and more suited to respond properly to said queries.

IV. RESPONSIBILITIES OF THE CHAIRPERSON

1. Preside over the General Meeting of Shareholders in accordance with the agenda and regulations approved by the General Meeting of Shareholders. The Chairperson shall work on the principle of democratic centralism, and decisions shall be based on a majority vote.

2. Guide the General Meeting of Shareholders in the discussion and voting procedures, on matters listed within the agenda and related matters throughout the duration of the meeting.

3. Resolve issues arising throughout the duration of the General Meeting of Shareholders.

V. RESPONSIBILITIES OF THE SECRETARIAT

1. Fully and accurately record the entire proceedings of the General Meeting, including matters approved by shareholders and any outstanding issues noted during the meeting.

2. Prepare the Minutes of the General Meeting and draft Resolutions on matters that have been approved at the meeting.

VI. RESPONSIBILITIES OF THE BALLOT COMMITTEE

1. Verify election results and record shareholder votes concerning specific resolutions at these convenings.

2. Promptly notify the Secretary of the voting results.

VII. MINUTES OF THE GENERAL MEETING OF SHAREHOLDERS

All content at the General Shareholders' Meeting must be recorded by the Secretary in the Minutes of the General Shareholders' Meeting. The resolutions of the General Shareholders' Meeting must be read and approved before the meeting is adjourned.

The above is the complete working regulation for the 2025 Annual General Shareholders' Meeting of VNSTEEL - Nha Be Steel Joint Stock Company. We respectfully submit it for the meeting's consideration and approval.

Recipients:

- NBS Shareholders;
- Archived: Corporate Secretary, BOD

**ON BEHALF OF THE BOARD OF DIRECTORS
CHAIRMAN**



Pham Cong Dung

No: 22/ BC-TNB

Ho Chi Minh City, February 14, 2025

REPORT
ACTIVITIES OF THE BOARD OF DIRECTORS, PRODUCTION RESULTS
BUSINESS PERFORMANCE IN 2024 AND DIRECTION FOR 2025

1. ACTIVITIES OF THE BOARD OF DIRECTORS

1.1. Assignment of duties to members

The Board of Directors consists of 5 members and is assigned as follows:

- Mr. Le Viet - Specialized Chairman of the Board of Directors, responsible for the general management and development of the company's development policies, was dismissed as Chairman of the Board of Directors on 17/01/2025.

- Mr. Nguyen Minh Tinh - General Director, legal representative of the Company, responsible for the preservation and development of the Company's assets.

- Mr. Nguyen Huu Khanh – Deputy General Director, responsible for technical work, quality policy, and participates in building medium and long-term plans.

- Mr. Pham Cong Dung – Non-executive Member, Chief of Office of the Corporation, responsible for coordinating between the Company's Board of Directors and the specialized departments of Vietnam Steel Corporation. Mr. Pham Cong Dung was appointed as Chairman of the Board of Directors according to Resolution No. 16/NQ-HĐQT dated 17/01/2025.

- Ms. Nguyen Thuy Ly - Non-executive Member, participates in the development of the company's medium and long-term plans.

1.2. Issuance of operating regulations

During the year, the Board of Directors amended and supplemented the Regulations on the sale of steel products.

1.3. Board of Directors Meetings

- From the Annual General Meeting of Shareholders in March 2024 and the Extraordinary General Meeting of Shareholders in July 2024 to the present, the Board of Directors has held 4 periodic meetings with the following contents: reviewing and evaluating the production and business results of each quarter in 2024, approving regulations and solutions for corporate governance.

- The Board meetings were conducted in accordance with proper procedures, ensuring the quality of work and issuing resolutions for implementation.

1.4. Assessment of the Board of Directors' ability to perform its duties

Based on the principles of prioritizing the interests of the company, shareholders, obligations to the state, and the interests of employees, despite limitations in business and marketing strategies and investment strategies due to the specific conditions of the Company, the Board of Directors has made considerable efforts to lead the company through difficulties.

2. RESULTS OF IMPLEMENTING PRODUCTION AND BUSINESS TASKS AND OTHER ACTIVITIES IN 2024

2.1. General Situation

- 2024 was a turbulent and challenging year for the global economy as it faced a series of challenges, declining growth, rising bad debts, sluggish investment, and the undesirable consequences of geopolitical instability, the escalating Russia-Ukraine war, and the outbreak of the Israel-Hamas conflict.

- The global steel market faced many macroeconomic issues related to inflation, economic recession, and the risks of a global financial crisis, which significantly impacted the supply and demand of steel worldwide, leading to instability. Demand from major markets around the globe continued to decline, and despite a prolonged period of weakness, the global steel market had not yet shown many signs of recovery.

Amidst sluggish global economic and trade growth, the Vietnamese economy has seen some improvement, albeit not as substantial as anticipated, owing to the Government's endeavors to stabilize the macro-economy, maintain reasonable interest rates, and implement supportive policies for businesses.

The domestic market is still characterized by a significant supply surplus, compelling brands to engage in fierce competition for market share in both construction and civil sectors. Additionally, the declining real estate market coupled with delays in public investment projects, and rising borrowing costs due to banks collectively raising lending rates and tightening credit, have sharply curtailed demand for construction steel while diminishing business efficiency.

The Cambodian export market is experiencing slow consumption and faces intense pressure as Chinese and Southeast Asian steel prices continue their steep decline for finished products. Southern Steel /V/ rebar faces stiff competition in export prices from Hoa Phat, Tay Do, ...

2.1.1. Advantages

Always receiving close and appropriate guidance and support from the leadership of the Corporation, along with the active assistance of the functional departments of the Corporation and the coordinated support of units within the steel system /V/ in providing raw materials and consuming rebar and rolled steel products.

The team of employees is united, consensus-driven, dynamic, and creative, overcoming challenges through various solutions to increase consumption output, reduce costs, and maintain a stable workforce.

The management system in production is effectively utilized, contributing to the control of technology and quality, with the proportion of defective products and products with poor surface quality gradually decreasing, and the quality of packaging being improved, thereby enhancing the brand reputation of steel products /V/ in the market.

2.1.2. Challenges

- The products of rebar, rolled steel, and angle steel are all produced on the same Pomini rolling mill, which necessitates frequent changes in product types, affecting productivity and equipment efficiency, and complicating scheduling efforts. The company is not proactive in securing its raw material supply of steel billets, and its profits heavily depend on the price differential between steel billets and finished steel products. The steel products in the market face strong competition regarding selling prices and production costs.

- Angle steel products are of a smaller size and, despite their reputable quality, face limitations when participating in construction orders. They are strongly competed against by similar products of inferior quality at lower prices and are gradually being replaced in the consumer market by box steel products. Therefore, it is challenging to expand market share to increase output.

- Production is at a low volume, achieving only 65% to 70% of the rolling line's capacity, with frequent downtimes and production halts, which increases product costs and consumption rates, significantly impacting profit margins. Additionally, labor productivity per person has decreased, leading to lower incomes, which greatly affects recruitment and retention efforts, especially for young and skilled workers.

- The company's financial capacity is limited, with working capital for purchasing steel billets primarily sourced from bank loans. This is particularly challenging during months of low sales, making it difficult to manage short-term debt obligations.

2.2. Implementing the Resolution of the 2024 Annual General Meeting of Shareholders

2.2.1. Plan

- Production - Consumption: 97,000 tons of rolled steel
- Revenue: 1,477 billion VND
- Profit before tax: 3 billion VND

2.2.2. Implementation Results

- Production reached 94,848 tons, achieving 97.78% of the plan and equal to 99.95% compared to the same period last year. In which:

+ Angle steel production reached 30,255 tons, an increase of 26.06% compared to the 2024 plan and an increase of 11.2% compared to the same period last year.

+ Deformed steel bar production reached 55,733 tons, equal to 91.37% compared to the 2024 plan, and equal to 95.77% compared to the same period last year.

+ Rolled steel production reached 8,861 tons (Production: 7,855 tons; processing: 1,006 tons), equivalent to 73.84% of the 2024 plan, equal to 93.30% compared to the same period.

- Consumption reached 95,775 tons, achieving 98.74% of the plan and increasing by 0.17% over the same period last year. Details are as follows:

+ Angle steel consumption reached 31,050 tons (export: 15,356 tons; domestic: 15,694 tons), a 29.38% increase compared to the 2024 plan, and 14.43% increase year-over-year.

+ Deformed steel bar consumption reached 56,220 tons (export: 16,400 tons; domestic: 39,820 tons), reaching 92.16% of the 2024 plan and equaling 94.11% of the same period.

+ Rolled steel consumption reached 8,504 tons, reaching 70.88% of the plan, and equal to 97.3% compared to the same period.

- Net revenue reached 1,391,432 billion VND, equal to 96.16% of the annual plan.

- Profit before tax: 2,953 billion VND.

- Salaries:

+ Total employee payroll: 28,505.040 million VND

+ Total management payroll: 2,140.03 million VND

+ Total remuneration of the non-executive members of the Board of Directors and Supervisory Board: 174 million VND.

2.3. Implemented Contents

2.3.1. Production and Business Activities

(Please refer to Appendices 01 and 02 of the report)

2.3.2. Other Activities

2.3.2.1. Regarding corporate finance: effectively implement the regulations on financial accounting in business operations and the financial regulations of the Company, while continuously improving solutions to enhance capital efficiency. Ensure full compliance with tax obligations and contributions to the state budget, manage debts effectively, and avoid the emergence of bad debts or difficult-to-collect receivables. Carry out regular financial reporting, inventory checks, and audits, and promptly address any shortcomings identified during audits.

2.3.2.2. Regarding Investment Activities for Procurement – Repair and Upgrade of Fixed Assets

+ Investment in additional fixed assets and upgrades:

* Five-seat car for production and business activities: Completed

* Steel bar counting and separating cluster: Installation completed. Collaboration ongoing with vendors for setup; initiating testing in progress with subsequent plans in progress with goals aligned

+ Major equipment repair:

* Completed: 4/5 items

* In progress: 1/5 items

+ Construction:

* Completed: 4/4 items

No.	Item	Approved Budget (Trillion VND)	Settlement (Trillion VND)	Note
Investment in additional purchase and upgrade of fixed assets				
1	Steel bar counting cluster	2,254.5	2,249.7	Installation completed. Undergoing test run and collection
2	5-seat car	1,600	1,568	Completed
Major equipment repair				
1	Cardan shaft support assembly – Roughing mill	190,000,000		In progress (Budget: 155,336,990 VND)
2	Deawoo D70S forklift	150,000,000	135,350,000	Completed
3	CNC machine repair	230,000,000	199,800,000	Completed
4	Roller conveyor K8 repair	50,000,000	35,757,188	Completed
Major construction and repair				
1	Regular maintenance	300,000,000	290,066,286	Completed
2	Renovation and alignment of crane runway girder in CD bay	450,000,000	385,220,000	Completed
3	Repair of mechanical workshop roof	250,000,000	195,306,509	Completed
4	Renovation and upgrade of worker bathrooms	180,000,000	165,674,307	Completed

2.3.2.3. Regarding the investment project for rolled construction steel production – Supplementing the steel billet refining stage with a capacity of 150,000 tons of products/year:

+ Results and implementation plan:

- The tasks completed during the preparation phase for the project include: Issuance of the environmental permit – August 2023. Approval of the Detailed Project Report – May 2024. Approval of the Procurement Plan – August 2024. Issuance of private shares for the Vietnam Steel Corporation; Adjustment of the Investment Registration Certificate in October 2024; Planning for the connection and agreement on the route of the 110kV power line for the 40MVA transformer station;

- The tasks implemented during the execution phase include: Completion of contractor selection and organization of the implementation of consulting packages (Package 15 – Electrical Design, Package 16 – Construction Design, Package 23 – Construction Design Verification, Package 24 – Electrical Design Verification) starting from October 2024; Additional geological survey drilling – January 2025; Organization of contractor selection for Package 1 – Main equipment for the steelmaking workshop starting from December 2024;

- The preparatory tasks according to the plan include: Completion of procedures for connecting the 110kV power source; Signing of the credit contract for commercial loan funding; Execution of procedures for obtaining a construction permit; Organization of bidding and implementation of contracts according to the approved contractor selection plan.

- Disbursed value: 2,457 million VND

+ **Regarding the private placement of shares to investors**, in order to implement the Resolution of the Extraordinary General Meeting of Shareholders in 2024, No. 81/NQ/ĐHĐCĐ dated July 29, 2024, the company has carried out the necessary tasks:

- Submitted the issuance dossier to the State Securities Commission (SSC) on 05/8/2024.
- Completed and submitted the 5th supplemental explanation document on 09/12/2024.
- The State Securities Commission of Vietnam (SSC) approved the private placement registration dossier on 07/01/2025.
- Sent notification to Vietnam Steel Corporation regarding share purchase payment for the private placement: From 15/01/2025 to 06/04/2025.

2.3.2.4. Regarding Electromechanical Engineering, Safety, and Product Quality:

- The rolling mill equipment is maintained for stable production. Efforts are made to implement production management plans and equipment management strategies to enhance management efficiency, promote cost-saving awareness in production, improve equipment utilization rates, and maintain stable average rolling productivity.

- Effectively leverage investment items that contribute to improving working conditions for employees and enhancing labor productivity.

- The company applies the ISO 9001/2015 quality management system, which operates stably. Quality management of products is always emphasized, ensuring compliance with regulations from the incoming raw materials to various production stages (such as stabilizing the base, surface quality, product packaging, etc.), contributing to ensuring product quality before market release. Over the past year, the promotion of technology applications in product quality management has improved the accuracy of data and its timeliness, effectively supporting the management of finished products and sales. The Quality Management, Business Planning, and Rolling Mill departments consistently collaborate well in this work, promptly and appropriately addressing customer feedback, which helps build customer trust in the Southern Steel brand. However, there were still 6 customer complaints this year: angle steel 50x50x3 – waviness; 50x50x4 - edge deviation; 50x50x6; 75x75x6 - warping; 30x30x3, 50x50x5 - short steel bars in the bundle. All complaints have been handled according to the correct procedures, in a timely and satisfactory manner.

2.3.2.5. Labor Organization and Office Administration.

- Labor at the beginning of the year: 151. Labor at year's end: 150. Yearly average: 152 employees

- The organization restructured labor, streamlined the management apparatus, and addressed workforce reductions: 15 were laid off, 7 retired, and 21 new workers were recruited.

- The practice of paying wages based on productivity, quality, and business efficiency was maintained. The average income for the year reached 16.27 million VND per person per month.

- A review of labor organization was conducted to align with production and business requirements. Recruitment of skilled labor faced challenges, but policies were implemented to retain a stable workforce. Social insurance, health insurance, unemployment insurance, allowances, and retirement benefits were provided in accordance with the law, ensuring workers' rights.

- The work of ensuring security and safety for the enterprise received careful attention. The company's dedicated security force, self-defense team, and fire prevention and fighting unit successfully fulfilled their duties, enhancing the role of the community protection network to prevent negative incidents within the unit and ensuring the absolute safety of assets, equipment, and order, especially during holidays and festivals. Close working relationships were maintained with police, military, and local authorities in the campaign to build a safe area.

- Specialized training, mentoring, and advanced training for management staff were implemented. Throughout the year, 291 individuals participated in training courses on professional skills, occupational safety and health, and total quality management, resulting in salary increases for 24 workers, which effectively supported the company's operations.

- A review, amendment, and supplementation of the company's regulations were carried out to align with current legal provisions and the regulations of the parent company, creating a legal framework for business operations.

- Software applications were deployed to ensure the smooth operation of company leadership, production, and sales activities.

- The continued application of software in management has yielded significant results.

- The installation of the corner steel bundling unit and the steel bar counting and separating machine was completed, enhancing production efficiency and reducing labor resources.

- Monthly financial analysis and cost benchmarking activities were maintained to control expenses and further promote savings, instilling a sense of responsibility among workers, particularly in monitoring electricity, gas, and scrap consumption.

- Efforts to promote initiatives and technical improvements were intensified, resulting in 18 recognized initiatives and solutions during the year.

- Attention was given to the management of company land that was allocated and leased, and investment in the steel smelting project was initiated to utilize the remaining land effectively.

- Management plans for equipment, production, and the company's structure were developed in preparation for the operation of the steel smelting project.

2.4. Existing issues

- The research and market assessment, production scheduling, and inventory optimization efforts have not been effective, failing to capitalize on market opportunities to increase the company's profits.

- In terms of technology and equipment management: the ability to predict failures, the quality of repairs and maintenance of equipment is lacking, coordination among departments is not fully synchronized, and there is insufficient adherence to plans, regulations, and processes in production management.

- The quality management efforts have made significant progress. However, during the year, there were six customer complaints, indicating that the implementation of quality

management is still somewhat limited, production benchmarks are unstable, and there are issues with warped corner products.

- The recruitment of skilled professionals and technical workers in the Nhon Trạch area is challenging and does not meet the company's needs. Training efforts have not kept pace with requirements, partly due to limited learning conditions arising from work and commuting constraints, and the training of personnel directly involved in production has not met expectations.

- The implementation of certain management plans and action programs has been slow, lacking innovation and breakthrough, resulting in low effectiveness.

- The relocation of the headquarters to Nhon Trạch, Đồng Nai has not been completed, as it is awaiting a decision from the tax authority regarding tax settlement.

3. TASK ORIENTATION 2025

3.1. Market Situation Assessment

- The demand for steel globally and domestically has not fully recovered, and the steel industry continues to face challenges.

- To reduce the surplus domestic supply, China will increase exports at low prices, which poses difficulties for local manufacturing companies.

- Domestic steel consumption is expected to recover as the real estate market improves and public investment is boosted. However, the steel industry continues to struggle due to rising raw material and energy input costs, which increase production expenses, while competitive selling prices are becoming more aggressive, making it difficult to achieve profitability in production and business operations..

3.2. Status of VNSTEEL - Nha Be Steel Joint Stock Company (TNB)

With the increasingly complex and unpredictable market situation both domestically and internationally, TNB, as a pure billet unit (without steel billet smelting), assesses the factors affecting the achievement of the targets for 2025 as follows:

- **Steel billets:** Due to the lack of control over the source of billets, there is a risk when prices fluctuate.

- Decreased consumption, high inventory levels, and banks reducing lending limits, while the company relies 100% on borrowed capital, affecting the company's funding sources.

- The consumption volume of rebar and rolled steel at TNB in 2025 is expected to improve compared to 2024, but will not see significant increases, as the market share of Southern Steel is shrinking, with strong price competition between the Southern Steel brand and other brands such as Hoa Phat Steel, VAS, etc. Southern Steel will increase its volume but will need to continue lowering prices to narrow the price gap for competitive sales, leading to ongoing profitability challenges in the residential segment SD295/CB300V.

- The consumption volume of domestic and export angle steel continues to face difficulties, with projects recovering slowly and fierce competition between domestic manufacturers and angle steel from China.

- The decline in production volume affects workers' income, posing a risk of experienced and skilled workers leaving and difficulties in recruiting replacements..

3.3. Developing the 2025 Plan

In light of the above assessments, based on the evaluation of the Company's performance results for 2024 and the condition of equipment and technology, the strategies and solutions that have proven effective in production and business will continue to be applied and improved with the goal of operating at full capacity, enhancing equipment efficiency, ensuring the livelihood, and increasing income for workers. The Company has developed a production and business plan, as well as a financial and investment plan for 2025 as follows:

3.3.1. Production – Financial – Investment Strategic Roadmap –

- Production: 110,000 tons of rolled steel
- Sales/ Consumption 110,000 tons of rolled steel.
- Net Revenue 1,601.745 billion VND
- Profit Before Tax 5 billion VND
- Profit After Tax 4 billion VND
- PAT / Charter Capital Ratio 2.3%
- Return on Assets (ROA): 1.1%
- Average employee income: strive to achieve over 16.5 million VND/person/month

3.3.2. Fixed Asset Investment, Procurement, and Upgrade Plan

3.3.2.1. Fixed Asset Procurement and Upgrade Investment Plan

No.	Project name, equipment, vehicle	Unit	Plan	Note
1	<i>Block Head Cutting Machine</i>	<i>Million Dong</i>	<i>3,600</i>	
2	<i>Billet Heating Equipment Set</i>	<i>Million Dong</i>	<i>13,500</i>	
TOTAL		Million Dong	17.100	

Total investment in fixed asset procurement and upgrade: 17.1 billion VND

3.3.2.2. Plan for investment in construction steel production – Addition of a steel billet smelting process with a capacity of 150,000 tons of product per year.

- Complete the procedures for connecting the 110kv power source;
- Sign credit contracts for commercial loan sources;
- Carry out construction permit application procedures;
- Organize bidding and implement contracts according to the approved contractor selection plan.
- Implement project management and execution tasks according to regulations

3.3.2.3. Plan for Private Placement of Shares to Investors

- On January 7, 2025, the State Securities Commission (SSC) issued official letter No. 106/SSC-QLCB regarding the receipt of the registration documents for the private placement of shares by Nha Be Steel.

- Based on this, on January 10, 2025, the Board of Directors approved a resolution regarding the timeline for the private placement of shares to investors from January 15, 2025, to April 6, 2025.

- Accordingly, within 10 days from the end of the offering period (when investors have completed their payment as required), the Company will report the results of the offering and submit the documents to the SSC in accordance with legal regulations.

- After the SSC issues a letter acknowledging the receipt of the Company's report on the results of the private placement of shares, the Company will proceed with the necessary procedures to register additional securities and register for additional trading, along with any other required legal procedures.

The Board of Directors' activities will focus on leading and directing the following issues:

3.4. Work Aspects

3.4.1. Legal Affairs

- Continue to supplement, update, and complete the Company's legal documents according to newly amended and supplemented laws.

- Regularly innovate and update the Company's business policies flexibly, efficiently, and suitably to the unit's characteristics and market demands.

- Monitor and promptly grasp the policies of the State (Central and local), and of the Industry to timely adjust and supplement the unit's operational direction, especially regarding international integration.

3.4.2. Product Development

- Continue to leverage the company's strengths in angle steel products, consolidate and expand the company's market share in the domestic market, and enhance the export of products to regional markets.

- Focus on developing additional high value-added product lines of shaped steel.

3.4.3. Finance and Investment

- Enhance the efforts to save production costs, increase capital turnover, and prevent the emergence of bad debts and uncollectible debts. Ensure compliance with financial and accounting regulations in business operations and the company's financial regulations.

- Promote the role of cost and price monitoring. Timely update and analyze cost data, pricing, financial analysis, and monthly sales costs to advise management on measures to organize business operations to achieve set goals.

- Conduct monthly financial analysis, practice cost-saving measures to combat waste throughout the company, actively seek reasonable interest rate loan sources, and implement cost reduction measures while continuously improving solutions to enhance capital efficiency.

- Ensure full compliance with tax payments, state budget contributions, and effective management of accounts receivable, avoiding the emergence of bad debts and uncollectible debts. Timely and accurately report periodic financial statements, conduct inventory checks, audits, and promptly rectify any shortcomings identified during audits.

- Bring new investment projects into stable operation, maximizing the effectiveness of investment projects to enhance labor productivity and product quality.

- Update new regulations in construction investment to implement investment items in accordance with the established guidelines.

- Implement procurement investment items in 2025 according to the plan, adhering to current regulations.

- Concentrate all resources on implementing the investment project for the steel refining process, ensuring labor safety, meeting deadlines, and complying with legal regulations. Develop plans for organizing the steel refining project, including funding, raw materials, organizational structure, recruitment, and personnel training.

3.5. Principal Solutions for 2025

3.5.1. Programs and Focal Points for Implementation in 2025

- Develop a long-term plan and a system of solutions to gradually increase consumption volume, bringing the company's production capacity closer to equipment capacity in order to improve production costs per ton of product in a competitive environment with large manufacturers that have advantages in technology and billet production. This includes major solutions such as product restructuring, outsourcing, and changing consumption structures: increasing the output of angle steel, improving and expanding the domestic market for rebar and rolled steel. Organize a tight schedule for production allocation, streamline item changes, and calculate the actual costs of each product.

- Implement corporate management according to the digital transformation plan, utilizing production management software to monitor the input and output of materials. Ensure comprehensive integration across the company to provide timely and accurate daily and monthly information to company leadership.

- Establish a long-term work program for recruitment, training, and arranging human resources, including a succession of management and technical personnel, to align with the pure rolling production model.

- Execute investment strategies and investment items aimed at increasing output and productivity, reducing production costs, and improving labor efficiency through automation and specialization to enhance the effectiveness of the company's capital investment in recent years.

- Complete legal documents, regulations, and corporate governance rules that are appropriate and consistent with current legal documents.

3.5.2. Production and Business Activities

- Closely monitor the domestic and global market situation to implement effective solutions, manage production and business flexibly, and maximize market opportunities.

- As a pure casting unit, the price of raw steel billets significantly impacts production efficiency. The management of incoming raw materials is conducted according to market mechanisms and collaboration within the system. Additionally, the company continuously seeks reasonably priced, competitive billets that ensure quality for production, maintaining the policy of buying and selling to keep inventory levels as low as possible in line with finished steel consumption, thereby minimizing risks during sensitive price fluctuations.

- Continue to pursue the goal of reducing production costs: quickly and effectively exploit investment categories, stabilize technological equipment, increase equipment utilization efficiency to boost productivity, save on auxiliary materials, and reduce the inventory base of auxiliary materials to an appropriate level, while minimizing waste of steel billets, gas, and electricity.

- Rigorously integrate with the sales department in product consumption activities, effectively exploit products, and seek new markets. Participate reasonably in the consumption of exported rebar to mitigate losses when the market is unfavorable for pure casting technology.

3.5.3. Technical – Electromechanical – Product Quality Operations

- Maintain and enhance the effectiveness of the Production Management Plan by monitoring the implementation of equipment inspection tasks, planning maintenance, and executing proactive repairs. Ensure that technological equipment operates stably, preventing prolonged production stoppages due to incidents that affect business operations.

- Contribute to controlling production costs by managing the quality of spare parts, controlling inventory, and overseeing the use of spare materials in production, ensuring economical use and preventing waste.

- Implement major equipment repairs and basic construction according to plan, achieving quality standards and maintaining equipment in the most stable operational condition to enhance production efficiency.

- Maintain the ISO 9001:2015 and ISO 17025:2017 quality management systems. Focus on effectively implementing and applying the established processes and regulations from the input raw materials to the output stages of the product. Explore the expansion of angle steel products to meet customer demands.

3.5.4. Corporate Governance Operations

- Regularly educate and raise awareness about compliance with labor discipline and self-protection among workers.

- Implement training and skill development plans to enhance the professional qualifications of the technical and management workforce, building a quality human resource base to meet current demands and project needs.

- Continue to improve the salary regulations and payment schemes to align with the company's operational requirements, ensuring continuous enhancement of income and stabilizing the material and spiritual life of employees, fostering a positive mindset for business operations.

- Develop fire prevention and fighting plans and implement regulations on fire safety; effectively carry out flood prevention measures.

- Ensure the quality and safety of meals during breaks, provide hazardous substance allowances, and take care of workers' health.

- Manage the use of labor days strictly and effectively. Implement restructuring and labor reallocation with the goal of efficiency and streamlining.

3.5.5. Investment Operations

- Bring new investment projects into stable operation, maximizing the efficiency of investment projects to enhance labor productivity and product quality.

- Update new regulations in the construction investment sector to implement investment items in compliance with the established rules.

- Implement procurement investment items in 2025 according to the plan, adhering to current regulations.

- Concentrate all resources on implementing the investment project for the additional steelmaking process, ensuring labor safety, meeting deadlines, and complying with legal regulations. Develop plans for: organizing the implementation of the steelmaking project, funding sources, raw materials, organizational structure, recruitment, and personnel training..

Under the leadership of the Board of Directors of the Company, along with the support of the parent company - Vietnam Steel Corporation, the units within the steel system /V/, through their dedicated efforts, the staff and workers of Nha Be Steel Joint Stock Company are determined to strive for the successful implementation of the production - business - investment plan for the year 2025.

This is the report of the Board of Directors on the overall activities of the Company for the year 2024 and the strategic direction for 2025. We respectfully present it to the shareholders.

Recipients:

- Shareholders;
- BOD, BOS, BOM;
- Archived: General Affairs Division, BOD

**ON BEHALF OF THE BOARD OF DIRECTORS
CHAIRMAN**



Pham Cong Dung

Appendix 1: PRODUCTION AND BUSINESS RESULTS 2024

No.	Product	Unit	2024 Plan	2024 Actual	% Compared to 2024 Plan	% Compared to 2023	2023 Output
A	Production	Ton	97,000	94,848	97.78	99.95	94,897
1	Deformed Bar Steel	-nt-	61,000	55,733	91.37	95.77	58,193
2	Coil Steel	-nt-	12,000	8,861	73.84	93.30	9,497
3	Angle Steel	-nt-	24,000	30,255	126.06	111.20	27,207
B	Consumption	Ton	97,000	95,775	98.74	100.17	95,613
1	Deformed Bar Steel	-nt-	61,000	56,220	92.16	94.11	59,737
1.1	Domestic	-nt-	44,000	39,820	90.50	96.28	41,358
1.2	Export	-nt-	17,000	16,400	96.47	89.23	18,379
2	Rolled steel	-nt-	12,000	8,505	70.88	97.30	8,741
3	Angle steel	-nt-	24,000	31,050	129.38	114.43	27,135
3.1	Domestic	-nt-	12,000	15,694	130.78	113.93	13,775
3.2	Export	-nt-	12,000	15,356	127.97	114.94	13,360


VNSTEEL
THÉP NHÀ BÈ

Appendix 2: FINANCIAL RESULTS

INDICATOR	Plan 2024	Actual 2024	Actual 2023	2024/2023 (%)	% increase/ decrease
1. Net revenue	1,477,047	1,391,432	1,447,636	-56.204	-3.88%
2. Cost of goods sold	1,416,097	1,333,154	1,384,961	-51.807	-3.74%
3. Gross profit	60,950	58,278	62,675	-4.397	-7.02%
4. Selling expenses	12,000	13,902	12,836	1.066	8.30%
5. General and administrative expenses	32,000	30,622	33,166	-2.544	-7.67%
6. Profit from operating activities	2,950	3,084	2,530	554	21.90%
7. Profit from financial activities	-14,000	-10,670	-14,143	3.473	
- Financial income	1,000	2,665	2,188	477	21.80%
- Financial expenses	15,000	13,335	16,331	-2.996	-18.35%
8. Profit from other activities	50	-130	288	-418	
- Other income	500	815	842	-27	-3.21%
- Other expenses	450	945	554	391	-70.58%
9. Total profit before tax	3,000	2,953	2,818	135	4.79%
10. Corporate income tax expense	600	1,019	1,041	-22	-2.11%
11. Profit after tax	2,400	1,934	1,776	158	8.90%
12. Budget contributions	1,400	1,509	281	1,228	
13. Total employees (people)	163	152	160	-8	-5.00%
14. Average monthly salary	16,830	16,801	15,9	0,9	5.65%

**REPORT OF THE BOARD OF SUPERVISORS
YEAR 2024**

- Based on the Charter of Vnsteel - Nha Be Steel Joint Stock Company.
- Based on the Operational Regulations of the Supervisory Board.
- Based on the quarterly, semi-annual, and annual financial reports for 2024 of Vnsteel - Nha Be Steel Joint Stock Company.

The Board of Supervisors of Vnsteel - Nha Be Steel Joint Stock Company reports the results of the inspection and supervision in 2024 as follows:

I. Activities of the Board of Supervisors:

The Board of Supervisors of Vnsteel - Nha Be Steel Joint Stock Company, comprises 03 members, specifically:

1. Mr. Nguyen Quoc Thieu, Head of the Board.
2. Mr. Bui Van Vinh, Member.
3. Ms. Cu Thi Thuy Linh Member.

During 2024, the Board of Supervisors closely adhered to the activity program to implement its tasks, specifically as follows:

- Supervised and evaluated the activities of the Board of Directors related to the implementation of the 2024 Plan approved by the General Meeting of Shareholders.
- Conducted supervision and assessment of the Company's production and business activities to identify risks and propose appropriate recommendations and solutions for the executive board.
- Reviewed and evaluated the implementation of asset procurement, investment, and major repairs.
- Inspected and reviewed quarterly financial statements to evaluate the legality, reasonableness, and truthfulness of financial data.
- Checked the inventory, receivables, and prepaid expenses.
- Assessed the completion of key targets approved by the 2024 General Meeting of Shareholders.
- Participated in meetings of the Board of Directors.
- Held meetings to discuss the contents of the Board of Supervisors' reports.

II. Results of supervising the activities of the Board of Directors and the Executive Board

- The Company's Board of Directors held all necessary meetings to review and evaluate the implementation of tasks and work plans during the period, and to

formulate subsequent plans and activity programs; The contents of the Board of Directors' meetings are fully reflected in the meeting minutes and resolutions of the Board of Directors to direct implementation.

- The company also successfully held an Extraordinary General Meeting of Shareholders, approving the main contents related to the Approval of the Feasibility Study Report of the Construction Steel Rolling Production Investment Project - Supplementing the steel billet refining stage with a capacity of 150,000 tons of products/year and the Private Placement Plan to investors (Vietnam Steel Corporation).

- The management board has made significant efforts to closely implement the resolutions assigned by the Board of Directors and fulfill its responsibilities, especially during periods of rapid market fluctuations, both favorable and challenging. They have capitalized on opportunities in the favorable market conditions of the fourth quarter, increasing sales volume and boosting profits to offset the losses incurred over the previous nine months, nearly achieving the annual plan. The management has effectively utilized existing resources in terms of capital, assets, and financial leverage. Although the plan was not fully realized, the company still generated profits, ensured financial resources, and increased income for employees. However, the market forecast for 2025 remains challenging, with demand not improving and strong competition from low-priced imports from China. The leadership needs to closely oversee production, sales, and inventory management to minimize risks associated with price fluctuations. The year 2025 will also require the leadership to ensure effective business operations while simultaneously launching and implementing the steel production project as planned, all while securing jobs and income for the workforce.

The remuneration for the non-executive members of the Board of Directors has been fully paid in accordance with the regulations set forth in the 2024 General Shareholders' Meeting resolution. Other members who are directly involved in management receive salaries from the Company and therefore do not receive additional remuneration.

In 2024, the Supervisory Board did not receive any recommendations from shareholders regarding violations by the Board of Directors, the Supervisory Board, the General Director, the Chief Accountant, or other management personnel of the Company. The Supervisory Board also received cooperation and support from the Board of Directors, the General Director, and various departments and management staff to facilitate its inspection and supervision activities.

1. Regarding the Financial Status: Consolidated Statement of Financial Position as of 2024-12-31 (Unit: Million VND)

No.	Indicator	31/12/2024	31/12/2023	+/-	%
A	TOTAL ASSETS	483,943	408,646	75,297	18.43
I	CURRENT ASSETS	395,280	312,800	82,480	26.37
1	Cash and cash equivalents	9,823	14,988	-5,165	-34.46
2	Short-term Receivables	197,179	97,255	99,924	102.74

3	Inventory	138,595	169,980	-31,385	-18.46
4	Other current assets	49,683	30,577	19,106	62.48
II	NON-CURRENT ASSETS	88,663	95,846	-7,183	-7.49
1	Fixed assets	85,171	93,764	-8,593	-9.16
	- Original cost	354,934	346,161	8,773	2.53
	- Accumulated depreciation	(269,763)	(252,397)	-17,366	6.88
2	Investment properties	0	0	0	0
	- Original cost	1,478	1,478	0	0.00
	- Accumulated depreciation	(1,478)	(1,478)	0	0.00
3	Long-term assets in progress	3,338	1,559	1,779	114.11
4	Other long-term assets	154	523	-369	-70.55
B	TOTAL SOURCES OF CAPITAL	483,943	408,646	75,297	18.43
I	LIABILITIES	302,070	228,441	73,629	32.23
1	Current liabilities	302,070	228,441	73,629	32.23
2	Non-current liabilities	0	0	0	0
II	OWNER'S EQUITY	181,873	180,205	1,668	0.93

Observations:

1.1. Assets: The total assets of the Company increased by 75.297 million VND, corresponding to an increase of 18.43%. This fluctuation is due to current assets rising by 84.120 million VND, which is an increase of 26.89%; while long-term assets decreased by 8.823 million VND, representing a decrease of 9.21%. A detailed analysis of the items is provided.

1.1.1. Cash and cash equivalents: decreased by 34.46%, corresponding to a reduction of 5,165 million VND compared to the same period last year. The balance as of December 31, 2024, includes cash of 32 million VND and bank deposits of 9,791 million VND (of which USD deposits converted amount to 572 million VND).

1.1.2. Short-term receivables: Increased by 99.924 million VND, corresponding to a 102.74% increase compared to the same period last year. An analysis of some items with significant fluctuations:

a/. The short-term receivables from customers amount to 196,015 million VND, an increase of 99,160 million VND, corresponding to a growth of 102.38%. Details of customers with significant receivables are as follows:

- + VNSTEEL - Southern Steel Company Limited: 73,149 million VND.
- + Chip Mong Group LTD (Cambodia): 70,984 million VND.
- + KS Trading Co., LTD (Cambodia): 717 million VND.
- + Khuong Mai Steel Service Trading Company Ltd: 6,135 million VND.
- + Phu Xuan Viet Steel Company Limited: 13,970 million VND.
- + MUOI LOI P.t.e: 10,788 million VND.
- + Namviet Steel Trading CO., LTD: 6,827 million VND.

Based on the above figures, apart from the receivables from **Southern Steel**, which pertain to the sale of deformed steel bars, all remaining customers are angle steel customers, with total outstanding receivables amounting to **VND 109,421 million**, accounting for **55.82%** of total receivables.

b/. The short-term prepayments to suppliers amount to VND 820 million, reflecting an increase of VND 623 million, equivalent to a 316.24% rise compared to the same period last year.

For further analysis, consider the accounts receivable turnover ratio and the average collection period:

Items	2024	2023	+/-	%
Net Revenue	1,391,432	1,447,636	-56,204	-3.88
Beginning Receivables	97,255	72,157	25,098	34.78
Ending Receivables	197,179	97,255	99,924	102.74
Average Receivables	147,217	84,706	62,511	73.80
Turnover Ratio	9.45	17.09	-7.64	-44.70
Average Collection Period	38.09	21.06	17.02	80.82

During the year, while net revenue declined by 3.88%, the average receivables increased by 73.80% compared to the same period last year, leading to a decrease of 7.64 turns in the accounts receivable turnover ratio. Consequently, the average collection period increased by 17.02 days.

This indicates slower capital turnover compared to the same period last year, higher capital occupation by customers, a prolonged debt collection cycle, increased interest expenses, and ultimately, reduced business efficiency.

1.1.3. Inventory

No.	Content	31/12/2024	31/12/2023	+/-	%
1	Main raw materials (Billets)	67,166	66,049	1,117	1.69
2	Auxiliary materials and spare parts	21,455	20,292	1,163	5.73
3	Recovered Scrap	1,690	1,240	450	36.29
4	Tools and instruments	517	5,636	-5,119	-90.83
5	Finished Goods	45,711	71,518	-25,807	-36.08
6	Goods in transit for sale	2,056	5,245	-3,189	-60.80
	Total	138,595	169,980	-31,385	-18.46

The total inventory value decreased by VND 31,385 million, equivalent to a 18.46% decline compared to the same period last year. This fluctuation was primarily due to a decrease of VND 27,878 million in the total stock of billets and finished goods (including goods dispatched for sale), representing a 19.52% decline.

1.1.4. Other Current Assets: Increased by 62.48%, equivalent to an increase of VND 19,106 million compared to the same period last year. This fluctuation was primarily due to the deductible VAT, which currently stands at VND 48,550 million,

an increase of VND 18,907 million, equivalent to 63.78% compared to the same period.

1.1.5. Non-Current Assets: Decreased by VND 7,183 million, equivalent to a 7.49% decline compared to the same period last year. The key fluctuations include: Fixed assets decreased by VND 8,593 million, equivalent to a 9.16% reduction (original cost of fixed assets increased by VND 8,773 million, while depreciation amounted to VND 17,366 million); Construction in progress increased by VND 1,179 million, equivalent to a 114.11% rise; Other non-current assets decreased by VND 369 million, equivalent to a 70.55% decline compared to the same period last year.

1.2. Total liabilities and owners' equity: The total capital increased by VND 75,297 million, equivalent to an 18.43% rise. This fluctuation was primarily driven by: Liabilities increasing by VND 73,629 million, equivalent to a 32.23% rise; Owner's equity increasing by VND 1,668 million, equivalent to a 0.93% rise. Detailed analysis of specific items:

1.2.1. Payables: Increased by 32.23% compared to the same period last year, this fluctuation pertains to short-term liabilities. Analysis of key indicators in the short-term liabilities structure compared to the same period last year:

*** Increasing fluctuations:**

a/. Payables to employees amount to VND 7,406 million, an increase of VND 10 million, equivalent to a 0.14% rise.

b/. Short-term accrued expenses total VND 4,463 million, increasing by VND 673 million or 17.76% compared to the same period last year. This primarily consists of accrued loan interest, electricity expenses, and gas payments, amounting to VND 3,326 million, which accounts for 74.52% of total accrued expenses.

c/. Short-term borrowings and finance lease liabilities stand at VND 254,899 million, increasing by VND 101,504 million, equivalent to a 66.17% rise (compared to VND 153,395 million in the same period last year). All of these borrowings are bank loans and remain within the maturity period, specifically:

- Loan from Vietnam Joint Stock Commercial Bank for Industry and Trade: VND 114,950 million, with an interest rate of 6.0% per annum.
- Loan from Joint Stock Commercial Bank for Investment and Development of Vietnam: VND 89,996 million, with an interest rate of 6.0% per annum.
- Loan from Vietnam Foreign Trade Joint Stock Commercial Bank: VND 49,953 million, with an interest rate of 5.5% per annum.

d/. The welfare and bonus fund stands at VND 73 million, increasing by VND 55 million, equivalent to a 305.56% rise.

*** Decreasing fluctuations:**

a/. Short-term trade payables amount to VND 32,387 million, representing a decrease of VND 27,924 million or 46.30% compared to the same period last year. Details of major payables include:

- + Thu Duc Steel Joint Stock Company - Vnsteel: VND 6,394 million
- + Ho Chi Minh City Metal Joint Stock Company: VND 15,391 million

These payables relate to the purchase of primary raw materials (billets). All outstanding amounts are not overdue, and the company has sufficient financial capacity to settle them upon maturity.

b/. Taxes and other payables to the State Treasury amount to VND 973 million, a decrease of VND 68 million or 6.53% (compared to VND 1,041 million in the same period last year). This amount represents the corporate income tax payable for 2024.

c/. Short-term advances from customers total VND 83 million, reflecting a decrease of VND 227 million, equivalent to 73.23%.

d/. Other short-term payables stand at VND 1,785 million, a decrease of VND 395 million or 18.12%. The majority of this amount consists of dividends payable, bond interest, and brand royalties.

1.2.2. Owner's Equity: Increased by VND 1,668 million, equivalent to a 0.93% rise compared to the same period last year, primarily due to the increase in profit for 2024.

1.3. Key financial indicators.

Items	2024	2023	+/-
Asset Structure			
Current Assets / Total Assets (%)	81.68	76.55	5.13
Non-current Assets/Total Assets (%)	18.32	23.45	-5.13
Capital Structure			
Liabilities/Total Capital (%)	62.42	55.90	6.52
Owner's Equity/Total Capital (%)	37.58	44.10	-6.52
Liquidity			
Quick Ratio (Times)	0.85	0.63	0.22
Current Ratio (Times)	1.31	1.37	-0.06
Profitability Ratios			
Net Profit Margin / Total Assets (%)	0.40	0.43	-0.03
Net Profit Margin / Net Revenue (%)	0.14	0.12	0.02
Return on Equity (ROE) (%)	1.06	0.99	0.08
Basic Earnings Per Share (VNĐ)	134	104	20

The asset structure and capital structure have changed, with a decrease in the proportion of non-current assets and an increase in current assets. On the capital side, the proportion of equity has declined (despite the company generating profit during the year), while liabilities have increased.

The quick ratio has improved, ensuring the company's ability to meet short-term liabilities as they become due. Additionally, profitability indicators and basic earnings per share (EPS) have increased compared to the same period last year.

2. Operating Results

Comparison Table with the Same Period

No.	Indicator	2024	2023	+/-	%
1	Net Revenue	1,391,432	1,447,636	-56,204	-3.88
2	Cost of Goods Sold	1,333,154	1,384,961	-51,807	-3.74
3	Gross Profit	58,278	62,675	-4,397	-7.02
4	Financial income	2,665	2,188	477	21.80
5	Financial expenses	13,335	16,331	-2,996	-18.35
	- Interest Expense	12,292	14,300	-2,008	-14.04
6	Selling Expenses	13,902	12,836	1,066	8.30
7	General and Administrative Expenses	30,623	33,166	-2,543	-7.67
8	Profit from Operations	3,083	2,530	553	21.86
9	Other Income	815	842	-27	-3.21
10	Other Expenses	945	554	391	70.58
11	Other Profit / Loss	-130	288	-418	-145.14
12	Profit Before Tax	2,953	2,818	135	4.79
13	Corporate Income Tax	1,019	1,042	-23	-2.21
14	Profit After Tax	1,934	1,776	158	8.90

- Net revenue decreased by 3.88%, while cost of goods sold (COGS) decreased by 3.74%, which was a smaller decline compared to revenue. This led to a 7.02% decrease in gross profit, equivalent to a reduction of VND 4,397 million. To better understand the revenue fluctuation, an analysis of the factors contributing to the decline in finished goods revenue will be conducted.

Indicator	2024	2023	+/-	%
Sales Volume (Tons)	95,774	95,612	162	0.17
Average Selling Price (Trillion VND/Ton)	14.498	14.948	-0.450	-3.01
Revenue (Trillion VND)	1,388,545	1,429,251	-40,706	-2.85
Impact of Volume Change on Revenue (Trillion VND)			2,422	0.17
Impact of Price Change on Revenue (Trillion VND)			-43,128	-3.02

The analysis indicates that the decline in revenue compared to the same period last year was primarily due to a 3.01% decrease in the average selling price, leading to a 3.02% revenue reduction (VND 43,128 million). Meanwhile, a 0.17% increase in sales volume (162 tons) contributed to a 0.17% revenue growth (VND 2,422 million). As a result, total revenue from finished goods decreased by VND 40,706 million, equivalent to a 2.85% decline year-over-year.

- Compared to the same period last year, net financial expenses decreased by 24.56% (VND 3,473 million), mainly due to lower financial costs. A detailed breakdown is as follows:

+ Total disbursed loans in 2024/2023: 1,375,416/1,410,069 million VND

+ Average loan amount for one month: 114,618/117,506 million VND

+ Average loan interest for one month: 1,024/1,192 million VND

Thus, the total loan amount decreased by 2.46%, equivalent to a VND 34,653 million reduction, resulting in a VND 168 million (14.09%) decrease in average monthly loan interest expenses, contributing to improved business efficiency.

- While revenue declined by 3.88%, selling expenses increased by 8.30%, primarily driven by a 45.15% rise in other cash expenses, whereas general and administrative expenses decreased by 7.67%. Analyzing total indirect costs (selling expenses, general and administrative expenses, and net financial expenses):

+ In 2024: Total expenses amounted to VND 55,195 million, with a sales volume of 95,774 tons, resulting in an average indirect cost of VND 0.576 million per ton.

+ In 2023: Total expenses amounted to VND 60,145 million, with a sales volume of 95,612 tons, leading to an average indirect cost of VND 0.629 million per ton.

As a result, an 8.14% reduction in total indirect costs compared to the same period last year led to a VND 0.053 million decrease in indirect costs per ton, contributing to enhanced business efficiency.

- Other income decreased by VND 418 million, equivalent to a 145.14% decline compared to the same period.

The company's total profit before tax reached VND 2,953 million, an increase of VND 135 million (4.79%) compared to the same period. However, this figure only nearly met the annual target, achieving 98.43% of the plan.

3. Plan Completion Assessment: Unit: Tons

Indicator	Plan 2024	Actual		Comparison (%)	
		2024	2023	Actual/Plan	2024/2023
Production	97,000	94,847	94,898	97.78	99.95
- Angle steel	24,000	30,254	27,207	126.06	111.20
- Bar steel	61,000	55,732	58,194	91.36	95.77
- Rolled steel	12,000	8,861	9,497	73.84	93.30
Consumption	97,000	95,774	95,612	98.74	100.17
- Angle steel	24,000	31,050	27,134	129.38	114.43
- Bar steel	61,000	56,220	59,736	92.16	94.11
- Rolled steel	12,000	8,504	8,742	70.87	97.28

(Note: Rolled steel production figures incorporate 1,006 tons of outsourced processed steel)

The production and sales volumes of rebar and steel coils declined compared to both the same period last year and the 2024 annual target. However, the production and sales volumes of angle steel exceeded the plan and experienced significant growth year-over-year.

- Return on Equity (ROE): 1.07%, falling short of the target of 1.35%.

- Return on Assets (ROA): 0.43%, failing to meet the target of 0.60%

4. Fixed Asset Investment, Acquisition and Major Repairs

According to the plan, the company has one investment project: "Investment in the production of construction rolled steel - Supplementing the steel billet refining process with a capacity of 150,000 tons per year," valued at VND 450,000 million, financed by 65% commercial loans and 35% owner's equity. Following the Extraordinary General Meeting of Shareholders (July 2024), the company is in the process of implementing the necessary steps in accordance with the plan, legal regulations, and the guidelines of the major shareholder, Vietnam Steel Corporation.

Fixed Asset Procurement and Upgrades: The company had two capital expenditure items totaling VND 4,100 million, of which: One item has been completed: Purchase of a 5-seater Toyota car, valued at VND 1,388 million; One item is in the trial phase: Automated steel bar counting system; Additionally, one investment project from 2023, the angle steel bundling system, has been commissioned and added to fixed assets, valued at VND 5,928 million.

Major Repairs and Construction Projects

The company approved nine major repair and construction projects, with a total budget of VND 1,950 million. As of the end of the year: Eight projects have been completed, with a total value of VND 1,537 million; One project is still in progress.

Additional Fixed Asset Acquisitions, Apart from the above capitalized assets, the company purchased and added six new fixed assets during the year, totaling VND 1,456 million, including:

- Two electric motors: VND 81 million
- Control system upgrade: VND 672 million
- Reinforcement of PXC crane rails: VND 350 million
- Software upgrade: VND 200 million
- Renovation and upgrade of worker shower facilities: VND 153 million

Regarding the costs for the ongoing items, as of December 31, 2024, it amounts to 3,338 million VND, including:

- Steel billet refining project: VND 1,533 million
- Automated steel bar counting machine: VND 1,717 million
- Repair of the rough rolling mill Cardan support frame: VND 88 million

III. Audit Committee's Opinion

- With planned production and sales growth for 2025 (though still below the rolling line capacity), optimizing production scheduling is a top priority. This is essential to minimize metal, gas, and electricity consumption, enhance equipment efficiency, and reduce per-unit production and indirect costs. Cost control must be tightened to eliminate unnecessary expenses, lower production costs, and increase competitiveness.

- The consumption of angle steel has exceeded both the planned targets and the same period last year. This is the result of various solutions and strategies that the Company has implemented to increase its market share in angle steel, expand distribution channels, and enhance export markets. To maintain and aim for growth in

angle steel consumption, the Company needs to assess the effectiveness of these strategies, sustain the sales volume of primary distributors, provide additional support solutions for distributors, and continue seeking new export markets.

- Actively seek customers and partners for processing products on existing rolling lines to enhance equipment efficiency and increase worker income, ensuring the interests of all parties involved.

- Accelerate debt recovery efforts (paying special attention to Cambodian customers), increase the turnover of receivables, and prevent the emergence of bad debts. Negotiate with banks to secure loans at reasonable interest rates, especially given the limited collateral, and discuss long-term financing for investment projects; apply for a VAT refund, as the current balance has reached 47.474 billion VND, equivalent to 41.75% of the average monthly loan amount.

- Strengthen management, inspection, maintenance, and servicing of equipment, especially during production downtime, to minimize damage and incidents, particularly technological failures that affect product quality; monitor the implementation of cost-saving practices, waste reduction, and overall cost management to lower product prices.

- Continue to maintain management strategies, select and utilize appropriate and feasible software and digital technology applications in management to ensure effective control of company operations.

- Develop and implement a structured investment and major repair plan for 2025 in accordance with regulations, ensuring that the bidding process is transparent and aligned with the company's financial capabilities. Regarding the project to add a steel smelting process of 150,000 tons per year, efforts should be made to commence construction and execute the components and bidding packages as planned and on schedule.

IV. Action Plan for 2025

The Supervisory Board performs its functions and duties in accordance with the provisions of the Enterprise Law and the Company's Charter, specifically:

- Monitoring the implementation of the goals and plans for the year 2025 approved by the Annual General Meeting of Shareholders.

- Conducting oversight and evaluation of the Company's production and business activities to identify risks and propose appropriate recommendations and solutions to the management board.

- Reviewing and assessing the situation regarding the procurement of assets, investments, and major repairs; examining and reviewing quarterly, semi-annual, and annual financial reports to evaluate the legality, reasonableness, and accuracy of the financial data.

- Conducting unexpected inspections on specific topics when requested by the Board of Directors, shareholders, or a group of shareholders in accordance with Article 115 of the Enterprise Law.

This is the Board of Supervisors' report on inspection and supervision results in 2024 and the action plan for 2025. This report has been unanimously approved by all members of the Board of Supervisors and is hereby submitted to the General Meeting of Shareholders./.

Recipients:

- TNB Shareholders;
- BOD, BOM
- Members of the BOS
- Archived at the BOS

**ON BEHALF OF THE BOARD OF SUPERVISORS
HEAD OF THE SUPERVISORY BOARD**



VIETNAM STEEL CORPORATION
VNSTEEL - NHA BE STEEL
JOINT STOCK COMPANY

SOCIALIST REPUBLIC OF VIETNAM
Independence – Freedom – Happiness

Ho Chi Minh City, February 14, 2025

No: 23/ TTr-HĐQT

PROPOSAL
Approval by the General Meeting of Shareholders
Audited 2024 Financial Statements

Pursuant to the Charter of VNSTEEL - Nha Be Steel Joint Stock Company.

The Board of Directors submits to the 2025 Annual General Meeting of Shareholders the approval of the audited 2024 Financial Statements as follows:

The 2024 Financial Statements of VNSTEEL - Nha Be Steel Joint Stock Company have been audited by AASC Auditing Firm Limited Liability Company, reviewed and appraised by the Supervisory Board, and publicly disclosed as regulated. The audited 2024 Financial Statements include the following:

- Report of the Executive Board
- Report of the Independent Auditor
- Balance Sheet
- Statement of income
- Cash Flow Statement
- Notes to the financial statements.

Details of the audited 2024 Financial Statements of VNSTEEL - Nha Be Steel Joint Stock Company have been enclosed with the documents for the 2025 Annual General Meeting of Shareholders, publicly announced and disclosed on the website: www.nbsteel.vn

Respectfully submitted to the General Meeting of Shareholders for consideration, approval, and voting./.

Recipients:

- AGM;
- Archived: General Affairs Division; Person in charge of corporate governance

**ON BEHALF OF THE BOARD OF
DIRECTORS
CHAIRMAN**



Phạm Cong Dung

VIETNAM STEEL CORPORATION
VNSTEEL - NHA BE STEEL
JOINT STOCK COMPANY

SOCIALIST REPUBLIC OF VIETNAM
Independence – Freedom – Happiness

No: 24/ TTr-HĐQT

Ho Chi Minh City, February 14, 2025

PROPOSAL

The General Meeting of Shareholders approves the profit distribution for the year 2024

- Pursuant to the Charter of VNSTEEL - Nha Be Steel Joint Stock Company;
- Based on the company's business performance results for 2024

The Board of Directors of the Company submits to the General Meeting of Shareholders for approval and voting on the following profit distribution:

1	Undistributed after-tax profit as of 31/12/2023	:	7,407,503,719 VND,
2	Undistributed after-tax profit of year 2024	:	1,934,508,641 VND,
3	Undistributed after-tax profit as of 31/12/2024	:	9,342,012,360 VND,
4	Cash dividend payment	:	0 VND,
5	Allocation to employee welfare and reward fund (25% of 2024 after-tax profit)	:	483,000,000 VND,
6	Allocation to development investment fund	:	4,647,012,932 VND
7	Remaining undistributed profit	:	4,211,999,428 VND

Explanation regarding the allocation to the Reward and welfare funds

– *The company will not distribute dividends as it needs to accumulate capital for the implementation of the steel refining plant project.*

– *In 2023, due to low after-tax profit, the company allocated VND 266,400,000 to the welfare and bonus fund, making it challenging to support incentive and welfare activities for employees.*

– *According to Point c, Clause 1, Article 18 of Circular 28/2016/TT-BLĐTBXH, regarding the Employee Welfare and Bonus Fund, in cases where actual profit is lower than the planned profit, the maximum allocation to the fund must not exceed three months' average salary per employee multiplied by the ratio of actual profit to planned profit. To facilitate employee incentive and welfare activities, especially during the implementation of the steel refining project, the company proposes the following allocation: $1.5 \text{ months} \times 146 \text{ employees} \times 16,270,000 \times (1,934,508,641/2,400,000,000) = \text{VND } 1,276,464,032$ (Rounded to: VND 1,276,000,000).*

- According to Point b, Clause 2, Article 18 of Circular 28/2016/TT-BLĐTBXH, regarding the Bonus Fund for Company Managers, if actual profit is lower than planned profit, the maximum allocation to the management bonus fund is one month's average salary per full-time company manager. Calculation: 1 month × 31,470,000 × 6 managers = VND 188,820,000.

- Based on the above regulations, Nha Be Steel Joint Stock Company – VNSTEEL requests approval from the parent company to allocate the welfare and bonus fund at 25% of after-tax profit for 2024, as follows: $1,934,508,641 \times 25\% = \text{VND } 483,627,160$ (Rounded to: VND 483,000,000).

Respectfully submitted to the General Meeting of Shareholders for review, approval, and voting.

Recipients:

- AGM;
- Archived: General Affairs Division; Person in charge of corporate governance

**ON BEHALF OF THE BOARD OF
DIRECTORS
CHAIRMAN**



Phạm Công Dung

Ho Chi Minh City, February 14, 2025

No: 25/ TTr-HĐQT

PROPOSAL
Approval by the General Meeting of Shareholders
Production, Business, Financial and Investment Plan for 2025

Pursuant to the Charter of VNSTEEL - Nha Be Steel Joint Stock Company.

The Board of Directors submits to the 2025 Annual General Meeting of Shareholders the Production, Business, Finance, and Investment Plan for the year 2025 as follows:

1. Production and Business Plan

- Production: - Sales: 110,000 tons of rolled steel

2. Financial Plan

- Net Revenue: 1,601.745 billion VND

- Pre-tax Profit: 05 billion VND

- After-tax Profit: 04 billion VND

- PAT/Equity ratio: 2.3%

- PAT/Total Assets ratio: 1.1%

- Expected Cash Dividend: 0 %

3. Investment Development Plan and Asset Upgrade Procurement for 2025

No.	Project name, equipment, means of transport	Unit	Plan	Note
I	Development investment projects (ongoing)	Million VND	450,000	
1	<i>Investment in construction steel production - Supplementing the steel billet production process with a capacity of 150,000 tons per year</i>	Million VND	450,000	
II	Investment project for the procurement and upgrading of fixed assets	Million VND	17,100	
1	<i>Block Head Cutting Machine</i>	Million VND	3,600	
2	<i>Billet heating equipment cluster</i>	Million VND	13,500	
TOTAL		Trillion VND	467.100	

- Total investment for the procurement and upgrading of fixed assets: 467.10 billion VND.

In 2025, the steel market is expected to experience significant fluctuations, and the domestic macroeconomic situation will face many challenges. The production and business operations of the steel industry in general, and of the Company in particular, will encounter numerous difficulties in both production and product consumption. Therefore, the Annual General Meeting of Shareholders in 2025 has authorized the Board of Directors to adjust the production, financial, and investment targets based on actual developments to align with the current situation.

Respectfully submitted to the General Meeting of Shareholders for review, approval, and voting./.

Recipients:

- AGM;
- Archived: General Affairs Division; Person in charge of corporate governance

**ON BEHALF OF THE BOARD OF DIRECTORS
CHAIRMAN**



Pham Cong Dung

PROPOSAL

Approved by the General Meeting of Shareholders
Finalization of salaries and remuneration for members of the BOD and the BOS in
2024

Salary and remuneration plan for members of the BOD and the BOS in 2025

- Pursuant to the Charter of VNSTEEL - Nha Be Steel Joint Stock Company.

- Based on the business performance results of 2024 and the business plan for 2025.
The Board of Directors of VNSTEEL - Nha Be Steel Joint Stock Company submits to the 2025 Annual General Meeting of Shareholders for approval the actual salaries and remuneration for 2024 and the salary and remuneration plan for 2025 for members of the Board of Directors and the Board of Supervisors, as follows:

1. Finalization of salaries and remuneration for members of the BOD and the BOS in 2024

No.	Position	Planned	Actual	Settlement period (months)	Total Remuneration and Salary
I	Salaries for Full-time Members of the Board of Directors and the BOS				752,230,000
1	Chairman of the board of directors	38,930,000	38,930,000	11	428,230,000
2	Head of the Supervisory Board	27,000,000	27,000,000	12	324,000,000
II	Remuneration for Non-Executive Members of the BOD and the BOS				174,000,000

1	Chairman of the board of directors		6,000,000	1	6,000,000
2	Members of BOD: 02	4,000,000	4,000,000	24	96,000,000
3	Members of the BOS: 02	3,000,000	3,000,000	24	72,000,000

Total salaries and remuneration for 2024: VND 926,230,000

2. Salary and remuneration plan for members of the BOD and the BOS in 2025

The General Meeting of Shareholders authorizes the Board of Directors to review and decide on the salary and remuneration plan for 2025 for members of the Board of Directors and the Board of Supervisors after the company finalizes the 2025 salary plan.

Respectfully submitted to the General Meeting of Shareholders for review, approval, and voting.

Recipients:

- AGM;
- Archived: General Affairs Division; Person in charge of corporate governance

**ON BEHALF OF THE BOARD OF
DIRECTORS
CHAIRMAN**



Phạm Công Dung