

DRAFT

No: /BC-VNS

Hanoi, April 2025

**REPORT OF THE BOARD OF SUPERVISORS OF VNS
AT THE 2025 ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear shareholders.

Dear delegates attending the General Meeting.

Performing the functions and tasks of the Board of Supervisors (hereinafter referred to as “BOS”) according to the Law on Enterprises and the Charter of Vietnam Steel Corporation (the Corporation), the Board of Supervisors of the Corporation respectfully reports to the Annual General Meeting of Shareholders (AGM) on the results of operations in 2024 and the plan for implementing work in 2025 as follows:

**A. PERFORMANCE RESULTS OF THE BOARD OF SUPERVISORS IN
2024**

1. Activities of the Board of Supervisors

In 2024, the BOS closely adhered to Resolution No. 46/NQ-VNS dated April 26, 2024 of the AGM to develop a work plan to carry out the tasks of the BOS, including:

- Develop and promulgate the 2024 operating program of the BOS.
- Supervise the selection of an auditing firm for the 2024 Financial Statements and the review of the 6-month Financial Statements of 2024, and audit of the 2024 financial statements of the Corporation according to the audit service contract signed with AASC Auditing Company Limited.
- Complete the apparatus according to Resolution No. 46/NQ-VNS dated April 26, 2024 of the 2024 AGM of the Corporation: Assign tasks to members of the BOS for the 2021-2026 term.
- Monitor the financial report audit of member units, grasp the problems and shortcomings in accounting, financial management, and profit distribution at the units.
- Attend meetings of the BOD and monthly meetings of the Board of Management (BOM) to grasp the situation as a basis for monitoring the management and operation activities of the Corporation according to Resolution No. 46/NQ-VNS dated April 26, 2024 of the AGM.

- Implement thematic control program at 04 units on the implementation of the 2024 plan, management of production expenses, prices, consumption norms, purchase of supplies, raw materials, inventory, debts, investment, major repairs, sales and system coordination, development and promulgation of internal management regulations, including: Southern Steel Company Limited - Vnsteel, Phu My Sheet Steel Company Limited - Vnsteel, Ho Chi Minh City Metal Joint Stock Company - Vnsteel, Hanoi Metal Joint Stock Company - Vnsteel, through the control work at each unit, the Control Board has a Control Results Report and recommendations to the BOD and the BOM of the Corporation to serve the management and operation work in the system.

- Between the two General Meetings, in order to serve the inspection and supervision work, the BOS held 4 meetings to solicit opinions on the following contents: (1) The 2024 operating program of the BOS, (2) Approval of the plan and results of thematic inspections at 4 units: Southern Steel One Member Co., Ltd. - Vnsteel, Phu My Sheet Steel One Member Co., Ltd. - Vnsteel, Ho Chi Minh City Metal Joint Stock Company - Vnsteel, Hanoi Metal Joint Stock Company - Vnsteel, (3) Appraisal of the Corporation's separate and consolidated financial statements for 2024, (4) Approval of the BOS' Report submitted to the 2025 AGM and the Proposal for selecting an auditor for the 2025 financial statements.

2. Salary and remuneration of the BOS

No.	Full name	Position	Salary and remuneration in 2024	Note
1	Tran Tuan Dung	Head of BOS	426,456,000	
2	Truong Thi Tuyet	Board Member	247,008,000	
3	Nguyen Duc Vinh Nam	Board Member	164,672,000	Appointment from April 26, 2024
4	Dang Son Nguyet Thao	Board Member	50,400,000	
5	Nguyen Minh Duc	Board Member	50,400,000	
6	Le Thi Thu Hien	Board Member	82,336,000	Dismissed from April 26, 2024

B. EVALUATION OF PERFORMANCE RESULTS, MANAGEMENT AND ADMINISTRATION OF THE BOD AND GENERAL DIRECTOR IN 2024

I. Results of monitoring the operations and financial situation of the Corporation

Through the supervision of the Corporation's governance activities and the audit of the Corporation's 2024 financial statements, the BOS has the following comments and assessments:

1. Operational situation of the Corporation

The Corporation's production and business activities in 2024 are carried out in the context of fierce geopolitical conflicts between regions in the world, strongly affecting the economies of Europe, the Middle East as well as the global economy, affecting the supply chain of products, raw materials, and energy, including the steel industry. The trend of protectionism through tariff barriers between countries tends to increase again, affecting the export activities of domestic steel enterprises.

In 2024, the domestic steel market has continued to face many difficulties and challenges, especially from the second quarter of 2024 when steel prices continue to decrease, market demand recovery is not as expected, construction steel production units face particularly difficult production and consumption situations, low efficiency and even losses.

Recognizing the difficulties in 2024, the BOD has developed and issued resolutions, and actively coordinated with the BOM of the Corporation to drastically implement solutions to ensure the maintenance of production and business activities, limit risks, ensure efficiency, and pay attention to the lives, jobs, and incomes of employees in the Corporation system. In 2024, the Corporation exceeded the targets assigned by the AGM, but only the total revenue target of the parent company reached 67.1% of the plan assigned by the AGM in 2024. The results achieved by the whole system in 2024 had a great contribution from the units in the flat steel block.

2. Financial reporting preparation and auditing

Through the audit of the 2024 Financial Statements audited by AASC Auditing Company Limited, the BOS reports the audit results as follows:

- The Separate financial statements and the consolidated financial statements for 2024 have fairly and truly reflected the financial situation of the Corporation as of December 31, 2024, including the Balance Sheet, Income Statement, Cash Flow Statement and Notes to the Financial Statements for the 2024 fiscal year.

- The BOS agrees on the figures on the financial statements audited by AASC Auditing Company Limited along with the auditor's opinions on the 2024 Financial Reports of the Corporation.

- To help shareholders and investors assess the impact, the BOS would like to note:

+ Some opening indicators in the 2023 consolidated financial statements have changed due to retroactive adjustments according to the 2023 financial statements of

the units (Vnsteel Thang Long Galvanized Steel Joint Stock Company, Hanoi Metal Joint Stock Company, Vietnam Foreign Trade Logistics Joint Stock Company).

+ The exceptional opinions stated in the Audit Report of the Separate Financial Statements and Consolidated Financial Statements for 2024 show the existence of the following factors:

*) Risks related to the Corporation's investments in the following units: Thai Nguyen Iron and Steel Joint Stock Company, Thach Khe Iron Joint Stock Company affect the Corporation's future operations.

*) Risk due to the inability to obtain sufficient and appropriate audit evidencerelated to the fact that Thai Nguyen Iron and Steel Joint Stock Company has recorded the reversal of the mining rights fee of the Bac Lang Cam coal mine, Nam Lang Cam coal mine and the Canh Chim underground mining project - Phan Me coal mine into other income in 2024 with a value of VND 51.04 billion. The Company is still in the process of working with competent authorities on the issuance of a new mining license for the Nam Lang Cam coal mine. Therefore, it is not possible to determine whether it is necessary to adjust the items related to this issue presented in the separate financial statements and consolidated financial statements.

*) Risk due to the lack of sufficient appropriate audit evidence concerning the reliability of financial information in the unaudited financial statements for the fiscal year ending December 31, 2024 of the Associates indirectly invested through Vietnam Foreign Trade Logistics Joint Stock Company used for consolidation under the equity method in the Consolidated Financial Statements.

*) The Corporation has completed the Equitization Finalization Report and taken the next steps to finalize the equitization in accordance with the provisions of law. Therefore, the Financial Statement as of September 30, 2011 may still change according to the decision of the competent authority. Therefore, the Financial Statement as of December 31, 2024 may also change accordingly.

+ Issues to be emphasized in the Audit Report of the Separate Financial Statements and Consolidated Financial Statements for 2024:

*) Long-term unfinished production and business expenses at the high-rise residential project at 120 Hoang Quoc Viet, Cau Giay, Hanoi.

*) Thai Trung Mineral Exploitation and Processing Joint Stock Company is temporarily suspending operations to complete procedures for applying for a mineral exploitation license according to the Law.

*) The Corporation has commitments and capital contributions as guarantees at Thai Nguyen Iron and Steel Corporation, Southern Sheet Steel Corporation, Thong Nhat Sheet Steel Corporation, and Thach Khe Iron Corporation.

*) During the year, the Corporation acquired all of Vietnam Industrial Investment Ltd.'s capital contribution in Vinausteel Joint Venture Company ("Vinausteel"), accordingly, the investment in Vinausteel was transferred from the investment in the joint venture to the investment in the subsidiary (renamed Vinausteel One Member Co., Ltd.). Vinausteel is in the process of transferring all of the Company's fixed assets ("fixed assets") to the State Capital Investment Corporation ("SCIC") without compensation according to Investment License No. 898/GP dated June 28, 1994 and its amendments, and is waiting for SCIC to seek the opinion of the State Management Agency on accepting the transfer and allowing Vinausteel to continue using (in appropriate forms) the transferred fixed assets for continuous production and business activities in the future.

3. Transactions with related parties of the Corporation

In 2024, the Corporation had transactions with related parties in the Corporation system with a total value of VND 1,541 billion, mainly the transaction value with Phu My Sheet Steel Company Limited with a value of VND 1,345 billion, the profit dividend distributed from units in the system in 2024 is VND 162 billion.

4. Results of production and business activities

The BOS agrees on the business performance figures shown in the 2024 Financial Statements of the Corporation audited by AASC Auditing Company Limited. Specifically:

4.1. The Corporation's consolidated business performance results.

+ The main indicators of the Corporation's consolidated business results in fiscal year 2024 are as follows:

Unit: Million VND

Indicator	2024	2023	Difference	
			Value	Rate (%)
1	2	3	4=2-3	5=4/3
Net revenue	36,154,647	30,305,110	5,849,537	19%
Cost of goods sold	34,964,805	29,305,857	5,658,948	19%
Gross profit	1,189,842	999.253	190,589	19%
Financial revenue	285.151	487,416	(202,265)	-41%
Financial expenses	360,491	421,362	(60,871)	-14%
<i>In which: Interest expense</i>	<i>303,665</i>	<i>353,719</i>	<i>(50,054)</i>	<i>-14%</i>
Profit (loss) from Associates	122,998	(459,267)	582,265	127%
Cost of sales	304,940	284,530	20,410	7%
Administrative expenses	725,062	614,427	110,634	18%
Business profit	207,499	(292,917)	500,416	171%

Indicator	2024	2023	Difference	
			Value	Rate (%)
Other profits	149,995	41,126	108,869	265%
Profit before tax	357,494	(251,791)	609,285	242%
Corporate income tax expense	47,486	37,862	9,624	25%
Profit after tax	310.008	(289,653)	599,661	207%

In 2024, the Corporation's consolidated net revenue reached VND 36,155 billion, an increase of VND 5,850 billion, equivalent to an increase of 19%; Cost of goods sold in 2024 was VND 34,965 billion, an increase of VND 5,659 billion, equivalent to 19% compared to 2023.

Consolidated gross profit reached VND 1,190 billion, up 191% billion VND, equivalent to 19% compared to 2023.

Total financial revenue in 2024 decreased by VND 202 billion (equivalent to a decrease of 41%), financial expenses decreased by VND 61 billion (equivalent to a decrease of 14%) and profit from associated companies was VND 123 billion, an increase of VND 582 billion over the same period (in 2023, there was a loss of VND 459 billion).

Selling expenses increased by 7%, equivalent to VND 20.4 billion compared to 2023, mainly due to:

- In 2024, the Corporation acquired all of Vietnam Industrial Investment Ltd's capital contribution in Vinausteel Steel Production Company, thereby increasing the Corporation's capital contribution ratio from 30% to 100%. Therefore, the investment in Vinausteel was transferred from the investment in the joint venture to the investment in the subsidiary, so in 2024, Vinausteel's selling expenses were recorded as VND 17.2 billion. In 2023, Vinausteel was not yet a subsidiary, so the selling expenses were not recorded in the consolidated financial statements, resulting in an increase of VND 17.2 billion (in 2023, the selling expenses were VND 17.6 billion).

Administrative expenses increased by 18%, equivalent to VND 111 billion compared to 2023, mainly due to:

- In 2024, Vinausteel's administrative expenses were recorded as 44 billion VND. In 2023, Vinausteel was not yet a subsidiary, so administrative expenses were not recorded in the consolidated financial statements, leading to an increase of 44 billion VND (in 2023, administrative expenses were 63 billion VND).

- Taxes, fees and charges increased by 30.04 billion VND (mainly at TISCO, land rental expenses increased by 31.3 billion VND); service expenses, other cash purchases increased by 22.6 billion VND (of which: Parent company of the Corporation increased by 9.9 billion VND, Phu My Sheet increased by 6.4 billion VND, HCM Metals increased by 2.9 billion VND and some other units increased/decreased).

Other profits increased by VND 109 billion, equivalent to an increase of 265% compared to 2023, mainly due to Thai Nguyen Iron and Steel Corporation having additional other income of VND 51.04 billion from recouping excess mineral exploitation rights fees, and the Corporation having additional commercial disadvantages (profit from cheap purchase transactions) of VND 64.5 billion due to the acquisition of all 70% of Vietnam Industrial Investment Ltd's capital contribution in Vinausteel Steel Production Joint Stock Company.

Consolidated profit before tax reached VND 357 billion, up 242% over the same period. Consolidated profit after tax reached VND310 billion, up 207% compared to 2023.

The data shows that the consolidated targets assigned by the 2024 AGM all exceeded the plan, in which: the consolidated revenue target reached 116.6% of the assigned plan, the consolidated pre-tax profit target reached 297.9% of the assigned plan (the plan assigned by the AGM: consolidated revenue is 31,500 billion VND, consolidated pre-tax profit is 120 billion VND). In 2024, the Corporation's Consolidated Financial Statements returned to profit after 2 years of losses (in 2022, the consolidated pre-tax profit lost 721 billion VND and in 2023, it lost 252 billion VND), showing the great efforts of the entire system in 2024.

+ Some consolidated financial indicators on asset structure, capital sources, solvency and profit margin of the Corporation in 2024 are as follows:

No.	Target	Unit	Time 12/31/2024	Time 12/31/2023
1	Asset structure:			
	- Long-term assets/ Total assets	%	48.7%	54.1%
	- Current assets/ Total assets	%	51.3%	45.9%
2	Capital structure:			
	- Liabilities/Total capital	%	62.6%	60.3%
	- Equity/ Total capital	%	37.4%	39.7%
	- Liabilities/Equity	Time	1.68	1.52
3	Payment capacity:			
	- Fast payment ability	Time	0.59	0.61

No.	Target	Unit	Time 12/31/2024	Time 12/31/2023
	- Current payment capacity	Time	1.03	0.98
4	Profit margin:			
	- Profit after tax/Total assets	%	1.2%	-1.2%
	- Profit margin after tax/ Net revenue	%	0.9%	-1.0%
	- Profit after tax/Equity	%	3.3%	-3.1%

As of December 31, 2024, total consolidated assets increased by 7.6%, equivalent to VND 1,770 billion compared to 2023, in which the asset structure tended to shift cash flow to short-term assets, compared to 2023, the proportion of long-term assets to total assets decreased from 54.1% to 48.7%, the proportion of short-term assets to total assets increased from 45.9% to 51.3%. This trend reflects that long-term assets formed from the Corporation's investments are decreasing and may affect production capacity and economic benefits in the following years.

Capital structure indicators in 2024 show that the Corporation's use of financial leverage increased, as total assets formed by loans and liabilities increased by 11.8% compared to 2023.

The indicators related to the Corporation's solvency as of December 31, 2024 are still low when the quick payment ability is only 0.59 times, showing that there are still potential risks in payment, requiring the development of a plan and control of cash flow to ensure a balance in solvency.

In 2024, the Corporation took advantage of opportunities and achieved good results in production and business activities, reflected in the Corporation's consolidated pre-tax profit of 357 billion VND, so all profit margin indicators increased while in the same period, all indicators were <0, however, compared to units in the same industry, these indicators are still low.

Although the Corporation's Consolidated Financial Statements returned to profit, in terms of cash flow in 2024, it recorded a negative cash flow from core business activities of VND 1,281 billion (the highest negative cash flow was in 2021: negative VND 1,365 billion, the highest in the past 10 years). By the end of 2024, the Corporation's consolidated short-term and long-term financial leasing loans and liabilities increased by 16%, equivalent to an increase of VND 1,247 billion to VND 9,027 billion, equal to 96% of equity. Accounts receivable (short-term, long-term) and deductible VAT as of December 31, 2024 were VND 3,072 billion and VND 719 billion, respectively, the highest balance in the past 10 years.

It is recommended that the Corporation strengthen the management of inventories, receivables, deductible VAT and payments and advances to suppliers.

4.2. Business results on the Corporation's Separate financial statements

+ Some key indicators of business results in fiscal year 2024 of the Parent Company according to the separate financial statements are as follows:

Unit: Million VND

Item	2024	2023	Difference	
			Value	Rate (%)
1	2	3	4=2-3	5=4/3
Net revenue from insurance and services	1,377,182	860,947	516,235	60%
Cost of goods sold	1,366,367	851,934	514,432	60%
Gross profit of insurance and services	10,815	9,013	1,802	20%
Financial revenue	192,363	462,340	(269,977)	-58%
Financial Expenses	108,526	390,837	(282,311)	-72%
<i>Including: interest expense</i>	<i>14,131</i>	<i>12,576</i>	<i>1,555</i>	<i>12%</i>
Cost of sales	0	0	-	
Management Expenses	78,072	69,008	9,064	13%
Net operating profit	16,581	11,508	5,073	44%
Other income	1,822	1,895	(72)	-4%
Other Expenses	94	21	73	347%
Other profits	1,728	1,874	(145)	-8%
Total accounting profit before tax	18,310	13,381	4,928	37%
Corporate income tax expense	0	0	-	
Profit after tax	18,310	13,381	4,928	37%

The parent company's 2024 business results show pre-tax profit of VND 18.3 billion, reaching 122% of the profit plan assigned by the AGM (the plan assigned by the AGM is pre-tax profit of VND 15 billion), an increase of 37% compared to the implementation in 2023.

In 2024, the parent company's net sales and service revenue is VND 1,377 billion, an increase of VND 516 billion, equivalent to 60% compared to 2023.

Gross profit of VND 10.8 billion, an increase of VND 1.8 billion compared to 2023.

Financial revenue in 2024 is VND 192 billion, down VND 270 billion, equivalent to 58% compared to 2023, mainly profits and dividends distributed during the year from units in the system.

Financial expenses in 2024 are VND 109 billion, down VND 282 billion, equivalent to 72% compared to 2023; of which: interest expenses are VND 14 billion,

up VND 1.6 billion, equivalent to 12% over the same period. The main reason for the decrease in financial expenses is that the parent company reduced its provision for investment losses by VND 289 billion compared to 2023 (VTM decreased by VND 207 billion due to 100% provision in 2023, Vinakyoei decreased by VND 45.6 billion, Tisco decreased by VND 21.3 billion due to reduced losses compared to 2023, reversed provision at Thong Nhat La by VND 13.7 billion due to profit in 2024,...).

Management Expenses increased by 13%, equivalent to an increase of VND 9.1 billion to VND 78.1 billion over the same period , of which:

-During the year, the parent company of the Corporation has reversed 21 billion VND of bad debt provision because Thong Nhat La has paid part of the debt to the Corporation.

-Actual management Expenses incurred were VND 99.1 billion, an increase of 23.7%, equivalent to VND 19 billion over the same period, mainly due to: Labor Expenses were VND 45 billion, an increase of 20.5%, equivalent to VND 7.7 billion due to increased production and business efficiency and achieving the set plan, depreciation Expenses were VND 7 billion, an increase of 69.4%, equivalent to VND 2.9 billion (increased due to the allocation of electronic office software, human resource management, digital data management and document digitization), Expenses of outsourced services and other cash were VND 38 billion, an increase of 35.1%, equivalent to VND 9.9 billion (Expenses of conferences, seminars, training, receptions, vacations, life insurance (paid for 2 years 2023, 2024), audit fees, uniforms, etc. increased).

The data shows that the parent company's pre-tax profit target is 18.3 billion VND, exceeding the plan assigned by the 2024 AGM (the plan for the 2024 AGM is 15 billion VND). However, the parent company's total revenue target is 1,571 billion VND, reaching 67.1% of the plan assigned by the 2024 AGM. The data shows that the profit on the separate financial statements of the parent company depends largely on: benefits shared during the year from the units, provisions/returns and reduction of management Expenses, so the BOS recommends that the parent company of the Corporation strengthen the management of these factors in implementing the 2025 plan, while strengthening control of cash flow from business activities (in 2024, cash flow from business activities was negative 203 billion VND).

+ Financial indicators on the separate financial statements on asset structure, capital sources, solvency and profit margin in 2024 are specifically as follows:

No.	Target	Unit	12/31/2024	12/31/2023
1	Asset structure:			
	- Long-term assets/ Total assets	%	81.9%	87.5%

No.	Target	Unit	12/31/2024	12/31/2023
	- Current assets/ Total assets	%	18.1%	12.5%
2	Capital structure:			
	- Liabilities/Total capital	%	17.5%	12.4%
	- Equity/ Total capital	%	82.5%	87.6%
	- Liabilities/Equity	Time	0.21	0.14
3	Liquidity:			
	- Quick ratio	Time	1.60	2.15
	- Current ratio	Time	1.60	2.15
4	Profitability ratios:			
	- Net profit margin / Total assets	%	0.21%	0.16%
	- Net profit margin / Net revenue	%	1.33%	1.55%
	- Net profit margin / Equity	%	0.25%	0.18%

- The asset structure indicators according to the separate financial statements in 2024 also tend to shift from long-term assets to short-term assets. The Corporation's long-term assets are mainly long-term financial investments in units accounting for 81.9% of the parent company's long-term assets, down 0.4% compared to the same period, equivalent to VND 28 billion, due to the additional provision for long-term financial investments in loss-making units in 2024 (mainly at TISCO, Vinakyoei) and the acquisition of the entire remaining 70% of the partner's capital contribution at Vinausteel.

- The Corporation does not directly conduct business, so the structure of equity capital accounts for a large proportion of total capital; the ratio of liabilities to total capital and the ratio of liabilities to equity are low, mainly arising from loans to purchase hot rolled coil steel to support the production and business activities of Phu My Sheet Steel Company Limited.

- The solvency ratios on the Corporation's separate financial statements >1 show that short-term financial obligations are guaranteed.

- In 2024, the profit margin indicators ROA and ROE have slightly improved compared to the same period, however, the Corporation does not directly conduct business, these indicators are mainly affected by dividends, profits distributed from units to the parent company and provisions for long-term financial investments in loss-making units decreased compared to 2023.

II. Results of monitoring the management and operation of the BOD and Executive Board

- Through the process of monitoring the management and operation activities of the BOD and the BOM of the Corporation in 2024, the BOS found that the members of the BOD, the BOM and the managers demonstrated a sense of responsibility in

directing and implementing Resolution No. 46/NQ-VNS dated April 26, 2024 of the AGM and the 2024 production and business plan of the Corporation.

- In 2024, the BOD issued 96 Resolutions and 93 Decisions. All Resolutions of the BOD were issued validly and within their authority based on the minutes of the BOD' meetings and written opinions of Board members as prescribed in the Corporation's Charter.

- The BOD has effectively supervised the activities of the BOM to ensure strict implementation of the Corporation's Regulations and compliance with the law. The BOD has held regular quarterly meetings and extended BOD meetings to grasp and promptly direct the Corporation's production and business activities. In addition, to issue Resolutions and Decisions to direct production and business, the BOD regularly consults Board members in the form of written opinions and emails. The Resolutions and Decisions are issued promptly, in accordance with the provisions of the Corporation's Charter and the Law on Enterprises to guide production and business according to the objectives of Resolution No. 46/NQ-VNS dated April 26, 2024 of the AGM.

- The BOD of the Corporation has made efforts to implement the Resolutions and Decisions of the BOD with many timely solutions to overcome difficulties in 2024. The consolidated targets of the Corporation have reached and exceeded the plan according to the targets assigned by the AGM in 2024. The pre-tax profit target of the parent company has reached and exceeded the plan, however, the total revenue target of the parent company has not reached the plan assigned by the AGM in 2024.

Through monitoring work, the BOS has made recommendations and proposals to the BOD to make timely decisions to strengthen management, limit risks and stabilize production and business in the system.

III. On the coordination of activities between the BOS, the BOD, the BOM and other managers

In 2024, the BOS coordinated well with the BOD, the BOM and other managers on the principle of serving the interests of the Corporation and shareholders in accordance with the provisions of the Law and the Corporation's Charter.

The BOD, the BOM and other managers have provided information and documents on the management, operation and business activities of the Corporation as prescribed, creating favorable conditions for the control work. Members of the BOS fully attended the meetings of the BOD and the briefing meetings. The BOS has contributed opinions on the management and operation of the BOD and the Executive Board, and many opinions have been promptly received and directed by the BOD and the Executive Board.

IV. Self-assessment report on the performance of the BOS and members of the BOS in 2024

Based on the Corporation's Charter, the BOS' Operating Regulations, the powers and responsibilities of the BOS, and the BOS' members with the 2024 performance results, the BOS and the BOS' members self-assess as follows:

- The BOS and its members have closely followed their duties in accordance with the powers and responsibilities stipulated in the Corporation's Charter and the BOS' Operating Regulations in supervising the BOD and the BOM in governance and management. The decisions and reports of the BOS have been issued in accordance with the procedures and order according to the Enterprise Law and the Corporation's Charter.

- The BOS and its members fully participate in the BOS meetings, BOD meetings, and monthly meetings of the General Director, promptly grasping the operational situation of the Corporation.

- The BOS and its members have successfully completed the appraisal of the 2024 Financial Statements of the Corporation according to the Accounting Standards audited by AASC Auditing Company Limited.

- Through the implementation of its tasks, the BOS has coordinated well with the BOD, the BOM and units in the system to successfully complete assigned tasks and at the same time made proposals and recommendations to the BOD to strengthen governance and internal control to meet the development requirements of the Corporation. The proposals and recommendations of the BOS have been directed and implemented by the BOD and the General Director, contributing to the completion of the targets and tasks approved by the AGM.

C. RECOMMENDATIONS

I. To the State Owner Representative and State Management Agencies

The Corporation has submitted to the Ministry of Industry and Trade for appraisal of the equitization settlement, and now the ownership representative has been transferred from the Ministry of Industry and Trade to the State Capital Investment Corporation (SCIC). Therefore, the BOS continues to request the Ministry of Industry and Trade to promptly approve the equitization settlement so that the Corporation can complete the settlement procedures for the transfer from a state-owned company to a joint stock company.

II. To the Corporation

Based on the results of inspection and supervision activities in 2024, the BOS has a number of recommendations for the Corporation's operations in 2025 as follows:

1. The financial situation at the two units Thai Nguyen Iron and Steel Corporation (TISCO) and Viet Trung Minerals and Metallurgy Company Limited (VTM) as of

December 31, 2024 has a large financial imbalance, high debt ratio, low payment capacity leading to the risk of paying due debts. The BOS recommends:

1.1. Focus on handling the existing problems of the Thai Nguyen Iron and Steel Corporation project according to the conclusions and directions of the Government and the Steering Committee. As of December 31, 2024, the total investment cost of the project is VND 6,359.94 billion, of which the capitalized interest expense is VND 3,144.77 billion. Overdue debt of loans for the project is 2,345.03 billion VND with no source of payment, short-term financial imbalance is 3,080.72 billion VND, the Company's financial situation has not improved much despite the support of debt cancellation of 506.56 billion VND from the Bac Kan Regional Development Bank - Thai Nguyen Branch, so the BOS recommends early implementation of restructuring solutions for project loans, at the same time quickly and completely handling the existing problems of EPC contract No. 1, researching and finding potential investors to restructure the company in the direction of increasing charter capital for the company to overcome financial imbalance or transferring to preserve the Corporation's capital invested in Thai Nguyen Iron and Steel Joint Stock Company after receiving instructions from the Government.

1.2. Through the Capital Representative, continuing to direct Viet Trung Mineral and Metallurgy Company Limited on the restructuring project to resume the company's operations, improve internal management, thoroughly handle the problem of surplus and shortage of goods arising during the inventory process, promptly overcome accumulated losses and repay the budget debt. Research and promptly implement solutions to increase equity, restructure loans, seek potential investors to restructure the company in the direction of increasing charter capital for the company to overcome financial imbalances or transfer to preserve the Corporation's capital invested in VTM.

2. Continue to implement and resolve the final settlement of the equitization of the Corporation in accordance with the regulations on converting state-owned enterprises into joint stock companies.

3. Strengthen the analysis, forecasting, and business planning of the Corporation and its units in the system to closely follow market developments, ensure feasibility, balance resources in accordance with reality, and propose solutions to achieve the highest results for the set goals. Strengthen the monitoring and management of plans to help the Corporation operate effectively, minimize risks, and control the set planning goals.

4. Focus resources on development investment, implement key investment projects to improve competitiveness. Update the Corporation's development strategy, continue to review and adjust the restructuring project after 2024 in accordance with the Corporation's development strategy, redefine investment portfolios, overcome the situation of scattered, fragmented, and ineffective investment.

5. Strengthen leadership and direction for representatives at units, implement digital transformation to improve the quality of information capture at units on all aspects of operations, focusing on the stages of input material management, production, sales, and financial management to have solutions to reduce Expenses, lower prices, improve operational efficiency and investment capital efficiency of the Corporation at units.

6. Strengthen financial supervision of units operating inefficiently, making losses or having accumulated losses; require representatives of units operating inefficiently, making losses or having accumulated losses to develop a plan for remediation, propose solutions to reduce accumulated losses, maintain stable operations and improve the efficiency of production and business activities of the unit, reduce the risk of setting aside financial investment provisions, preserve capital and increase efficiency for the Corporation.

7. Improve cash flow management in business operations (in 2024, the Consolidated Financial Statement recorded a negative cash flow from core business operations of VND 1,281 billion, and a negative separate Financial Statement of VND 203 billion). It is recommended that the Corporation strengthen the management of inventories, receivables, deductible VAT, and payments and advances to suppliers; at the same time, improve the quality of inventories and receivables to increase liquidity and capital efficiency.

8. Strengthen cost management, in 2024, the cost of business management at the parent company and some units in the system increased. At the same time, continue to improve the connection and coordination between units to create a system strength to maximize the benefits of the Corporation.

9. The factors other than audit mentioned in the separate financial statements and consolidated financial statements for 2024 of the Corporation tend to arise. The BOS recommends that the Corporation needs to review and direct the thorough handling of the factors other than audit mentioned in the Corporation and its units, improve the quality of financial reporting, comply with current accounting regulations to reflect income and expenses in the correct period, ensuring accurate reflection of the Corporation's business results in the separate financial statements and consolidated financial statements.

10. Some customers have high debt balances and transact at many units in the Corporation's system at the same time. The BOS recommends that the Corporation regularly review warnings in the system for customers with high debt balances and transact at many units at the same time to promptly grasp information in customer appraisal, and have appropriate mortgage/guarantee plans to ensure capital safety in the Corporation's system.

11. According to Decision No. 345/QĐ-BTC dated March 16, 2020 of the Ministry of Finance on "Applying international financial reporting standards in Vietnam", starting from 2025, the Corporation is required to apply IFRS financial reporting standards. This conversion process not only requires strong investment in technology systems to help optimize VAS data adjustment, support IFRS conversion and integrate data from various sources at member units, but also places a great demand on high-quality human resources. Therefore, early preparation from facilities to improving the professional capacity of the team will contribute to improving financial management and optimizing performance, and management efficiency will be a decisive factor for the success of the Corporation in the coming period.

12. Review and update current regulations and rules in accordance with legal requirements and the actual operations of the Corporation.

D. 2025 OPERATION PLAN

The BOS performs the functions and tasks prescribed in the Enterprise Law, the Charter of the Corporation's organization and operation, and continues to implement the issued Work Program for 2025 and the tasks between the two General Meetings of Shareholders, specifically:

- Appraise the 2024 Financial Report, the 2024 Management and Operation Report of the Corporation; Approve the Report of the BOS on the 2024 performance results to be submitted to the 2025 AGM of the Corporation (already implemented).

- Propose to select an independent auditing company to audit the 2025 Financial Statements of the Corporation.

- Monitor the implementation of the planning goals approved by the 2025 AGM.

- Monitor and inspect the rationality, legality and level of prudence in the management and operation of the Corporation's business activities in performing its duties and responsibilities.

- Implement control over some specific contents in financial management, production and business management and implementation of the Corporation's management regulations issued at the parent company, affiliated units and 100% capital of the Corporation.

- Supervise the implementation of the capital management representative function of the Corporation at its subsidiaries and associated companies; control some specific contents in the use and preservation of capital, investment, production, business, financial management... of some subsidiaries and associated companies.

- Coordinate with the Party Committee's Inspection Committee, Internal Audit Committee, and the Corporation's professional departments to monitor a number of units according to the coordination plan.

- Carry out special inspections and controls when requested by the BOD, shareholders or groups of shareholders according to Clause 2, Article 115 of the Law on Enterprises 2020.

This is the Report on the results of inspection and supervision in 2024 and the 2025 operation plan of the BOS of the Corporation. This report has been unanimously approved by all members of the BOS and is respectfully submitted to the AGM./.

Recipient:

- Shareholders of the Corporation;
- BOD members;
- BOM;
- BOS members;
- Departments and functional divisions;
- Corporation Secretary;
- Save: Administration Office, BOD, BOS.

**O.B.O. BOARD OF SUPERVISORS
HEAD OF BOARD OF SUPERVISORS**

Tran Tuan Dung