

**DRAFT**

Bim Son, April ... 2025

## **REPORT ON THE PERFORMANCE OF THE BOARD OF DIRECTORS FOR THE TERM 2020-2025 AND ACTION PLAN IN 2025**

*Pursuant to Enterprise Law No.59/2020/QH14 dated 17 June 2020.*

*Pursuant to the Company Charter.*

*Pursuant to the Operating Regulations of the Board of Directors issued together with Decision No. 297/QĐ-BBBS dated 21 April 2023 of the Board of Directors.*

*Pursuant to Resolution of the 2020 Annual General Meeting of Shareholders of Vicem Bim Son Packaging Joint Stock Company No. 426/NQ-DHCD dated 30 June 2020.*

*Pursuant to Resolution of the 2021 Annual General Meeting of Shareholders of Vicem Bim Son Packaging Joint Stock Company No. 352/NQ-DHCD dated 29 April 2021.*

*Pursuant to Resolution of the 2022 Annual General Meeting of Shareholders of Vicem Bim Son Packaging Joint Stock Company No. 295/NQ-DHCD dated 23 April 2022.*

*Pursuant to Resolution of the 2023 Annual General Meeting of Shareholders of Vicem Bim Son Packaging Joint Stock Company No. 295/NQ-DHCD dated 21 April 2023.*

*Pursuant to Resolution of the 2024 Annual General Meeting of Shareholders of Vicem Bim Son Packaging Joint Stock Company No. 334/NQ-DHCD dated 19 April 2024.*

The Board of Directors of Vicem Bim Son Packaging Joint Stock Company (“BOD”) reports on the performance of the Board of Directors for the 2020-2025 term and the action plan for the 2025-2030 term, with the following contents:

### **I. PERSONNEL OF THE BOD FOR THE 2020-2025 TERM**

#### **1. Period from 30/6/2020 to 02/12/2022**

The 2020 Annual General Meeting of Shareholders (AGM) on 30 June 2020 elected the BOD for the 2020-2025 term, consisting of 05 members:

- |                          |                           |
|--------------------------|---------------------------|
| - Mr. Nguyen Van Chang   | Chairman                  |
| - Mr. Trinh Van Dien     | Member - CEO              |
| - Ms. Pham Thi Thu Huong | Member - Chief Accountant |
| - Mr. Nguyen Minh Duc    | Member                    |
| - Mr. Mai Viet Dung      | Member                    |

Of which, there are 02 people who are non-executive member (Mr. Nguyen Van Chang and Mr. Nguyen Minh Duc) and 01 person who is non-executive member from October 2022 (Mr. Mai Viet Dung retired from October 2022).

#### **2. Period from 02/12/2022 to 21/4/2023**

On November 12, 2022, Mr. Nguyen Van Chang - Chairman was arrested by the Investigation Police Agency - Hai Duong Provincial Police for temporary detention due to violations of bidding regulations causing serious consequences (occurring during the time Mr. Nguyen Van Chang worked at Vicem Hoang Thach Cement Company). Therefore, Mr. Nguyen Van Chang is not qualified to participate in the management and operation of the Company. The BOD held a meeting and elected Mr. Trinh Van Dien as in charge of

BOD (while waiting for the GMS to dismiss Mr. Chang from his position and elect additional members of the BOD).

The Board of Directors during this period has 05 members, including:

- Mr. Trinh Van Dien                      BOD In charge- CEO
- Ms. Pham Thi Thu Huong              Member - Chief Accountant
- Mr. Nguyen Minh Duc                  Member
- Mr. Mai Viet Dung                      Member
- Mr. Nguyen Van Chang                Member

Of which, there are 02 people who are non-executive member (Mr. Mai Viet Dung and Mr. Nguyen Minh Duc) and 01 person who is not qualified to participate in management process (Mr. Nguyen Van Chang).

### **3. Period from 21/4/2023 up to now**

Based on the resignation letter of Ms. Pham Thi Thu Huong and the announcement of the Hai Duong Provincial Police Department on the temporary detention of Mr. Nguyen Van Chang, on 27 April 2023, the 2023 AGM approved the dismissal of Ms. Pham Thi Thu Huong and Mr. Nguyen Van Chang and elected 02 additional members of the BOD for the 2020-2025 term (Ms. Nguyen Thi Kim Chi and Mr. Nguyen Duc Son).

The Board of Directors during this period has 05 members, including:

- Ms. Nguyen Thi Kim Chi                Chairwoman
- Mr. Trinh Van Dien                      Member - CEO
- Mr. Nguyen Minh Duc                  Member
- Mr. Mai Viet Dung                      Member
- Mr. Nguyen Duc Son                    Independent Member

Of which, there are 04 people who are non-executive member (Ms. Nguyen Thi Kim Chi, Mr. Nguyen Minh Duc, Mr. Mai Viet Dung, Mr. Nguyen Duc Son).

## **III. PERFORMANCE OF THE BOARD OF DIRECTORS FOR THE 2020 - 2025 TERM**

### **1. Business results for the 2020 - 2025 term**

Over the past 5 years, the world situation has changed rapidly, complicatedly and with many risks. In particular, the COVID-19 pandemic, strategic competition between major powers, the Russia-Ukraine conflict, natural disasters, climate change, etc. have had a strong impact on economic growth, supply chains, trade, investment, consumption, real estate, etc. globally and nationally.

The period 2020-2025 is also the most difficult period ever for the cement industry, leading to difficulties for the cement packaging industry. The demand for bags from cement companies has decreased, the supply of bags is in excess, and the proportion of bulk cement has increased rapidly, making the consumption of bags extremely difficult. The emergence of several new cement packaging companies (Dai Duong Packaging, Long Son Packaging...) has increased the "supply exceeds demand" situation in the packaging market. Packaging companies are competing fiercely to find outlets for their products, leading to a situation where some companies agree to reduce prices to maintain their operations through this difficult period. Meanwhile, the prices of key raw materials (plastic, paper) remain high, due to the disruption of the global supply chain, which has affected the Company's operation efficiency.

Due to the competitiveness of the cement market, cement manufacturers require increasingly high-quality bags, causing the cost of bag production to increase. The

production equipment has been using old technology for a long time, requiring the company to always strengthen control and repair lead to increasing the cost of repair and maintenance.

Faced with these difficulties and challenges, the Board of Directors of the Company promptly assessed and analyzed opportunities and challenges, proposed many measures and directions in leadership, management and operation of the Company; closely following the goals and tasks assigned by the GMS to direct and operate production and business. The company has continued to practice thrift and manage material consumption standards well to minimize production costs. At the same time, the company has actively sought customers to increase packaging output.

The results for the period 2020-2025 are as follows:

(C: actual/budget)

	Items	Unit	2020		2021		2022		2023		2024	
			Actual	C	Actual	C	Actual	C	Actual	C	Actual	C
1	Production volume	Mio bags	48.49	91	49.70	99	48.60	97	40.13	84	49.68	123
2	Sales volume	Mio bags	48.17	91	49.15	98	48.64	97	40.99	85	49.58	123
3	Total revenue	Bio VND	249.53	88	264.33	102	263.78	98	228.00	87	269.00	121
4	Profit before tax	Bio VND	7.21	103	4.63	146	1.56	67	1.69	111	1.51	113
5	Profit after tax	Bio VND	5.32	95	3.76	164	1.09	58	1.13	92	1.10	142
6	ROE	%	6.04	95	4.26	164	1.24	58	1.28	92	1.24	142
7	State budget payment	Bio VND	8.60	104	5.08	69	2.35	31	4.36	70	3.06	76
8	Dividend	%	8	100	3	100	2	100	2	100		

## 2. Owner's capital management, preservation and development

During the 2020-2025 term, the owner's equity is always preserved, specifically as follows:

No.	Items	Unit	2020	2021	2022	2023	2024
1	Total assets	Bio VND	205.89	183.19	207.14	187.04	178.14
2	Chartered Capital	Bio VND	38.00	38.00	38.00	38.00	38.00
3	Owner's Capital (up to 31/12)	Bio VND	88.146	88.146	88.146	88.146	88.146
	<i>In which:</i> <i>- Retained earnings</i>	Bio VND	4.622	3.756	1.090	1.128	1.097
5	Owner's Capital (up to 31/12) after profit distribution.	Bio VND	92.736	92.736	92.736	92.736	92.736

### 3. Others are implemented according to the Resolution of the GMS

No.	Contents	Result
1.	Profit distribution plan, dividend payment:	Implemented in accordance with the approval of the AGM.
2.	Remuneration payment for BOD and BOS:	Remuneration for the Board of Directors and Board of Supervisors has been paid according to the approval of the AGM.
3.	Selection of annual independent auditors	AnViet Auditing Company Limited,. is selected as independent auditor annually.
4.	Signing contracts and transactions under the authority of the GMS	Annually, implement the signing of contracts for the sales of bags with Bim Son Cement Joint Stock Company in accordance with the approval of the GMS.

### 4. Implementation and supervision of the Board of Directors

During the 2020-2025 term, the BOD held 42 meetings, issued 53 resolutions and 45 decisions related to the Company's operations.

BOD's meetings are held in accordance with the provisions of the Company Charter. In all meetings, the BOD invites representatives of the Board of Supervisors to attend. The content of all meetings is recorded and approved before the meeting ends. Resolutions of the BOD are sent to the BOD's members, the Board of Supervisors, the Board of Management, and Head of departments in the Company for implementation.

The BOD exercises the right to supervise the Director and other Executives through the implementation of report regularly the results of performing assigned tasks according to the Resolutions of the meetings. The Director and other executives have fully performed the functions and tasks prescribed in the Company Charter, regularly following the Company's plans and the BOD's Resolutions to operate. Departments in the Company coordinate closely with each other, carrying out production and business in accordance with the provisions of law.

### 5. General assessment

- The BOD has closely followed the Company Charter, fully implemented the Resolution of the AGM, and properly performed its functions, duties and powers.

- The BOD has focused on directing the Company's operations to be effective, in accordance with the Charter and the law, fully fulfill obligations to the State budget, ensure shareholders' rights, stabilize employment and life for laborers, preserve and develop capital.

- The members of the Board of Directors have closely followed their assigned tasks and performed their responsibilities well in management and operations.

## III. DIRECTIONS AND TASKS FOR 2025

In 2025 and beyond, it is forecasted that the Company's will continue to face many difficulties due to: demand for cement bags continues to decline due to slow cement consumption, and the trend of shifting from bag cement to bulk cement continues to increase; The situation of "oversupply" continues, so there is fierce competition in quality

and price among packaging companies. Legal regulations on packaging recycling fees have come into effect, so the Company will have to share with cement manufacturers through reducing sale prices. Cement manufacturers facing difficulties in business therefore will prolong payment time, affecting the capital for operations of the Company.

To ensure the Company's stable operation and development, the BOD sets out the following main goals and tasks:

### **1. Key indicators in 2025:**

<b>No</b>	<b>Items</b>	<b>Units</b>	<b>Plan in 2025</b>
1.	Production volume	bags	40.1
2.	Sales volume	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 2024	%	2

### **2. Key tasks of the Board of Directors**

- To direct the Executive Board to effectively implement the plan targets set by the 2025 GMS.

- To ensure the Board of Directors' operations comply with the law, the Company's Charter and the Board of Directors' operating regulations.

- Focus on directing and promoting operation with the following goals: ensure quality and efficiency, preserve capital, fulfill obligations to the State, ensure shareholders' benefit, stabilize jobs and income for workers.

- Directing the practice of saving and reducing costs in all areas of operation, reducing product costs to improve product competitiveness and improve operation efficiency.

- Continue to review, adjust and supplement the Company's internal regulations and rules in accordance with the Company's circumstance and current state regulations.

Above is the report on the performance for the 2020-2025 term and the action plan in 2025 of the BOD.

Respectfully submit to the GMS for consideration and approval.

#### **Recipients:**

- Shareholders attend GMS
- Archive.

**ON BEHALF OF  
THE BOARD OF DIRECTORS  
CHAIRWOMAN**

**Nguyen Thi Kim Chi**

