

PROPOSAL

Regarding the approval of the audited Financial Statement for the 2024 fiscal year of Vietnam Steel Corporation and the profit distribution plan, fund allocation

To: 2024 Annual General Meeting of Shareholders

Pursuant to the Charter on organization and operation of Vietnam Steel Corporation approved by the 2021 General Meeting of Shareholders on June 28, 2021, the Board of Directors (BOD) of Vietnam Steel Corporation respectfully submits to the 2025 Annual General Meeting of Shareholders (AGM) for consideration:

1. Approve the audited 2024 Financial Report:

The 2024 financial statements of Vietnam Steel Corporation were audited by AASC Auditing Firm Company Limited, inspected, appraised by the Corporation's Board of Supervisors and publicly disclosed in accordance with regulations. The audited 2024 financial statements include:

- Report of the BOD;
- Report of independent auditor;
- Balance sheet as of December 31, 2024.
- Income Statement for the year 2024;
- Cash flow statement 2024;
- Notes to the 2024 Financial Statements.

Details of the 2024 Audited Financial Statements of Vietnam Steel Corporation are attached to the documents of the 2024 AGM and have been publicly announced on the Corporation's website (www.vnsteel.vn).

Some basic financial indicators in the 2024 Financial Report audited by AASC Auditing Firm Company Limited (*Unit: Vietnamese Dong*) are as follows

No.	INDICATORS	SEPARATE FINANCIAL STATEMENTS	CONSOLIDATED FINANCIAL STATEMENTS
I	BALANCE SHEET (as of December 31, 2024)		
A	Total assets	8,895,382,166,830	25,116,005,572,669

1	Current assets	1,612,484,945,827	12,878,645,901,107
2	Long-term assets	7,282,897,221,003	12,237,359,671,562
B	Total capital	8,895,382,166,830	25,116,005,572,669
1	Liabilities	1,559,102,817,848	15,734,769,277,030
2	Equity	7,336,279,348,982	9,381,236,295,639
	<i>In which: - Owner's investment capital</i>	<i>6,780,000,000,000</i>	<i>6,780,000,000,000</i>
	<i>- Development investment fund</i>	<i>338,586,210,038</i>	<i>417,932,201,950</i>
	<i>- Undistributed profit after tax</i>	<i>217,693,138,944</i>	<i>2,019,751,171,609</i>

No.	INDICATORS	SEPARATE FINANCIAL STATEMENTS	CONSOLIDATED FINANCIAL STATEMENTS
II	BUSINESS RESULTS (Year 2024)		
1	Net revenue from sales of goods and rendering of services	1,377,182,019,374	36,154,647,273,525
2	Cost of goods sold	1,366,366,668,891	34,964,804,783,514
3	Gross profit from sales of goods and rendering of services	10,815,350,483	1,189,842,490,011
4	Financial income	192,363,499,052	285,151,495,448
5	Financial expense	108,525,872,827	360,491,183,098
5	Profit and loss in joint ventures and associates		122,997,749,010
6	Selling expense		304,939,696,127
7	General and administrative expenses	78,071,775,649	725,061,572,309
8	Net profit from operating activities	16,581,201,059	207,499,282,935
9	Other profits	1,728,497,030	149,994,744,402
10	Total accounting profit before tax	18,309,698,089	357,494,027,337
11	Corporate income tax expense		50,271,874,713
12	Deferred corporate income tax		(2,785,479,488)
13	Profit after corporate income tax	18,309,698,089	310,007,632,112
	<i>In which: - Profit after tax of the parent company</i>		<i>286,447,635,489</i>
	<i>- Profit after tax of non-controlling shareholders</i>		<i>23,559,996,623</i>
III	CASH FLOW STATEMENT (2024)		
1	Net cash flow from operating activities	(203,428,480,180)	(1,281,067,850,980)
2	Net cash flow from investment activities	90,176,480,169	1,352,735,744,848
3	Net cash flow from financial activities	501,789,600,322	775,345,491,920
4	Net cash flow during the year	388,537,600,311	847,013,385,788
5	Cash and cash equivalents at the beginning of the year	721,726,465,766	1,351,540,926,819
6	Cash and cash equivalents at year end	1,110,574,884,439	2,199,212,226,389

2. Approval of the 2024 after-tax profit distribution plan

Accumulated undistributed profit up to December 31, 2024 on the separate financial statement of Vietnam Steel Corporation is VND 217.69 billion.

Proposed profit distribution plan as follows:

2.1. Deduction from the reward and welfare fund :

Implementing the 2024 plan, Vietnam Steel Corporation encountered many difficulties as analyzed in the report of the BOD of the Corporation. However, with the efforts of the leadership and employees, the parent company - the Corporation has basically successfully completed the production and business plan, in which the profit target for 2024 reached 122% compared to the profit plan approved by the General Meeting of Shareholders of the Corporation in Resolution No. 46/NQ-VNS dated April 26, 2024.

Pursuant to the provisions of Clause 1 and Clause 2, Article 18 of Circular No. 28/2016/TT-BLDTBXH of the Ministry of Labor, War Invalids and Social Affairs issued on September 1, 2016 (Circular 28) on guidelines for implementing regulations on labor, wages, remuneration, and bonuses for companies with State-controlled shares and capital contributions, the BOD of the Corporation proposes as follows:

a) For the Employee Bonus and Welfare Fund: According to regulations, in case the realized profit exceeds 22% of the plan, in addition to the maximum 3-month salary deduction for the bonus and welfare fund, the enterprise can also deduct an additional 20% of the profit exceeding the planned profit, but not exceeding 3 months of the average salary of the employee. Specifically, the maximum deduction for the Employee Bonus and Welfare Fund of the Corporation according to regulations is 3.24 months of the average salary of the employee.

After balancing the financial situation, the BOD of the Corporation proposed to allocate VND 8,310 million to the Reward and Welfare Fund for employees of the Corporation - equivalent to 3 months of average salary of employees in 2024 and lower than the maximum amount allocated according to regulations.

b) Bonus fund for the Corporation's managers: The Corporation's BOD proposes to allocate 540 million VND - equivalent to 1.5 months of the average salary of the specialized company manager in 2024.

2.2. Development investment fund :

a) Pursuant to the provisions of Article 31 - Profit distribution, Decree No. 91/2015-ND-CP of the Government, dated October 13, 2015 on state capital investment in enterprises and management and use of capital and assets at enterprises:

"1. Divide profits among associated capital contributors according to the provisions of the signed economic contract (if any)

2. Offset losses of previous years that have expired and are deductible from pre-tax profits according to regulations.

3. The remaining profit after deducting the amounts specified in Clause 1 and Clause 2 of this Article shall be distributed in the following order:

a.

b. Deduct up to 30% into the enterprise development investment fund...”

b) Pursuant to the Development Investment Plan and the Investment Plan for purchasing and upgrading fixed assets for 2024, accordingly:

Investment category	Amount (billion VND)	Disbursement plan
1. Nha Be Steel	150.0	Disbursement in March 2025
2. Buy equity capital at Ton Phuong Nam	92.05	Disbursement in 2025
3. Other investments (Head Office)	13.34	Disbursement in 2025.
4. Sun pro steel project	300	Disbursement in 2025
Total	555.39	

The BOD proposed to allocate an additional amount of 65.3 billion VND to the Development Investment Fund [$217.69 \text{ billion} \times 30\% = 65.3 \text{ billion}$] from after-tax profit . Undistributed accumulated As of December 31, 2024. The balance of the Development Investment Fund after additional allocation is 403.88 billion VND ($338.58 + 65.3 = 403.88$) - not enough to meet the capital demand to implement the investment items in the above plan.

2. 3. Regarding dividend payment:

According to the Corporation's separate financial report, after deducting funds according to the above proposal, the remaining accumulated profit after tax is 143.54 billion VND ($217.69 - 8.85 - 65.3 = 143.54$) on the Corporation's charter capital of 6,780 billion VND.

In 2025, the domestic and international steel market is forecasted to be very complicated, with many unfavorable factors leading to the business performance and financial situation of the steel industry in general, including VNS in particular, being forecasted to face many great risks and challenges. Therefore , the need to ensure the financial stability of the Corporation is very necessary.

In addition, in 2025, the Corporation will have to proactively prepare a large amount of financial resources to carry out a number of urgent tasks, including paying the revenue according to the equitization settlement decision (*in case the dossier is approved by the competent authority and arises*). payable amount), support the implementation of the Tisco 2 Project handling plan and VTM restructuring ...

Based on the above presentations, the BOD proposes not to pay dividends. The remaining after-tax profit, after deducting funds, will be used to accumulate for development investment .

The BOD of Vietnam Steel Corporation respectfully submits to the 2025 AGM for consideration and approval of the audited 2024 Financial Statements (including Separate Financial Statements and Consolidated Financial Statements) and the 2024 after-tax profit distribution plan of the Corporation.

Sincerely thanks./.

ON BEHALF OF THE BOARD OF
DIRECTORS
CHAIRMAN

Recipient:

- Shareholders of VNSTEEL;
- BOD;
- General Director, Deputy General Directors; BOS
- Professional Boards; Corporate Secretary;
- Save: Administration Office, Finance & Accounting.



Lê Song Lai

