

DRAFT

REPORT ON THE RESULTS OF OPERATIONS IN 2024 AND PLANS FOR 2025

PART I THE RESULTS OF OPERATIONS IN 2024

I. GENERAL CONTEXT

1. Socio-economic situation

In 2024, the world economy will continue to change rapidly, complexly, and unpredictably, with many risks and uncertainties arising beyond forecasting capabilities. The prolonged Russia-Ukraine conflict continues to negatively impact the global energy and food supply chain. The conflict in the Middle East is complicated, with the potential for instability in the region, which could push oil prices higher, exacerbating inflationary pressures. The competition between the two superpowers, the US and China, increases the risk of global economic fragmentation.

In that context, Vietnam's macro economy continues to be stable, inflation is under control. Vietnam's GDP growth in 2024 is estimated to reach over 7%, among the countries with high growth rates in the region and the world. However, Vietnam's economy still faces many difficulties and challenges: Disbursement of public investment capital is still slow; the financial and monetary markets still have potential risks, the economy's ability to absorb capital is low; production and business activities in some areas are still difficult; natural disasters, floods, landslides, and climate change are complicated...

2. Cement Industry

In 2024, the cement industry continues to face many difficulties, with production output, consumption and revenue all decreasing. Fuel costs: coal, FO oil, electricity, transportation, etc. increase; The domestic consumption and export markets are facing difficulties due to the decrease in total domestic and global demand, the supply chain is broken, the domestic real estate market is growing slowly; many key infrastructure projects are slow to be implemented then have to be postponed or extended; the financial situation of cement manufacturing enterprises is facing many difficulties, due to the high rate of loans from banks or

credit institutions, high interest rates, leading to great pressure to repay both principal and interest; difficulties in the consumption market have forced many enterprises to stop some production lines, leading to difficulties in cash flow for production and business.

3. The Company circumstance

a) Advantage

- The company always receives attention and close direction from VICEM. With the policy of "prioritizing the use of VICEM's internal products and services", Bim Son Cement and Vicem But Son Cement have become major traditional customers, contributing to stabilizing the output of packaging products and improving the operation efficiency of the Company.

- The Company's staff is always united, cooperative, and strives to complete assigned tasks well.

b) Disadvantage

- The consumption of bags is facing many difficulties due to: The demand for bags has decreased due to the decrease in cement consumption. The trend of shifting from bag cement to bulk cement continues to increase, leading to a decrease in the demand for traditional bags.

- The situation of "supply exceeding demand" leads to fierce competition in quality and price among packaging manufacturing companies.

- In 2024, cement companies will face difficulties in operation resulting in payment delay then affecting the Company's capital for production and business activities.

- The production equipment line has been used for many years (invested since 1994 and 2003), leading to the situation where machinery and equipment must be regularly repaired and maintained, increasing maintenance costs and high risks to product quality at each stage.

II. The results of operation in 2024

No.	Items	Unit	Budget 2024	Actual 2024	Actual 2023	Actual/ Budget 2024 (%)	Actual 2024/2023 (%)
1.	Production volume	Mio bags	40.37	49.67	40.14	123	124
2.	Sales volume	Mio bags	40.37	49.58	40.99	123	121
3.	Total revenue	Mio VND	222,477	269,002	228,000	121	118
4.	Profit before tax	Mio VND	1,335	1,509	1,689	114	90
5.	Profit after tax	Mio VND	770	1,097	1,128	142	97
6.	State budget payment	Mio VND	4,050	3,062	4,363	76	70

No.	Items	Unit	Budget 2024	Actual 2024	Actual 2023	Actual/Budget 2024 (%)	Actual 2024/2023 (%)
7.	EBITDA	Mio VND	4,925	3,624	4,894	73.58	74
8.	ROE	%	0.82	1.17	1.20	143	98
9.	Dividend	%	2	2	2	100	100

1. Production and equipment maintenance

- In 2024, the Company's production output reached 49.67 million bags, exceeding 21% of the plan and 123% compared to the same period in 2023. Of which, the Company produced 44.8 million bags (exceeding 21% of the plan and 18% compared to the same period in 2023), outsourced 4.87 million bags (exceeding 145% of the plan and 126% compared to the same period in 2023).

- In general, the quality of bags in 2024 is assessed by customers as stable and satisfactory. However, at some times there were quality errors but the Company promptly coordinated with customers to thoroughly overcome them.

- Equipment repair and periodic maintenance are carried out on schedule, in accordance with the correct procedures, and spare parts are strictly checked and reused to ensure production efficiency. In 2024, the equipment will operate relatively stably, ensuring equipment productivity and product quality, meeting the plans and order schedules for customers.

- The company has controlled material consumption norms; preserved warehouses, managed inventories according to regulations; maintained reasonable work in progress and finished products to improve capital efficiency.

2. Sales

- From the first days of 2024, BOM has proposed many solutions to maintain the market, increase output and find more customers and suppliers to outsource the processing of export packaging products. The result in 2024 is 49.58 million bags (exceeding 23% of the budget). Of which: Domestic bags reached 44.71 million (exceeding 20% of the budget), exported bagss reached 4.87 million (exceeding 45% of the budget).

- VICEM is still the core market of the Company. The output for VICEM customers reached 33.38 million bags, accounting for 67% of the Company's total output. With the support and priority given to the use of internal products by VICEM's subsidiaries, the Company has maintained production, created jobs and income for laborers during the general difficult period of the cement and cement packaging industry.

- The other customers made 16.2 million bags, accounting for 33% of the Company's total output.

3. Financial Management

- In 2024, the BOM closely monitored financial management, promptly analyzed the causes of fluctuations in production costs and profits, and on that basis proposed appropriate and timely solutions in operations.

- The company has adhered to the budget to strictly control costs in operations; practice saving, reducing production and management costs.

- The company has paid attention to cash flow control, providing many debt collection measures for each customer, regularly working with customers to collect overdue debts.

4. Labor and salary management

- The number of employees present as of 31 December 2024 is 181 (of which 117 are male and 64 are female). The average number of employees in 2024 is 187, a decrease of 10 compared to 2023. The number of employees retiring or resigning is 18.

- Payment of salaries, wages and policies for employees is carried out fully and promptly. The salary source in 2024 is 26.1 billion VND (of which in 2023, a provision for the 2024 salary source is 2.5 billion VND). In 2024, the Company paid 23.4 billion VND in salary, equivalent to 90% of the 2025 salary source.

- The average income of the employees in 2024 is 12.5 million VND/person /month (an increase of 13% compared to the budget, an increase of 14% compared to the same period in 2023).

5. Others

- The Company always pays attention to and strictly implements regulations on labor safety, fire prevention and environmental protection, combining production with environmental protection, creating a green and clean working environment. Every quarter, the company organizes inspections of labor safety and hygiene at all departments and workshops.

- All employees participate in social insurance, health insurance, are equipped with labor protection, enjoy welfare regimes, and compete for rewards according to the Company's regulations. Employees who terminate their contracts or retire are supported according to regulations. The Company always cares for the life and ensures the rights of employees.

- In 2024, the Company did not have any occupational accidents, fire or environmental pollution incidents, always actively participates in social, humanitarian and charitable activities initiated by VICEM and the locality.

- In 2024, the Company revised and supplemented many internal regulations and rules to comply with new legal regulations and the Company's circumstances: Regulations on management of goods and services procurement; Regulations on functions, tasks, powers and organizational structure of units under the Company; Regulations on Personnel Management; Internal Audit; Regulations on salary

payment, salary increase and labor classification; Regulations on end-of-month inventory levels; Regulations on overtime work; Collective labor agreement.

PART II

ACTION PLANS FOR 2025

I. FORECAST

1. Cement industry forecast

In 2025, the cement industry will continue to face difficulties and challenges, recovery will be difficult due to the following reasons:

- The real estate market is forecast to recover and grow but cannot become vibrant again soon.
- Cement supply far exceeds demand, cement manufacturers compete fiercely on selling prices to maintain market share and increase consumption output.
- The prices of raw materials and fuels for cement production remain high while the selling price of cement remains low, unable to offset the increase in input costs, leading to a decrease in operation efficiency.
- The export market also faces many difficulties in cement consumption: Increasing trade barriers in many importing countries; increasing competition from countries with cement surpluses with low selling prices and transportation costs.

2. Forecast of the Company's operation in 2025

In 2025, the Company's production and business are forecasted to continue to face many difficulties and challenges:

- The situation of "supply exceeding demand" in the cement bag market continues to lead to fierce competition in quality and price among packaging companies;
- Customers' demand for bags continues to decline due to slow cement consumption, the trend of shifting from bag cement to bulk cement continues to increase.
- Cement companies face difficulties in operation resulting in payment delay then affecting the Company's operating capital.
- The selling price of bags in 2025 is forecast to decrease because cement manufacturers will negotiate and propose to share costs when the legal regulations on bag recycling fees are applied (up to now the selling price of KPK Bim Son Cement bags in 2025 has decreased by 0.46% compared to 2024).

II. BUSINESS TARGETS IN 2025

Based on the forecast for the business environment, assessing the opportunities and challenges for the Company's operation in 2025, the Board of Directors plans for 2025 as f

No.	Items	Unit	Budget 2025
1.	Production volume	Mio bags	40.1
2.	Sales volume	Mio bags	40.1
3.	Total revenue	Mio VND	216,717
4.	Profit before tax	Mio VND	1,361
5.	Profit after tax	Mio VND	780
6.	State budget payment	Mio VND	3,575
7.	EBITDA	Mio VND	4,223
8.	ROE	%	0.83
9.	Dividend	%	2

III. SOLUTIONS

1. Production management

- Organize production management effectively, avoid waste, reduce scrap rate, reduce material consumption, use labor reasonably to reduce production costs. Apply technical measures to improve productivity and product quality, reduce production costs, and increase product competitiveness.

- Strengthen quality control at each stage of production, stabilize product quality, and thoroughly overcome shortcomings in product quality management. Strengthen research and technical improvement and strive to achieve material consumption rates lower than or equal to the norms.

- Focus on regular repair and maintenance of equipment according to the correct process, on schedule, ensuring quality, and well preparing equipment for utilization when necessary. Improve the quality of maintenance and repair work, minimizing post-repair incidents. Evaluate the causes of incidents, learn from experience to perform better preventive maintenance.

- Operate equipment systems properly, improve equipment repair and maintenance quality to exploit equipment at the highest efficiency.

- Check and monitor the quality of raw materials used in production to ensure packaging quality, stabilize output quality, and meet the requirements of end-user customers.

2. Sales management

- Continuously conduct surveys, assessments, and comprehensive analysis of customer needs to find solutions to improve competitiveness, orient strategies for developing new products and traditional products of the Company.

- Closely follow market developments for each customer, build appropriate selling prices and flexible sales policies to increase output and market share.

- Maintain quantity and increase coverage at traditional market. Maintain existing customers, focus on maximizing output for companies within VICEM and traditional markets. Promote exploitation of export packaging markets and new markets to increase consumption output.

3. Financial management

- Continue to effectively implement financial solutions in cash flow, inventory and outstanding debt management. Restructure loans to ensure capital for business activities and investment in 2025. Strictly manage cost prices, reduce the cost of goods sold and services, improve production and business efficiency.

- Continue working with each customer to collect overdue and bad debts then provide capital for production and business activities.

- Balance payments to suppliers, use financial leverage flexibly to create efficiency in operation.

4. Labor and salary management

- Implement policies and regulations for employees properly. Continue to review and improve salary payment policies associated with productivity, quality and efficiency of employees in the Company.

- Pay attention to training to improve the qualifications of leaders, managers, technical workers and repairmen.

- Strengthen inspection and control of the implementation of internal regulations and labor discipline in the Company.

5. Safety and environment

- Ensure absolute safety for laborers and equipments, prevent work accidents or fires or explosions, ensure readiness for natural disaster and fire prevention.

- Continue to improve the environmental landscape, plant trees, treat waste, renovate the workplace... to ensure a Green - Clean - Beautiful environment, improve working conditions, and handle pollution points to protect the environment at the best level.

6. Others

- Review, amend and supplement the Company's regulations and rules in accordance with the Company's circumstances.

- Propagandize and mobilize employees to actively respond to emulation movements in production and business activities and technical innovation initiatives launched by the CEO and the Company's Trade Union.

- Organize cultural, artistic, and sports activities to improve material and spiritual life, stabilize jobs and income for workers.

- Promote strengths and overcome existing weaknesses. Promote the spirit of initiative, creativity and self-awareness in work. Promote democracy along with competency to effectively participate in management in the production and business process. Unite and help each other to excellently complete assigned tasks.

Dear delegates and shareholders

Above is the report on 2024 business results, 2025 action plan and solutions of the Company.

In the context of the world and domestic economy still face many difficulties and challenges, Vicem Bim Son Packaging Joint Stock Company believes that with solidarity, creativity and continuous improvement in all activities, along with the attention and support of VICEM in general and Bim Son Cement in particular, in 2025 the Company will continue to promote its achievements, overcome difficulties to operate effectively, ensure the interests of shareholders, stabilize jobs, ensure income and life for laborers.

Respectfully submit to the GMS for consideration and approval.

Recipients:

- Shareholders attend GMS
- Archieve.

DIRECTOR

Trinh Van Dien