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2024 ANNUAL REPORT

QUANG NAM MINERAL INDUSTRY CORPORATION

(Annex No. 04, Issued together with Circular No. 96/2020/TT-BTC dated November 16th 2020, by the Minister of Finance, guiding information disclosure in the securities market)

Company name : QUANG NAM MINERAL INDUSTRY CORPORATION

Stock code : MIC

I. GENERAL INFORMATION:

1. General Information:

Trading name : QUANG NAM MINERAL INDUSTRY CORPORATION

Securities code : MIC



Logo :

Address : Ha Lam – Cho Duoc industrial cluster, Binh Phuc, Thang Binh, Quang Nam

Telephone : (+84 235) 3665 022

Fax : (+84 235) 3665 024

Website : www.minco.com.vn

E-mail : minco@dng.vnn.vn

Legal Representative : Mr. Pham Ngoc An – General Director

Business Registration Certificate No.: 4000100139, issued by the Department of Planning and Investment of Quang Nam Province, first issued on May 25, 2005, with the 13th amendment on November 21, 2020.

Charter Capital : 55.449.460.000 Dong.

2. Development history:

a. Conversion of Ownership to a Joint Stock Company:

- The company originated as the Quang Nam - Da Nang Industrial Sand Mining and Export Enterprise, established in 1984 under Decision No. 91/QĐ-UB by the People's Committee of Quang Nam - Da Nang Province ;

- In 1993, the company was renamed Quang Nam - Da Nang Minerals Company, with a registered business capital of 228,000,000 VND, as per Decision No. 333/QĐ-TCNSĐT issued by the Ministry of Industry;

- In 2000, the company changed its name to Central Industrial Company under Decision No. 1459/QĐ-UB issued by the People's Committee of Quang Nam Province;

- In 2004, Quang Nam Mineral Engineering Joint Stock Company was established through the equitization of the state-owned enterprise (Central Industrial Company) under Decision No.

5078/QĐ-UB dated December 9, 2004, issued by the People's Committee of Quang Nam Province;

- On May 25th 2005, the company officially began operating as a joint stock company under Business Registration Certificate No. 3303070128 (later changed to 4000100139), issued by the Department of Planning and Investment of Quang Nam Province. The company had a charter capital of 4.5 billion VND, with the State holding a 51% stake.

b. Stock Listing and Charter Capital Growth:

- In April 2007, the company increased its charter capital from 4.5 billion VND to 12.5 billion VND (issuing 800,000 additional shares to restructure business capital and meet the 10 billion VND charter capital requirement for listing on the Hanoi Stock Exchange);

- In June 2007, the company raised its charter capital to 12.95 billion VND (issuing 45,000 shares to pay part of the 2006 dividend);

- The company was listed on the Hanoi Securities Trading Center under Certificate No. 29/GCN-TTGDHN on December 18, 2007, with the stock ticker MIC, officially trading on December 21, 2007;

- In September 2008, the company increased its charter capital to 14.8924 billion VND (issuing 194,240 shares to pay the 2007 dividend). On November 7, 2008, it officially registered additional securities: 194,240 shares;

- On October 22, 2009, the company completed an issuance of 1,009,412 shares (496,412 shares as bonus shares from surplus capital and 513,000 shares issued to three strategic shareholders). On February 11, 2010, it registered additional securities for the second time: 496,412 shares. On December 30, 2010, it registered an additional 513,000 shares;

- On March 25, 2011, the company completed an issuance of 2,987,394 shares (including 424,629 shares for the 2009 dividend at a 17% ratio, as per Resolution No. 01NQ/-ĐHĐCĐ2010 dated May 29, 2010, and 2,562,765 shares sold to existing shareholders (2,446,515 shares) and company employees (116,250 shares) under Article 5 of Resolution No. 01NQ/-ĐHĐCĐ2010 of the 2010 Annual General Meeting of Shareholders, as part of Phase I capital increase to 56 billion VND);

- On May 26, 2011, the company officially registered additional securities for the fourth time: 2,987,394 shares (under Decision No. 219/QĐ-SGDHN dated May 17, 2011). On May 28, 2014, the Hanoi Stock Exchange issued Decision No. 278/SGDHN regarding the delisting of Quang Nam Mineral Engineering Joint Stock Company's shares;

- On July 16, 2014, the 2014 General Meeting of Shareholders resolved to privately issue 58,900 shares to SCIC to offset debt capital (as per Official Letter No. 7285/UBCK-QLPH dated December 31, 2014, from the State Securities Commission of Vietnam).

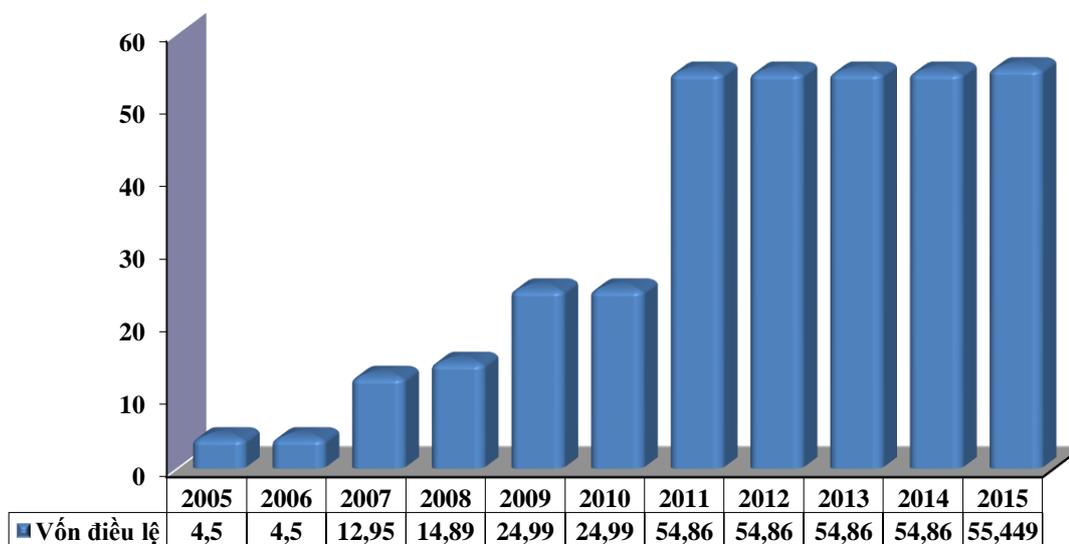
- As of 2015, the company had a total of 5,544,946 shares in circulation, corresponding to a charter capital of 55,449,460,000 VND, with 5,514,621 shares trading on UPCOM/HNX.

- On December 26, 2024, the Hanoi Stock Exchange issued Decision No. 1270/QĐ-SGDHN approving the listing of Quang Nam Mineral Engineering Joint Stock Company's shares.

- On March 11, 2025, the Hanoi Stock Exchange issued Announcement No. 937/TB-SGDHN regarding the first trading day of the listed shares of Quang Nam Mineral Engineering Joint Stock Company under the ticker MIC, with a total of 5,544,946 listed shares.

- On March 19, 2025, MIC shares were officially launched for trading on the Hanoi Stock Exchange.

INCREASE IN CHARTER CAPITAL FROM 2005 TO 2015 (Billion VND)



3. The main activities of the Company:

No	Industry code	Industry name
1	0899 (Chính)	Other Mining Activities Not Elsewhere Classified Details: Mining, processing, and trading of minerals (except prohibited minerals)
2	0990	Support Activities for Mining and Quarrying Details: Investment consulting on mineral activities and mine design
3	4663	Wholesale of Construction Materials and Other Installation Equipment
4	4932	Other Passenger Land Transport
5	4933	Freight Transport by Road
6	6810	Real Estate Business, Ownership, and Leasing of Land Use Rights Details: Leasing warehouses, manufacturing facilities, and office spaces
7	7110	Architectural and Related Technical Consultancy Activities Details: Geological exploration
8	2310	Manufacture of Glass and Glass Products
9	2392	Manufacture of Building Materials from Clay
10	0210	Forestry Planting and Care
11	1311	Manufacture of Yarn
12	1313	Finishing of Textiles

4. Business and Production Areas:

Currently, the company primarily operates in Thang Binh District, Que Son District, and Dai Loc District in Quang Nam Province.

5. Main Product Portfolio of the Company:



- ✓ White silica sand is produced from high-quality quartz sand and is widely used in various industries, including:
 - ◆ Float glass and construction glass manufacturing;
 - ◆ Glass packaging production
 - ◆ Solar panel coated glass production
 - ◆ Molding and casting
 - ◆ Liquid glass production.
 - ✓ Low-iron quartz sand is a key raw material for industries such as solar panel coated glass manufacturing, semiconductor production, and electronic microchip fabrication. Currently, Minco has completed the testing phase and is accelerating production.
-



- ✓ Silica powder is produced from high-quality quartz sand and is widely used in various industries, including:
 - ◆ Ceramics and high-end construction materials production
 - ◆ Paint manufacturing and agricultural chemical production
 - ◆ Detergents, desiccants, and deodorizers
 - ◆ Applications in the chemical industry.
-



- ✓ Feldspar products are among the essential materials for various industrial manufacturing sectors. In particular, it is the primary raw material for:
 - ◆ The production of artificial granite tiles and ceramic tiles.
 - ◆ Ceramic glazes for the ceramics and glass industries, as well as industrial fillers and medical applications...
 - ◆ Glass manufacturing...
 - ◆ Additives in paints, plastics, elastomers, polishing powders (both in powder and liquid detergent forms), and welding rod coatings.
- ✓ For many years, feldspar products from Minco have been well received in the market. This has been a driving force for the company to further invest and develop in this field,

bringing high value to the nation's precious natural resources.

6. Notable Awards:

Time	Title	Awarding Organization
2000	Third-class Labor Medal	President of Vietnam
2003	Gold Medal: Foundry Sand Product	Vietnam International Trade Fair – VIETNAM EXPO 2003
2004	Golden Globe Award at the Vietnam High-Quality Goods Fair 2004	Vietnam High-Quality Goods Fair 2004
2004	Gold Medal: TTB Sand Product (59-62) at the Vietnam High-Quality Goods Fair 2004	Ministry of Industry & Ministry of Science and Technology
2004	Gold Medal: Silica Powder BTA#200 and BTA#325	Ministry of Industry & Ministry of Science and Technology
2005	Gold Medal: Processed TTB Sand Product (44-48); Silica Powder BTA#400	Vietnam International Trade Fair – VIETNAM EXPO 2005
2005	Certificate of Merit for "Exemplary Compliance with Tax Policies in 2005"	(Decision No. 280/QD-TCT dated March 28, 2006, by the General Department of Taxation)
2007	Two Gold Medals: Foundry Sand Product and Silica Powder BTA#325	International Industrial Fair organized by the Ministry of Industry in Ho Chi Minh City, June 2007
2007	Certificate of Merit for "Outstanding Achievement in Tax Compliance in 2007"	(Decision No. 868/QD-KT dated February 28, 2008, by the People's Committee of Quang Nam Province)
2008	Certificate of Merit for "Exemplary Compliance with Tax Policies in 2008"	(Decision No. 388/QD-TCT dated April 20, 2009, by the General Department of Taxation)
2009	Certificate of Merit for "Outstanding Contribution to Quang Nam Province's Industrial Development Over the Years"	(Decision No. 1618/QD-UBND dated May 19, 2009, by the Chairman of the People's Committee of Quang Nam Province)
2009	Certificate of Merit for "Excellent Business Performance and Significant Contributions to the Vietnamese Business Community in 2009"	(Decision No. 3800/PTM-TĐKT dated December 23, 2009, by the Chairman of the Vietnam Chamber of Commerce and Industry)
2009	Certificate of Merit for "Significant Achievements in Business Operations Contributing to Socioeconomic Development Over the Years"	(Decision No. 1090/QD-UBND dated April 1, 2010, by the Chairman of the People's Committee of Quang Nam Province) at the Outstanding Industrial and Trade Enterprises Conference of Quang Nam for the period 2005-2009
2010	Certificate of Merit for "Active Contributions to the Development of the Vietnamese Business Community in 2010"	(Decision No. 3883/PTM-TĐKT dated December 20, 2010, by the Chairman of the Vietnam Chamber of Commerce and Industry)

24/02/2011 Quang Nam Mineral Industry Joint Stock Company was ranked among the Top 500 Fastest Growing Enterprises in Vietnam in 2010, as announced by Vietnam Report and VietnamNet (<http://www.fast500.vn>)

22/10/2022 Quang Nam Mineral Industry Joint Stock Company was honored in the Top 10 Enterprises with Outstanding Asia-Pacific Brands in 2022



7. Information about governance model, business organization and managerial apparatus:

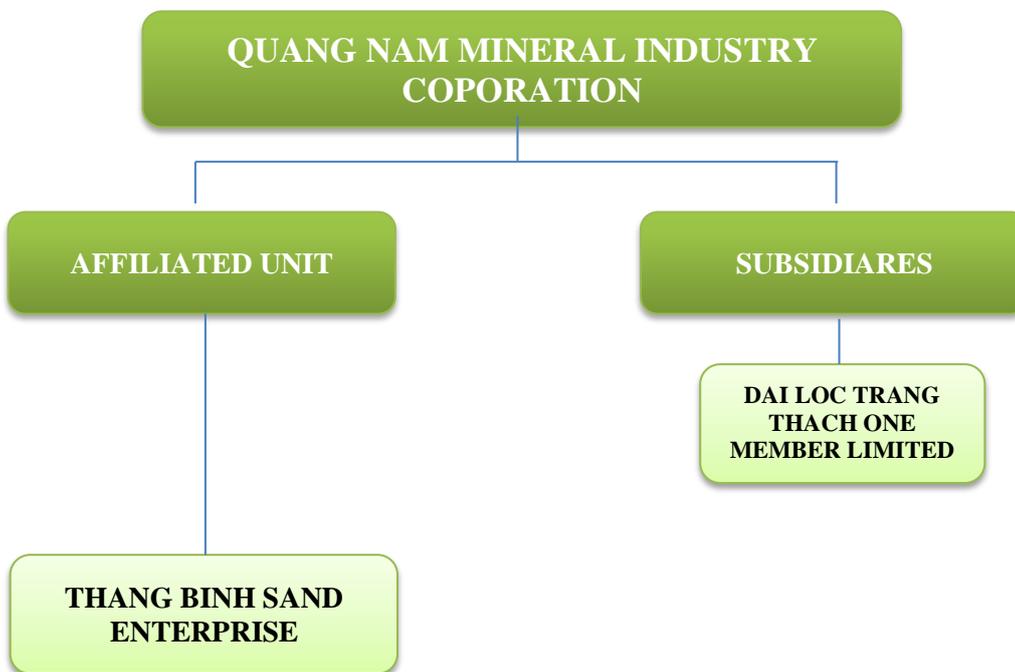
a. Governance model:

Diagram 1





Diagram 2: MANAGEMENT ORGANIZATION MODEL



c. Subsidiaries and Branches:

<p>Headquarters: <i>Address: Ha Lam - Cho Duoc Industrial Cluster, Binh Phuc Commune, Thang Binh District, Quang Nam Province, Vietnam.</i> <i>Điện thoại: (+84 235)3665022</i> <i>Fax: (+84 235)3665024</i> <i>E-mail: minco@dng.vnn.vn; Website: www.minco.com.vn</i></p>	
<p>(1) Thang Binh Sand Enterprise <i>Address: Ha Lam - Cho Duoc Industrial Cluster, Thang Binh District, Quang Nam Province, Vietnam.</i> <i>Phone: (+84 235)3874555</i> <i>E-mail: sandmining.tb@gmail.com</i></p>	
<p>(2) Trang Thach Dai Loc Single Member LLC <i>Address: Ban Tan Village, Dai Dong Commune, Dai</i></p>	

<p><i>Loc District, Quang Nam Province.</i></p> <p><i>Phone: (+84 235)3846935</i></p> <p><i>Fax: (+84 235)3846617</i></p> <p><i>E-mail: trangthachdl@minco.com.vn</i></p>	
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8. Development orientations:

a. General Orientation:

Focus all resources and solutions to stabilize and strengthen production and business operations. Restructure the production and business activities towards a leaner model and concentrate on developing mainly in areas related to white sand products, with a focus on deep processing to create many products with high technological content and economic value, increasing the competitiveness and reputation of the Company in the context of both domestic and global economic conditions, which still pose many challenges to businesses.

b. Main objective of the Company:

- Enhance the efficiency of production and business activities, striving to create an internal accumulation rate, gradually developing capital to ensure economic benefits for shareholders and investors; maintain and stabilize employment for employees, and increase average income for workers annually.

- Resolve legal issues related to the mine, increase the extraction capacity of white sand and groundwater. Continue to address the outstanding issues related to Chinese investors, extend the mining license for Trảng Thạch mine to continue implementing the Company's goals and strategies.

- Closely monitor the quality of processed sand products, ensuring the implementation of the policy from the Quảng Nam Provincial People's Committee.

- Focus on consolidating and changing the approach to domestic and export markets to stabilize and enhance the consumption of the Company's key products.

c. Development strategies in medium and long term:

- After completing the application for adjusting the mining license and increasing the mining and processing capacity of white sand, study projects for deep processing products from white sand to enhance the added value of the products, extend the lifespan of the mine, increase production efficiency, and ensure the Company's long-term development plan, in line with the Government's policy on national mineral reserves.

- Continue to seek joint ventures and partnerships with domestic and international partners; seek investment in new product processing to implement the product diversification strategy.

- Collaborate with domestic and foreign entities to invest in building a factory to produce sodium silicate, white carbon, or high-value products from glass sand raw materials.

d. Corporate objectives with regard to Corporate environment, society and community Subtainbility:

The Company complies with current regulations in environmental protection activities, post-mining restoration, contributes funding to support local infrastructure development, and effectively participates in charitable social activities in areas where the Company's subsidiaries and affiliates are operating.

9. Risks:

The war between Russia and Ukraine not only causes energy prices to skyrocket but also undoubtedly impacts a wide range of social and economic issues. Therefore, the business operations of the Company will certainly face significant negative effects from the following challenges:

a. The Russia-Ukraine War:

In late February 2022, Russia launched a full-scale war against Ukraine. This conflict has led to indirect support for Ukraine from many Western countries and the US, causing global instability with uncertain consequences. In the short term, energy prices and precious metals (such as gold) are rising sharply, leading to higher prices for goods and services, particularly transportation costs and logistics expenses. This is disrupting the global market. This risk poses a high danger, especially in the consumption and export of white sand, which will face numerous obstacles .

b. Financial Capacity:

In previous years, the Company operated ineffectively, resulting in limited accumulated resources to cope with macroeconomic policy instability and market fluctuations. The Company's financial resources are still tight, which reduces its competitiveness.

c. Mineral Resource Management Policies:

The Vietnamese government will adopt many significant policies in the management of mineral resources, aiming to prevent waste, protect the environment, and enhance the value of resources. The government's export policy for silica sand is unstable, leading to significant disadvantages, such as customers losing confidence in Vietnam's sand export policies and seeking more stable partners. With this situation, the future of silica sand exports could face many difficulties or even come to a halt. This risk may cause the Company to lose its main export advantage.

d. Increased Costs for Environmental Rehabilitation and Local Support:

According to local regulations, the Company must contribute to the local budget to support the construction of local infrastructure when mining minerals in the area. For white sand mining, the cost was 25,000 VND/m³ in 2012. From 2014 until now, it has increased to 35,000 VND/m³. The local budget contribution is not considered a reasonable cost under tax laws. Therefore, the Company's cost is 42,000 VND/m³ (including corporate income tax), and this cost is still uncertain in the future, which negatively impacts the Company's financial operations. In a situation of tight capital, having to pay a deposit for environmental rehabilitation and restoration at the Hường An white sand mine, which amounts to tens of billions of VND, is a huge pressure on the Company.

e. Increased Taxes:

The export tax on white sand has increased from 17% to 30% since January 1, 2013, and the resource tax has increased from 13% to 15% since July 1, 2016. Whether these taxes will continue to rise in the future is an ongoing risk.

f. Increased Input Costs:

The costs of environmental rehabilitation, resource taxes, and environmental fees are rising and account for a significant proportion of the mining costs, especially for white sand. This unfavorable factor reduces the Company's competitiveness compared to other companies in the same industry across the country. The Company will definitely struggle to mine effectively if it only exports white sand through preliminary processing.

In 2024, the increase in fuel and energy prices significantly affects internal transportation costs, sales expenses, and production service costs.

II. Operations in 2024:

1. Situation of production and business operations

a. Impacts and Challenges:

In 2024, the Company has basically secured a stable supply of white sand, with favorable weather conditions and minimal rainfall. The increased capacity of processing equipment has also ensured smooth mining and production operations. However, the Company still faces several significant challenges and impacts:

- The Company has been experiencing severe financial imbalances for many years. Working capital for production mainly relies on bank loans, and cash flow circulation remains slow.

- Legal procedures related to the Hương An white sand mine and the Đại Lộc feldspar mine remain incomplete:

- + For the Hương An white sand mine: The land lease procedure for the 32-hectare overlapping area in Đông Quế Sơn has not yet been completed.

- + For the Đại Lộc feldspar mine: The Ministry of Natural Resources and Environment has issued a decision approving the mine closure plan under License No. 994, but the renewal procedure for License No. 995 remains incomplete, preventing the Company from resuming feldspar mining.

- The prices of raw materials and repair costs, including electricity and spare parts, continue to rise. Fees related to environmental protection, mineral and groundwater resource taxes, land lease payments, and contributions to local infrastructure development have also increased significantly.

- Despite additional investments, the Company's machinery, equipment, transportation vehicles, and internal roads have been in use for an extended period and are now deteriorating. Frequent breakdowns lead to rising maintenance and repair costs.

- Due to the impact of the COVID-19 pandemic, fiberglass fabric products could not be sold as expected, resulting in higher-than-anticipated inventory levels. Prolonged storage has led to a decline in product quality. In response, the Board of Directors decided to cease operations at the Fiberglass Fabric Factory, liquidating its assets and terminating employee contracts starting from May 2021. By 2022, the Company had completed the liquidation of inventory and machinery. Since then, the Company has repurposed the factory for other production and business activities.

- The government's policies on mineral mining, processing, and environmental protection are becoming increasingly stringent, significantly impacting the Company's mining operations.

b. Performance Results of 2024 Compared to 2023:

No	Indicator	Unit	Comparison of Actual 2024 with				
			Actual 2023	Planned 2024	Actual 2024	Actual 2023	Planned 2024
			1	2	3	4=3/1	5=3/2
1	Net Revenue	1.000 Dong	180.415.956	235.668.846	230.404.048	128%	98%
2	Total Expenses	1.000 Dong	164.808.346	204.220.292	213.420.577	129%	105%

3	Profit before taxes	1.000 Dong	15.607.611	31.448.554	16.983.471	109%	54%
4	Profit after taxes	1.000 Dong	10.765.137	23.783.805	10.434.583	97%	44%
5	Average Outstanding Shares	Shares	5.514.621	5.514.621	5.514.621	100%	100%
6	Earnings Per Share (EPS)	Dong/shares	1.952	4.313	1.892	97%	44%
7	Major Product Sales Volume						
8	Processed Sand (all types)	Tons	280.321	334.000	345.837	123%	104%
9	Fiberglass Fabric and Yarn	Tons	0	0	0		
10	Feldspar Powder, Weathered Products	Tons	0	0	0		
11	Capital Investment	Million dong	43.916	5.000	2.569	6%	51%
12	Total Salary Fund	1.000 Dong	13.882.880	15.232.375	14.913.995	107%	98%
13	Average Workforce	People	96	90	97	101%	108%
14	Average Income	(Dong/people/month)	12.051.111	14.104.051	12.812.711	106%	91%

Tax Contribution to the State and Local Budget: 38.9 billion VND (~16.8% of revenue).

c. Evaluation:

In 2024, despite facing numerous challenges in production and business activities, the Company has made significant efforts and successfully achieved its set business objectives. Notably, the Company has made considerable progress, particularly with the successful development of a new product—high-quality, low-iron processed white sand (F80)—which has enhanced its reputation among both domestic and international customers:

-Legal procedures related to mining and processing operations have yet to be fully completed. These include: The renewal of the groundwater extraction license for white sand washing; The land lease procedure for the 32-hectare area in Đông Quế Sơn Industrial Park; The adjustment of the project implementation timeline for mineral extraction before July 28, 2025, in accordance with Decision No. 78/QĐ-BTNMT, dated January 10, 2024; The renewal of License No. 995 for the Đại Lộc feldspar mine has not been completed. The Company is currently securing the mine and preparing for resumption of operations once the new mining license is issued and the Board of Directors provides further strategic direction.

- The land lease application for mining operations in the overlapping area with the planned Dong Que Son Industrial Park, spanning Que Son and Thang Binh districts, has not been completed in 2024.

2. Organization and Human resource:

a. Board of Management:

List of board of Management:

No	Full name	Position
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1	Mr. Pham Ngoc An	General Director
2	Mr. Tran Thanh Son	Deputy General Director
3	Mr. Pham Minh Tuan	Chief Accountant

b. Curriculum vitae:

◆ Mr. Pham Ngoc An – General Director:

✓ General information:

Date of Birth	: October 6, 1984
National ID	: 095084000084
Ethnicity	: Kinh
Hometown	: Bac Lieu
Permanent Address	: A1.9.1 HAGL Gold House, Phước Kiển, Nhà Bè, Tp. HCM
Education	: University
Professional Qualification	: Bachelor's Degree in Banking and Finance

✓ Work Experience:

2007-2008	: Investment Analyst – Can Tho Agricultural Materials and Technical JSC
2009-2010	: ACB WU Agency Development Specialist – Asia Commercial Bank (ACB)
2011-2013	: Deputy Manager Investment Banking
2014-2016	: General Director – Binh Thuan Industrial Minerals JSC
2017-2019	: General Director – VICO Quang Tri Investment and Minerals JSC
2020 to present	: Deputy General Director – Hue Premium Silica Co., Ltd. Board Member – Quang Nam Mineral Engineering JSC General Director – Quang Nam Mineral Engineering JSC
Current position	: General Director of Quang Nam Mineral Engineering JSC
Current Position in other	: Permanent Deputy General Director – VP Silica JSC

organization

Number of Shares Held : 00 Share

Personal Ownership : 00 Share

Authorized Representation
of Institutional Shares : 00 Share

Shares Held by Related
Persons : 00 share

Outstanding Debt to the
Company : None

Other Business Interests
Related to the Company : None

◆ **Mr. Tran Thanh Son – Deputy General Director:**

✓ **General information:**

Date of Birth : December 10th 1991

National ID : 036091003906

Ethnicity : Kinh

Hometown : Nam Dinh

Permanent Address : 25, Street No. 5, Lavila Kien A, 25 Nguyen Huu Tho,
Nha Be District, Ho Chi Minh City

Education : University

Professional Qualification : Bachelor's Degree in Economics

✓ **Work Experience:**

2013-2016 : Deputy Head of Investment Department – Binh
Thuan Industrial Minerals JSC

2016-2019 : Head of Finance & Accounting, Chief Accountant –
Bao Thu Industrial Development and Investment
JSC.

2019-2020 : Head of Finance & Accounting, Chief Accountant –
Vico Quang Tri Investment and Minerals JSC

2020-2021 : Assistant to the General Director – Viet Phuong
Investment Group JSC.

2021 - present : Deputy General Director – Quang Nam Mineral
Engineering JSC

Current Position : Deputy General Director – Quang Nam Mineral Engineering JSC

Current Position in other organization : Deputy General Director – VP Silica JSC

Number of Shares Held : 00 share

Personal Ownership : 00 share

Authorized Representation of Institutional Shares : 00 share

Shares Held by Related Persons : 00 share

Outstanding Debt to the Company : None

Other Business Interests Related to the Company : None

◆ **Mr. Pham Minh Tuan – Chief Accountant:**

✓ **General information:**

Date of Birth : March 18, 1980, in Quang Nam

National ID : 205005350, Issued on: June 17, 2011, Issued by: Quang Nam Police

Ethnicity : Kinh

Hometown : Dien Tho Commune, Dien Ban District, Quang Nam Province

Permanent Address : Group 5, Phong Thu I Hamlet, Dien Tho Commune, Dien Ban District, Quang Nam Province

Education : University

Professional Qualification : Bachelor’s Degree in Economics

✓ **Work Experience:**

2005-7/2008 : Accountant in charge at Nam Giang Forestry and Service Company

8/2008 – 4/2010 : Accountant at Nam Giang Rubber One Member Limited Liability Company - Quang Nam

5/2010 – 5/2011 : Acting Head of Finance and Accounting Department

	at Nam Giang Rubber One Member Limited Liability Company - Quang Nam.
7/2012 - 3/2014	: Accountant in charge at Fansipan Hotel – Phan Xi Pan Co., Ltd
4/2014-11/2015	: Employee, Head of Finance and Accounting Department at Quang Nam Mineral Processing Joint Stock Company
20/5/2014 - 18/11/2015	: Head of Finance and Accounting Department at Quang Nam Mineral Processing Joint Stock Company
18/11/2015 <i>đến nay</i>	: Chief Accountant at Quang Nam Mineral Processing Joint Stock Company
Current Position	: Chief Accountant at Quang Nam Mineral Processing Joint Stock Company
Current Position in other organization	: None
Other Positions	: 0 share.
Number of Shares Held	: 0 share.
Personal Ownership	: 00 share
Authorized Representation of Institutional Shares	: 00 share
Shares Held by Related Persons	: None
Outstanding Debt to the Company	: None

c. Benefits of the Executive Board:

- The salary fund for the Board of Directors, Chief Accountant, and other management personnel appointed by the Board of Directors (BOD) is approved by the BOD. Salaries are determined on a monthly basis, with monthly salary advances provided. The salary fund is settled quarterly, semi-annually, or annually. This salary fund is included in the company's approved product-based salary pricing by the BOD.

- Bonuses and other benefits are the same as those of the company's employees. Rewards are granted based on task completion levels and are paid from the company's annual post-tax profits.

3. Labor Policy:

a. Number of Employees and Workforce Structure:

- As of December 31, 2024, the total number of official employees in the company is 97. The workforce is categorized by educational qualifications and job assignments as follows:

No	Category	Number 2024		Ratio
		Man	Women	Women/man
By Educational Qualification				%
1	Postgraduate	1	0	
2	University	21	9	43
3	College/Intermediate/Technical workers with certification	54	0	
4	On-the-job trained general labor	8	4	50
By Job Assignment				
1	Board of Directors/Executive Board	2	0	
2	Senior Management	12	1	8
3	Middle Management & Technicians	25	8	32
4	Direct Labor	45	4	9

b. Employee Policies:

- Working Conditions:

◆ 44 hours per week for employees working at the company's office and affiliated unit offices and 48 hours per week for other departments.

◆ The company ensures that employees receive all benefits as prescribed by law, including leave entitlements, sick leave, maternity leave, retirement benefits, and severance allowances .

- Recruitment and Training Policies:

◆ The company places great importance on training and retraining to enhance management skills, professional expertise, political awareness, cultural knowledge, foreign language proficiency, and computer skills, ensuring high efficiency in business operations.

◆ As part of its development strategy, the company provides training, retraining, and professional skill enhancement at appropriate times and stages to meet actual job requirements.

◆ Employees are encouraged and supported to pursue self-learning and professional development to improve their work performance.

c. Salary, Bonus, Allowance, and Welfare Policies:

- **Salary Policy:** The company primarily applies a time-based salary system or task-based remuneration, Salaries are paid or advanced once between the 5th and 15th of the following month.

- **Bonus Policy:** Employee bonuses are determined based on the company's annual business results and individual work performance, The reward regulations are decided by the employer and publicly announced at the workplace after consulting the employee representative organization, The company provides special bonuses for employees who make significant contributions, such as resolving operational issues, preventing asset losses, or achieving high rankings in competitions organized by the company or the labor union.

- Employee Welfare Policy:

◆ Employees receive all benefits in accordance with state regulations and the collective labor agreement, The company is committed to improving the material and spiritual well-being of its employees by fostering a comfortable and hygienic work environment and organizing cultural and recreational activities, annual company trips, and team-building events, Additional support is provided for maternity leave, weddings, funerals, birthdays, etc., with benefit levels adjusted periodically based on actual conditions.

◆ The company strictly complies with regulations on health insurance, social insurance and unemployment insurance and ensures timely payment of all legally mandated insurance benefits.

- **Average Salary:** Despite challenges, all employees have made great efforts to achieve several set goals. In 2024, the average monthly income was 12,812,711 VND per person, an increase of 761,600 VND per person per month compared to 2023. This ensures that employees can work with stability and peace of mind.

4. Investment Situation:

a. Major Investments:

No	Item	Amount (VND)
1	40-ton Mobile Electronic Weighbridge	327.750.000
2	Fuel Storage and Supply System	302.839.219
3	Internal Concrete Road (800m)	1.301.000.927
4	Fire Protection and Lightning Protection System	637.645.455
Total		2.569.235.601

b. Subsidiaries and Associated Companies:

Wholly Owned Subsidiary : Tranh Thach Dai Loc One-Member Limited Liability Company

Affiliated unit : Thang Binh Sand Enterprise

5. Financial Situation:

a. Financial Overview:

No	Indicator	2024 (VND)	2023 (VND)	Comparison 2024/2023 (%)
1	Total Assets	174.373.523.470	167.077.279.414	104,37%
2	Net Revenue	230.404.048.106	180.415.956.498	127,71%
3	Net Profit from Business Operations	17.806.288.649	18.338.066.858	97,10%
4	Other Profit	(822.817.394)	(2.730.456.239)	30,13%
5	Total Accounting Profit Before Tax	16.983.471.255	15.607.610.619	108,82%
6	Total Net Profit After CIT	10.434.583.100	10.765.136.618	96,93%

(Source: Audited Consolidated Financial Statements for 2023 and 2024)

b. Financial Ratios:

Indicator	Unit	2024	2023	Comparison 2024/2023
1. Liquidity Ratios				
- Current Ratio	Times	0,70	0,61	1,15
- Quick ratio	Times	0,65	0,52	1,25
2. Capital Structure Ratios				
- Debt/Total Assets	%	47,3	51,3	0,92
- Debt/Equity	%	89,8	105,2	0,85
3. Operating Efficiency Ratios				
- Inventory Turnover	Times	44,21	20,55	2,15
- Net Revenue/Total Assets	Times	1,32	1,08	1,22
4. Profitability Ratios				
- Net Profit Margin	%	5	6	0,75
- Return on Equity (ROE)	%	11,36	13,2	0,86
- Return on Assets (ROA)	%	6,0	6,4	0,94
- Operating Profit Margin	%	7,7	10,2	0,76

(Source: Audited Consolidated Financial Statements for 2023 and 2024)

c. Fixed Assets as of December 31, 2024:

No	Item	Original Cost (VND)	Remaining Value (VND)	Remaning value/Original cost (%)
I	Tangible Fixed Assets	107.144.392.748	34.266.593.516	31,98%
1	Workshops and Architectural Structures	43.346.619.067	12.864.305.407	29,68%
2	Machinery and Equipment	52.865.073.349	18.410.899.093	34,83%
3	Transportation Vehicles	8.178.102.609	2.096.893.568	25,64%
4	Management Equipment	2.754.597.723	894.495.448	32,47%
I	Intangible Fixed Assets	652.427.974	-	0,00%
1	Mining Rights	652.427.974	-	0,00%

(Source: Audited Consolidated Financial Statements for 2023 and 2024)

6. Shareholder Structure and Changes in Owner's Investment Capital:

a. Stock Information:

- Stock Name : Quang Nam Mineral industry Coporation
- Stock Type : Common Stock
- Stock code : MIC
- Par value : 10.000 Dong/share
- Total Number of Shares : 5.544.946 shares
- Total Par Value : 55.449.460.000 Dong
- Total Treasury Shares : 30.325 shares
- Total Outstanding Shares : 5.514.621 shares

b. Shareholder Structure:

Shareholder	2024			
	Number of Shares	Ratio (%)	Shareholder Structure (%)	
			Organization	Individual
State Shareholders	0	0	0,0%	0,0%
Non-company Shareholders	5.433.025	98,0%	50,7%	40,1%
Company Shareholders	111.921	2,0%	0,6%	8,6%
Including:				
- Board of Directors, Executive Board, Supervisory Board, Chief Accountant	00	0,0%		
- Employees	81.596	1,5%	0,0%	1,5%
- Treasury Shares	30.325	0,5%	0,6%	0,0%
Total	5.544.946	100,0%	51,3%	48,7%

c. Changes in Major Shareholder Ownership Ratio: None.

d. List of Shareholders Holding More Than 5% of the Company's Capital:

No	Shareholder	Location	Number of shares	Value (VND)	Ratio (%)
1	CP Silica Joint Stock Company	No. 105 Chu Van An, Yet Kieu Ward, Ha Dong District, Hanoi	1.366.025	13.660.250.000	24,64%
2	Viet Phuong Investment Group Joint Stock Company - VPG	No. 105 Chu Van An, Yet Kieu Ward, Ha Dong District, Hanoi	1.417.330	14.173.300.000	25,56%
3	Mr. Le Tuan Diep	Dung Nghia Commune, Vu Thu District, Thai Binh Province	342.855	3.428.550.000	6,22%
4	Mr. Nguyen Ba Phong	No. 2 Tran Thanh Tong, Pham Dinh Ho Ward, Hai Ba Trung District, Hanoi	586.900	5.869.000.000	10,58%
5	VHC Real Estate Business Joint Stock Company and Related Persons	No. C23, Tam Trinh Street, Hoang Van Thu Ward, Hoang Mai District, Hanoi	472.645 (237.445 of VHC)	4.726.450.000	8,52% (4,28%)

e. Change in the owner's equity:

In 2024, the Company did not issue any new shares to raise additional capital. There were no transactions involving treasury shares or other securities.

7. Environmental and Social Impact Report of the Company:

a. Environmental Impact:

• **Total Direct and Indirect Greenhouse Gas (GHG) Emissions:**

- The Company currently uses various equipment such as motor vehicles, cars, drying systems, magnetic separators, etc. During their operation, a certain amount of greenhouse gases is emitted.
- The Company's products are distributed domestically and for export. The transportation services hired to deliver the products also indirectly contribute to greenhouse gas emissions.

• **Initiatives and Measures to Reduce Greenhouse Gas Emissions:**

- The Company is constantly improving its production processes to reduce energy, electricity, and fuel consumption per product unit, thereby minimizing greenhouse gas emissions into the environment.
- Trees are planted around the mining areas in accordance with the approved environmental protection plan.

• **Specific Measures to Reduce Emissions:**

- According to the approved Environmental Impact Assessment, the adjusted project for white sand mining in Huong An, Quang Nam Province does not include the construction of gas treatment facilities. However, to reduce emissions into the atmosphere and protect public health, the Company has implemented several measures to control emissions from the project.
- The Company develops a reasonable mining plan, focusing operations during the dry season and suspending activities during the rainy season. Operations are completely halted on days with adverse weather conditions such as strong winds, low pressure, or storms.
- Sand fences are installed around outdoor finished sand storage areas. Sand piles are not to exceed 10 meters in height, and water is regularly sprayed to keep the white sand moist, preventing dust dispersion from both raw and finished products.
- The correct type of fuel is used for each type of machinery and equipment. Fuel must meet quality standards to limit the release of toxic gases into the environment.
- Machinery and equipment used must meet technical and environmental safety standards as regulated by the Vietnam Register. Old or outdated equipment is not used.
- Regular inspection and maintenance of mining machinery and equipment are conducted to ensure they meet technical requirements before operation.

b. Raw Material Management:

- **Total Raw Materials Used for Producing and Packaging the Company's Main Products and Services During the Year:**

- Volume of raw white sand: 225,005 m³.
- Mineral source: Licensed under Decision No. 103/QĐ/CN-CL dated November 13, 1995; Decision No. 993/QĐ-BTNMT dated July 28, 2006; Decision No. 78/QĐ-BTNMT dated January 10, 2024. Mining areas include Huong An White Sand Mine - Binh Phuc and Binh Giang Communes, Thang Binh District, and Huong An Commune, Que Son District, Quang Nam Province.
- Percentage of Recycled Raw Materials Used in Production: None.
- Residues and bauxite from mineral processing are used for environmental rehabilitation at the mined-out areas, in compliance with environmental laws and approved environmental protection plans.
- Other solid wastes are collected and treated by a licensed waste treatment service provider to ensure a clean and safe production and business environment, minimizing environmental impact.

c. Energy Consumption:

- **Direct and Indirect Energy Consumption:** The primary fuels used include diesel, lubricants, and oils for machinery and equipment operations.
- Diesel: 261,992 liters
- Various lubricants: 5,014 liters
- Electricity: 3,776,317 kWh
- Energy Saved Through Efficiency Initiatives: None.
- Reports on Energy-Saving Initiatives (e.g., providing energy-efficient products/services or using renewable energy), and Results of These Initiatives: None.

d. Water Consumption:

- Water sources and volume used:
 - Sources: Groundwater (License No. 3051/GP-UBND dated 02/11/2020); municipal water from Thang Binh Clean Water Enterprise
 - Recycled water from the recirculation pond system
 - Water used for washing white sand: 87,057 m³, of which:
 - + Groundwater: 52,200 m³
 - + Municipal water: 34,857 m³
- Percentage and total volume of recycled and reused water: Recycled and reused water accounts for 100%.

e. Compliance with Environmental Protection Laws:

- Number of penalties for non-compliance with environmental laws and regulations: None
- Total amount of fines for environmental violations: None
- In 2024, the Company did not receive any inspection, audit, or official request from authorities regarding environmental matters; therefore, there were no compliance corrective results to report.

f. Labor-Related Policies:

- Number of employees: 97, Average monthly salary: 12,812,711 VND/person/month
- Labor policies ensuring health, safety, and employee welfare:
 - Working hours:
 - 44 hours/week for employees at the Company Office and affiliated unit offices
 - 48 hours/week for other departments
 - Employees are entitled to all legal benefits such as leave, sick leave, maternity, retirement, and severance pay
 - Full compliance with government regulations and the collective labor agreement; focus on improving material and spiritual well-being, maintaining a hygienic and comfortable work environment, organizing cultural activities, annual trips, etc. Employees also receive additional support for maternity, bereavement, birthdays, etc., with the support amount adjusted according to actual conditions
 - The Company fully and promptly pays health insurance, social insurance, and unemployment insurance, and settles insurance claims as per the law
 - **Employee training activities:**
 - The Company places great emphasis on training and retraining to improve management, professional expertise, political awareness, cultural knowledge, foreign language skills, and IT skills for employees, aiming to effectively serve the business.
 - Encouragement and support for employees to pursue self-study and professional development.

g. Community Responsibility Report:

The Company always pays attention to the activities of the local communities around its mining and processing areas. Its business objectives align with social goals. Based on its financial capacity, the Company has gradually and effectively implemented social work, improved local living conditions, fostered high consensus between the business and local communities, and contributed to local economic development.

Description	Amount (VND)
Support for Thang Binh District Police – Sports tournament in Quang Nam	10,000,000
Support for Binh Giang Commune Police – Year-end gathering	2,000,000
Support for Hamlet 14, Binh Hoa Village, Binh Giang Commune – Gate construction	7,500,000
Support for Women's Union of Huong An Town	3,000,000
Support for Huong An Town Men's Football Team	3,000,000
Support for Veterans Association of Binh Giang Commune	3,000,000
Support for Binh Phuoc Commune People's Committee – Sports Festival	10,000,000
Support for various hamlets for Tet offering ceremonies (early 2024)	5,500,000
Support for Vietnam Fatherland Front Committee, Binh Giang Commune – Congress	5,000,000
Support for Ngoc Son Tay Hamlet, Binh Phuoc Commune – Football field construction	10,000,000

Description	Amount (VND)
Support for Hamlet 12, Ngoc Son Dong Village – Thanh Minh Festival offering	1,000,000
Support for Binh Giang Commune People’s Council – Council budget	15,000,000
Support for Hamlet 13, Binh Hoa Village – Sound system	10,000,000
Support for Binh Giang Commune – Hung Kings’ Anniversary	1,000,000
Support for Ngoc Son Village Elders – Hung Kings’ Anniversary	1,000,000
Support for Thang Binh District Dioxin Victims Association	3,000,000
Support for Binh Phuoc Kindergarten – Cultural performance for President Ho Chi Minh's Birthday	1,000,000
Support for Ho Family, Hien Luong Hamlet, Binh Giang Commune	5,000,000
Support for Hien Luong Village – Memorial monument construction for Dong Ho Battle	20,000,000
Support for Binh Giang Farmers Association – Savings books for policy beneficiaries	4,000,000
Support for Binh Phuoc Commune – Education promotion fund	2,000,000
Support for Women’s Union of Huong An Town – Gifts for single and disadvantaged women	3,000,000
Support for Binh Giang Commune Police – Football tournament in Tan Hiep Commune	3,000,000
Support for eliminating temporary and dilapidated houses in Quang Nam (2023-2024)	10,000,000
Support for Ngoc Son Dong Hamlet – Mid-Autumn Festival gifts for children	2,000,000
Support for Binh Hoa Hamlet, Binh Giang – Party Cell Congress	1,000,000
Support for Hamlet 13 and 14 – Mid-Autumn Festival gifts for children	3,000,000
Support for Thang Binh District People’s Committee – Vietnamese Businessmen’s Day	5,000,000
Support for Binh Giang Commune – Military Party Cell Congress	1,000,000
Support for Cultural Performance – Quang Nam Veterans Youth Association	1,000,000
Support for Funeral Committee of Hamlet 13 – Funeral expenses	5,000,000
Support for Farmers of Hamlet 13 – Condolence expenses	1,800,000
Support for Binh Giang Military Command – 80th Anniversary of the People’s Army	3,000,000
Support for Binh Hoa Village – Farmers’ Football Tournament	2,000,000
Support for Ngoc Son Dong Hamlet – Great National Solidarity Day	2,000,000
Support for Yen Lu Hamlet, Huong An Town – Great National Solidarity Day	2,000,000
Support for Hamlet 13 and 14, Binh Hoa Village – Great National Solidarity Day	3,000,000
Support for Binh Hoa villagers – Agricultural pump purchase	10,000,000
Support for Binh Phuoc Elderly Association – Volleyball tournament	1,000,000
Support for Thang Binh District People’s Committee – Military Day Celebration	1,000,000
Support for Ngoc Son Dong Hamlet – Tet gifts for local officers	6,000,000
Support for Quang Nam Dioxin Victims Association	3,000,000
Support for Thang Binh Dioxin Victims Association	3,000,000
Support for Thang Binh District Red Cross	5,000,000
Support for nurturing disadvantaged children in Phu Ninh	3,000,000
Support for Binh Giang Commune – Traditional Boat Racing	5,000,000
Support for Dioxin Victims Associations (District & Province) – additional entries	6,000,000
Support for “Fund for Elderly Care and Role Promotion” – Thang Binh District	5,000,000
Support for Hue Quang Pagoda – Vu Lan Festival performance	1,000,000
Support for Binh Tuy Hamlet – National Day celebration performance	2,000,000

Description	Amount (VND)
Support for Binh Phuoc Red Cross – Mid-Autumn Festival	3,000,000
Support for Elderly Association of Quang Nam	3,000,000
Support for Quang Nam Disability, Child Rights, and Poor Patient Protection Association	3,000,000

Total: 229,800,000 VND

h. Report on green capital market activities under the guidance of the SSC: None

III. Reports and assessments of the Board of Management:

1. Assessment of operating results:

In 2024, the company strived to overcome difficulties and achieved its revenue target of VND 230,404,048,106, reaching 98% of the planned goal and 128% compared to 2023 (VND 180,415,956,498). The company focused on its core product, processed white sand, while diversifying products to meet market demands. During the year, silica powder and dried sand continued to be produced but had not yet yielded effective results.

2. Financial situation:

a. Assets:

Total assets as of December 31, 2024, amounted to VND 174,373,523,470, an increase of approximately 104.37% compared to 2023 (VND 167,077,279,414).

Short-term receivables from customers reached VND 36,870,456,308, arising from receivables not yet due for payment. The company made a 100% provision for bad debts totaling VND 3,324,932,139.

b. Liability:

Total liability stood at VND 82,511,640,592, a decrease of 96.34% compared to 2023, accounting for 47.32% of total capital. Short-term liabilities were VND 76,889,520,266, an increase of 103.11% compared to 2023

c. Owner's Equity:

In 2024, profit after tax reached VND 10,434,583,100. There were no changes in owners' equity during the year.

3. Improvements in organizational structure, policies, and management:

In 2024, there were no changes in the company's executive management team.

4. Development plans in future:

a. Financial Restructuring:

The company will continue to focus on financial restructuring, including asset and capital restructuring, around white sand-related products. This aims to gradually restore, stabilize, and maintain a healthy financial position, progressively rebalancing capital structure and enhancing financial capacity.

b. Business Operations and Market Strategies:

- **Mining Operations:** White sand mining must always be accompanied by environmental protection and rehabilitation, especially land restoration after mining. The company strictly complies with legal regulations on mineral extraction and environmental protection... The

company has completed procedures to obtain a new mining license for the Huong An white sand mine, based on the decision of the National Mineral Reserve Assessment Council. Currently, the company is negotiating with Quảng Nam authorities regarding the leasing of overlapping mining areas. For the Dai Loc feldspar mine, the company is continuing to finalize upgraded reserve approvals and apply for a new mining license under License No. 995. The company is also working on optimal tax solutions in compliance with legal regulations to maximize profitability and fulfill obligations to the State Budget.

- **Production Activities:** The company is restructuring production, investing in technological improvements to enhance productivity and reduce costs while ensuring product quality. Priority is given to technological investment that enhances the value of white sand resources and integrates commercial activities related to similar products. The company has completed machinery and equipment investments to increase production capacity to 300,000 tons/year and develop high-quality low-iron sand products (F60, F80).

- **Sales & Market Development:** The company aims to optimize its competitive advantages (relationships, experience, etc.) to reorganize and stabilize its market presence, focusing on new strategies for the domestic market.

- **Short-Term Investment Plans:**

◆ Thang Binh Sand Enterprise: The company is processing the groundwater extraction license and implementing partial mine closure procedures for the Huong An mine. Completing the land lease process for a 32-hectare mining area in the Eastern Quế Sơn Industrial Park.

◆ Dai Loc Feldspar Company: Completing the new mining license application for the Dai Loc feldspar mine under License No. 995.

5. Explanation of the Board of Management for auditor's opinions:

- The Executive Board of the Company is responsible for ensuring that accounting records are properly maintained to accurately reflect the consolidated financial position of the Company at any given time, and to ensure that the consolidated financial statements comply with Vietnamese accounting standards, the Vietnamese enterprise accounting regime, and relevant legal regulations on the preparation and presentation of consolidated financial statements. The Executive Board is also responsible for safeguarding the Company's assets and taking appropriate measures to prevent and detect fraud and other irregularities.

- The Executive Board confirms that the Company has complied with the above requirements in the preparation of the consolidated financial statements.

- The Board of Directors has approved the accompanying consolidated financial statements. These statements give a true and fair view, in all material respects, of the consolidated financial position of the Company as at December 31, 2024, as well as the consolidated results of operations and consolidated cash flows for the financial year then ended, in accordance with Vietnamese accounting standards, the Vietnamese enterprise accounting regime, and relevant legal regulations on the preparation and presentation of consolidated financial statements.

6. Assessment report related to environmental and social responsibilities of the Company:

a. **Assessment concerning the environmental indicators (water consumption, energy, emissions, etc...**

The Company has implemented regular environmental protection measures in 2024, specifically as follows:

- The Company invested in a water recirculation system in the white sand production process. This system is maintained and operated consistently and continuously to ensure no wastewater is discharged into the environment. The water reuse method significantly reduces water consumption, contributing to cost savings in production and business activities and minimizing the impact on underground water resources during mining.
- Periodic environmental monitoring:
 - + Wastewater monitoring: According to the approved Environmental Impact Assessment Report and the approved monitoring program, the Company is not required to conduct regular wastewater monitoring or install automatic, continuous wastewater monitoring systems.
 - + Groundwater monitoring: The Company coordinates with a specialized unit to conduct environmental monitoring twice per year. First round: May 9, 2024, second round: November 29, 2024. The results of the environmental quality indicators were within the permissible limits of QCVN 09:2023/BTNMT – National Technical Regulation on Groundwater Quality.
- The Company has installed mesh barriers to minimize white sand loss caused by weather conditions outside the storage area. To improve the working environment, the Company allocates a specific budget for tree planting in the production areas and office premises, contributing to better working conditions and environmental protection. Additionally, the Company regularly waters roads from the mining site to the processing plant to minimize dust and smoke in surrounding residential communities.
- Environmental rehabilitation is carried out in accordance with current mineral laws: The Company plants trees in areas where mining has been completed. This restoration work is conducted regularly and continuously and is reported periodically to the relevant authorities.

b. Assessment concerning the labor issues

The Company always fully ensures the rights and benefits of employees. All welfare regimes are implemented, including holidays, sick leave, maternity leave, company trips, and social insurance.

The Company provides adequate personal protective equipment (PPE) for all staff, such as protective clothing, masks, gloves, and other necessary tools specific to each department. Regular training sessions on occupational safety and hygiene are organized to raise awareness among workers about the importance of technical safety. The activities of the Party and trade union organizations are supported and facilitated by the Company.

The Company also cooperated with Tan Phat Think Media Services Co., Ltd. to organize visual communication campaigns in response to the 2024 Action Month for Occupational Safety and Hygiene.

Regarding hazardous waste, the Company has designated a specific collection area while awaiting proper treatment. Green trees within the Company's premises are carefully designed and maintained, creating a clean and green landscape while contributing to a fresh atmosphere.

c. Assessment concerning the corporate responsibility for the local community

In 2024, the Company fully fulfilled its responsibilities toward the local communities around its mining and processing areas. The Company actively contributed financial support to help maintain local social stability in accordance with its financial capacity. These efforts have fostered strong local consensus and created a favorable operating environment for the Company's production and business activities.

IV. Assessments of the Board of Directors on the company's operation:

1. Assessments of the Board of Directors on the company's operation:

The company has strictly and fully complied with all legal regulations regarding mining laws, taxation, environmental protection, fire prevention and control, food hygiene, and workplace safety. There have been no violations or incidents of non-compliance.

2. Assessment of Board of Directors on Board of Management's performance:

In implementing the 2024 business plan, the Executive Board demonstrated strong determination and effort in executing the 2024 General Meeting of Shareholders' Resolutions and the Board of Directors' (BoD) Resolutions. The Executive Board has worked diligently to fulfill its responsibilities in business operations management, financial control, and income distribution. The Board proactively researched technical improvements, optimized production lines, and efficiently allocated human resources, ensuring cost savings on raw materials. Additionally, the Executive Board took proactive measures to stabilize market supply even during peak periods, revive the export market for processed sand, and secure necessary funding to sustain business operations. Efforts were also made to restructure the organization, resolve personnel and asset-related issues, and enhance core values. Furthermore, the Board has focused on improving efficiency, fostering creativity, and encouraging innovation among company employees and its subsidiaries.

3. Plants and orientations of the Board of Directors:

The global economy is expected to remain unpredictable in 2025, and Vietnam's economy will continue to face numerous challenges and potential risks. Consequently, the company's business operations are anticipated to encounter significant difficulties.

To address these challenges, the Board of Directors (BoD) has set forth the following strategic directions for 2025:

- Strengthening and expanding the core business operations through investment in production expansion, product diversification, and a focus on high-quality products.

- Ensuring effective and decisive implementation of BoD resolutions regarding human resource management, investment efficiency monitoring, corporate culture, internal controls, production, finance, cost-saving initiatives, and anti-waste measures to enhance stability and efficiency.

- Further strengthening the organizational structure and key personnel, fostering a united and cohesive workforce, and implementing a clear salary and bonus policy to meet the company's practical needs. Additionally, the BoD will instruct the General Director to replace underperforming employees who fail to meet assigned responsibilities..

- Exploring new potential markets and developing flexible pricing policies to meet customer demands.
- Ensuring legal compliance in mining operations to avoid violations during inspections by regulatory authorities.
- Enhancing cash flow management, seeking low-interest capital sources, and proactively forecasting financial risks.
- Implementing modern management tools, focusing on standardizing operational procedures and internal management regulations to improve efficiency and ensure compliance with legal requirements, particularly in information security and risk management.
- Directing the organization of the Annual General Meeting of Shareholders, ensuring timely, transparent financial reporting and auditing in full compliance with current legal regulations.

V. Corporate governance:

1. Board of Directors:

a. Members and structure of the Board of Directors:

- At the General Meeting of Shareholders on April 26, 2023, the Board of Directors for the 2023-2028 term was elected, consisting of five members:

STT	Họ và tên	Chức vụ
1	Mrs. Le Thi Thu Huong	Chairman of BOD
2	Mr. Nguyen Van Viet	Member of BOD
3	Mr. Pham Ngoc An	Member of BOD
4	Mr. Nguyen The Lam	Member of BOD
5	Mr. Nguyen Anh Nguyen	Member of BOD

- On February 11, 2025, the Board of Directors issued a resolution approving the resignation of Mr. Nguyen Van Viet from his position as a Board Member.

b. Committees under the Board of Directors:

The Board of Directors has not established any subcommittees under its authority.

c. Activities of the Board of Directors:

- In 2024, the Board of Directors held five meetings in person and conducted voting by written consent, along with An Annual General Meeting of Shareholders.

- Throughout 2024, the Board of Directors monitored and supervised the execution of duties and functions within its authorized scope regarding the activities of the Company's General Director, in accordance with the Enterprise Law, the Company's Charter, and the Board of Directors' Resolutions.

- Additionally, the Board of Directors oversaw the Company's compliance with the Enterprise Law, the Company's Charter, financial management regulations, and other applicable government regulations.

- The Board of Directors convened with the Company's Executive Management, the Chairpersons and Directors of subsidiary companies, key officials of affiliated units, professional departments, and other managerial staff to assess the implementation of Board resolutions, business plans, and operational results of the units.

- All members of the Board of Directors fulfilled their responsibilities, contributed valuable insights to strategic direction and operational guidance, and provided fair and objective evaluations of both the Board’s responsibilities and the Executive Management’s performance.

◆ **Resolutions/Decisions of the Board of Directors in 2024:**

No	Resolution No.	Date of Issuance	Content
A			
RESOLUTIONS			
1	01/2024/NQ-HĐQT	28/02/2024	Approval of the following matters: <ul style="list-style-type: none"> - Restructuring of functional departments. - Establishment of the Production Department, QC Department, and Warehouse. - Renaming certain functional departments. - Issuance of the functions, tasks, and authorities of departments/divisions. - Issuance of the salary regulation.
2	02/2024/NQ-HĐQT	24/04/2024	Approval of the following matters: <ul style="list-style-type: none"> - Approval of the 2024 Business and Production Plan to be submitted to the General Meeting of Shareholders (GMS). - Approval of the 2023 audited financial statements. - Selection of a supplier for landfilling materials. - Approval of the agenda and documents to be submitted to the 2024 GMS. - Approval of the policy for repairing and upgrading transportation routes.
3	03/2024/NQ-HĐQT	27/06/2024	Additional capital contribution of MINCO to Dai Loc Feldspar One-Member Limited Liability Company.
4	04/2024/NQ-HĐQT	27/06/2024	Selection of an auditing firm for the 2024 financial statements.
5	05/2024/NQ-HĐQT	20/08/2024	Approval of the policy to sign transactions with related parties.
B			
DECISIONS			
1	01/2024/QĐ-HĐQT	28/02/2024	Issuance of the organizational chart of departments/divisions.
2	02/2024/QĐ-HĐQT	28/02/2024	Establishment of the Production Department.
3	03/2024/QĐ-HĐQT	28/02/2024	Renaming the CN Department to the Technical — Safety Department.
4	04/2024/QĐ-HĐQT	28/02/2024	Renaming the (KT-TC) to the (TC-KT).

5	05/2024/QĐ-HĐQT	28/02/2024	Renaming the HR-Administration Department (TC-HC) to the HR-Administration Department (NS-HC).
6	06/2024/QĐ-HĐQT	28/02/2024	Renaming the Planning-Business Department (KH-KD) to the Supply Chain Department.
7	07/2024/QĐ-HĐQT	28/02/2024	Issuance of the salary regulation.
8	08/2024/QĐ-HĐQT	28/02/2024	Issuance of the functions and tasks of departments/divisions.
9	09/2024/QĐ-HĐQT	04/05/2024	Reappointment of the Executive Vice General Director.

◆ Resolutions of the Annual General Meeting of Shareholders in 2024:

Resolution No. 01/ĐHCĐ/NQ issued on April 26, 2023, by the Annual General Meeting of Shareholders (AGM) 2023, approving the following matters:

- ✓ Report on the Company's business and production activities in 2023.
- ✓ Report on the activities of the Board of Directors (BOD) in 2023 and the operational direction for 2024.
- ✓ Report on the Company's control results in 2023 by the Supervisory Board.
- ✓ Consolidated financial statements and separate financial statements for 2023 audited.
- ✓ Profit distribution plan for 2023 after tax.
- ✓ Remuneration and operating budget for the BOD and Supervisory Board in 2024.
- ✓ Approval of the Business and Production Plan for 2024.
- ✓ Selection of an independent auditing firm for the 2024 financial statements.
- ✓ Continued implementation of procedures for transferring MIC stock listing.
- ✓ Approval of the policy to sign contracts with related parties.

d. **Activities of the committees under the Board of Directors:** None

e. **List of member of Board of Directors processing certificates on corporate governance:**

No	Full name	Position	Educational Level	Specialization
1	Mrs. Le Thi Thu Huong	Chairman of BOD	Bachelor's Degree	Mining Engineering
2	Mr. Pham Ngoc An	Member of BOD	Bachelor's Degree	Economics
3	Mr. Nguyen Van Viet	Member of BOD	Master's Degree	Business Administration
4	Mr. Nguyen The Lam	Member of BOD	Master's Degree	Economics and Land Management
5	Mr. Nguyen Anh Nguyen	Member of BOD	Master's Degree	Mechanical Engineering

2. Supervisory Board:

a. Members and Structure of the Supervisory Board:

At the General Meeting of Shareholders in April 2023, the Supervisory Board for the 2023-2028 term was elected, consisting of 03 members:

STT	Họ và tên	Chức vụ
1	Mr. Le Thi Hanh	Head of Supervisory Board
2	Mr. Nguyen Van Dung	Member
3	Mr. Nguyen Anh Tai	Member

b. Activities of the Supervisory Board:

- Inspecting and supervising the implementation of the business and production plan.
- Monitoring and overseeing the company's restructuring process.
- Checking company policies and regulations.
- Overseeing financial and accounting activities, monitoring financial market trends, macro and microeconomic factors affecting the company's financial and accounting operations.
- Reviewing capital balance and cash flow management.
- Participating in the audit and evaluation of financial statements.

c. Coordination between the Supervisory Board and the BOD, Executive Board, and Other Management Personnel:

- Attending BOD meetings to stay updated on business activities, investment status, and providing opinions and recommendations to the BOD and Executive Board within their scope of responsibility and authority.
- Verifying the reasonableness, truthfulness, and prudence in business management, accounting, statistics, and financial statement preparation.
- Auditing the financial statements, reviewing business performance reports, examining accounting records, and other company documents to assess the accuracy and transparency of financial data.

3. Transactions, Remuneration, and Related Benefits:

a. Salaries, Bonuses, and Remuneration of BOD Members:

Position	REMUNERATION AND OPERATING EXPENSES (VND)			% Actual	% Actual
	Actual 2023	Planned 2024	Actual 2024	2024/ Planned 2024	2024/ Actual 2023
Board of Directors	216.000.000	216.000.000	216.000.000	100%	100%
Supervisory Board	96.000.000	96.000.000	96.000.000	100%	100%
Company Secretary	36.000.000	36.000.000	36.000.000	100%	100%

Operating Expenses	27.701.921	180.000.000	24.316.995	14%	88%
Total	375.701.921	528.000.000	372.316.995	71%	99%

Remuneration and Salary of the Board of Directors, Executive Board, Supervisory Board, and Other Managers for the Year are as follows:

Name	Position	Current Year (VND)	Previous Year (VND)
Board of Directors			
Ms. Le Thi Thu Huong	Chairwoman of the Board of Directors	72,000,000	48,000,000
Mr. Pham Ngoc An	Member of the Board of Directors / General Director	757,800,000	708,300,000
Mr. Nguyen The Lam	Member of the Board of Directors	36,000,000	36,000,000
Mr. Nguyen Anh Nguyen	Member of the Board of Directors	36,000,000	36,000,000
Mr. Nguyen Van Viet	Member of the Board of Directors	36,000,000	24,000,000
Mr. Hoang Le Son	Chairman of the Board of Directors (dismissed on April 26, 2023)	-	24,000,000
Mr. Nguyen Ba Canh	Member of the Board of Directors (dismissed on April 26, 2023)	-	12,000,000
Executive Board			
Mr. Tran Thanh Son	Deputy General Director	721,800,000	672,300,000
Mr. Pham Van Sa	Deputy General Director (dismissed on May 17, 2023)	-	291,277,153
Chief Accountant			
Mr. Phan Minh Tuan	Chief Accountant	342,995,500	321,118,429
Supervisory Board			
Ms. Le Thi Hanh	Head of the Supervisory Board	36,000,000	24,000,000
Mr. Nguyen Anh Tai	Member of the Supervisory Board	30,000,000	30,000,000

Name	Position	Current Year (VND)	Previous Year (VND)
Mr. Nguyen Van Dung	Member of the Supervisory Board	30,000,000	20,000,000
Mr. Hoang Minh Sang	Head of the Supervisory Board (dismissed on April 26, 2023)	-	12,000,000
Mr. Tran Van Giang	Member of the Supervisory Board (dismissed on April 26, 2023)	-	10,000,000
	Total	2,098,595,500	2,268,995,582

b. Transactions of Insiders and Related Persons of Insiders:

No	Full name	Position in the Company (if any)	Business Registration Code/ID Card/Passport No., Date of Issue, Place of Issue	Contact Address	Shares Owned as of 31/12/2024	Ownership Percentage as of 31/12/2024
	Nguyễn Thị Kim Dung (General Director of VHC Real Estate JSC, younger sister of Ms. Dung)	None	038185036680		235.200	4,24

c. Contracts or Transactions with Major Shareholders:

No	Organization/Individual	Relationship	Business Registration No., Date of Issue, Place of Issue	Head Office Addresses	Transaction Date	Resolution/Decision No. of the GMS/BOD	Transaction Details
1	VP Silica JSC	Shareholder holding >10%	Business Code: 3301321637; 5th Business Registration Certificate Amendment issued on 17/12/2021 by the Business Registration Office – Hanoi DPI	No. 105 Chu Van An, Yet Kieu Ward, Ha Dong District, Hanoi, Vietnam	January 2024	01/2024/N Q-GMS 2024 dated 14/05/2024	Purchase and sale of processed white sand products, transaction volume: 202,853.464 tons; Total transaction value: 149,008,694,383 VND in 2024.

- d. Compliance with Corporate Governance Regulations:** The Company has strictly complied with legal regulations on corporate governance.

VI. FINANCIAL REPORT:

1. Independent Auditor's Opinion:

The independent audit firm has issued the following opinion on the consolidated financial statements for 2024:

"In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2024, as well as its consolidated financial performance and consolidated cash flows for the financial year then ended, in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System, and relevant legal regulations on the preparation and presentation of consolidated financial statements."

2. Audited Financial Statements:

The Company's financial statements have been audited by an independent audit firm approved by the State Securities Commission of Vietnam for listed entities. The audited financial statements by Deloitte Vietnam Co., Ltd include:

- Consolidated Balance Sheet as of December 31, 2024;
- Consolidated Income Statement;
- Consolidated Cash Flow Statement;
- Notes to the Consolidated Financial Statements for the financial year 2024.
- The address where the Financial Statements are published on the website: <https://minco.com.vn/>.

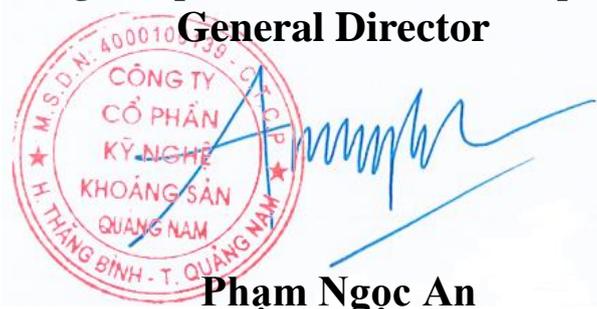
3. Independent Audit Firm:

The independent audit firm, **Deloitte Vietnam Co., Ltd**, reviewed the semi-annual financial statements and audited the consolidated financial statements for 2024.

- **Address:** 15th Floor, Vinaconex Building, 34 Lang Ha, Lang Ha Ward, Dong Da District, Hanoi, Vietnam
- Tel : (+8424) 71050000 Fax: (+8424) 62885678
- Website : <https://www.deloitte.com>

The Quang Nam Mineral Engineering Joint Stock Company reports to the State Securities Commission of Vietnam and investors.

Quang Nam, April 10, 2025
Legal Representative of the Company
General Director



Phạm Ngọc An

