

DRAFT

Hanoi, .....2025

**REPORT OF THE BOARD OF DIRECTORS  
2025 ANNUAL GENERAL MEETING OF SHAREHOLDERS**

**Dear shareholders!**

The BOD of Viglacera Corporation - JSC report to Valued shareholders the results of business operation, implementation of the 2024 AGM resolution as follow:

**I. Operating performance evaluation of the Board of Directors in 2024**

**1. The Board of Directors activities in 2024**

In 2024, the Board of Directors has managed the Corporation in compliance to the Charter, Internal regulations on Governance, Regulations on the Operation of the BOD of the Corporation in an appropriate and effective manner.

Based on the principle of efficiency and flexibility in governance methos, each member of the Board of Directors and the entire Board of Directors have performed their mission fully and promptly, closely following the key goals and task approved by the Resolution No 02/TCT-NQDHDCD dated May 20, 2024, proactively perceive business situation, identify operational solutions in the two core areas of operation: Building materials and Real estates.

For the Operating results of 2024, the Consolidated profit before tax reaching 1,630 billion VND, equivalent to 147% of the plan assigned by the AGM, consolidated revenue reaching 11,906 billion VND, of which export revenue reached a record of nearly 1,200 billion VND.

Deatails of main operating segments as follow:

**1.1 Building material:** 2024 continue to face significant challenges, increased competition from imported product mainly in glass and sanitary ware... Market demand in the first 6 months decreased due to the impact of domestic and international socio-economic conditions, sharp decline in selling prices and increased cost of goods sold... Inventories increased, production shutdown were longer than planned. Some division still incurred losses, and limited competitive advantage stemming from failure to grasp changes in the actual business situation; need to focus on analyzing and evaluating the market, the positioning of products, building brand to be more competitive; meanwhile, uncertainty of tariff policies is affecting the Corporation's ability to export.

It is the situation where the corporation need to review, evaluate and implement adjustments of range of products, maximize competitive advantage, according to market demand. Build and promote "Green, synchronous set of building materials", meeting standards and market needs.

**1.2 Real estates (IP, Commercial housing):** Real estate of the Parent company continues to play a leading role in maintaining efficiency and contribution the the Corporation completion of the annual plan approved by the AGM, specifically the industrial park operation. In 2024, the Corporation continue to invest in infrastrucutre in existing industrial parks, prepare clean land banks for business operation; develop green and smart IP piloted in Thuan Thanh IP, gradually applying these standards in others IP, attracting new investors...

Implement 3 new IP approved by the government: Song Cong Phase 2 IP (Thai Nguyen), Tran Yen project (Yen Bai), Doc Da Trang IP (Khanh Hoa)...

### ***1.3. Restructuring and governance***

- Continue to implement capital increase, divestment roadmap approved by the 2024 AGM. Detailed in the report of the Board of Directors. However, the divestment has not yet achieved the set progress

- Continue to maintain use of professional consulting services according to international standards such as Big 4 auditing; promote internal audit, supervise of the Corporation's operation, improve quality of governance. Review inefficient subunits, develop and implement a comprehensive restructuring plan to improve efficiency. Review internal corporate governance in accordance to financial/actual operation of the BOD of the Corporation.

- Continue to carry out the divestment of State's capital at Viglacera Corporation - JSC according to Decision/Direction of the Government/Ministry of Construction

- Coordinate with consulting unit of Roland Berger to survey, evaluate, build and implement the Corporation development strategy in upcoming period with the goal of "Innovation, streamline operation and organisation" through capital restructuring and management methodology of the Corporation from 2025.

### ***1.4. Human resources management***

Review, adjust, update on regular basis the Corporation's governance regulation such as Representative regulation, Financial regulation,... Review and adjust the Corporation's Charter and Internal regulation.

Corporation's wide training program of professional knowledge and skill. Develop internal policy to rotate key staff between department/member companies of the Corporation...

### ***1.5. Capital preservation and development:***

The total consolidated assets as of December 31, 2024 of the Corporation are VND 24,827.4 billion, equity is VND 9,953 billion (Charter capital of VND 4,483.5 billion). In 2024, dividends were paid to shareholders on time and it is expected to submit to the General Meeting of Shareholders to pay dividends in 2024 of 22% (+2% compared to the plan assigned by the General Meeting of Shareholders)

In 2024, the Viglacera Corporation - JSC has exceeded the profit target approved by the AGM, maintained cash flow and ensured balance for the Corporation's production, operation and investment activities during the year.

## **2. Evaluation of the Board of Management by the BOD**

### ***2.1. Manufacturing and operational management***

The BOM has managed all aspects of the Corporation's manufacturing and operations, follow closely the strategic target, resolution of the BOD and the AGM; completed the operating plan given by the BOD, specially the profitability of the operation. Had assign specific indicators to each individual in charge of each field, promoting autonomy and personal skill set of each Deputy General Directors, increase personal responsibilities. The BOM has complied to internal policies and regulation of the law.

### ***2.2. Coordination***

- The BOD and BOM regularly coordinate closely in all managing activities of the Corporation, with weekly/monthly meeting to discuss and review the operation of the company

- The General Director has proactively reported in detail, update on the implementation progress as well as any advantage, difficulty or shortcoming in the management process with the BOD in order to propose necessary solutions.

### **2.3. Inspection and supervisory**

- Inspection and supervisory system is build from the Parent company to the Member companies of the Corporation. Including Supervisory board, Internal audit unit, Internal control unit, Supervisory unit; regularly inspect and supervise in order to manage operational risks.
- Supervise the General Director through quarterly or adhoc meetings.
- Cooperate with the Supervisory board on operational aspects of the Corporation. Member of the Supervisory board attend weekly meeting, openly discuss key situation, and is one of the basis for making decision of the BOD, BOM.
- Representative at member' companies is required to regularly report on operational results, any difficulty, shortcoming at member's companies in order to provide timely direction.

### **3. Report on remuneration, expenses and others benefits of the Board of Directors and its member.**

Remuneration, expenses and others benefits of the Board of Directors and its member (including transactions) are reported and disclosed in accordance with the provision of the Enterprise Law and Securities Law.

This information is presented in detail on the 2024 Annual report, 2024 Audited Financial statements, and is published on the Corporation's website at the link: <https://www.viglacera.com.vn/vi/portal/product.php/quan-he-co-dong.html>.

### **4. Board of Directors meeting:**

In 2024, the BOD of the Corporation held 23 Meetings (regular and extraordinary), and issued 232 Meeting minutes, Resolutions and Decisions, mainly as follow:

- Approve and assign Operational plan and investment in 2024 for the Corporation and its member companies and its implementing in line with its goals and plans.
- Direct the implementation of Capital increase/divestment at member joint stock companies, capital contribution to establish new company according the the plan,
- Approve investment policies, investment preparation plan, investment adjustment of the Corporation....

(List of Meeting minutes, Resolutions and Decisions is published on the 2024 Financial Year Report on Corporate Governance on the Corporation's website at the link: <https://www.viglacera.com.vn/vi/portal/product.php/quan-he-co-dong.html>).

## **II. Board of Directors operational plan in 2025**

Agree with the assessment of the difficulties, impacts as well as opportunities and favorable conditions in 2025 of the Board of Management of the Corporation;

Based on the medium term development strategy, continue to build and promote the Viglacera brand in both main areas of operation: Building materials and Real estates; focus more on financial resources, human resources,... to develop the Corporation in a more stable and sustainable way.

The BOD and the BOM has reviewed and agreed on the main target of the 2025 Production and Operational plan... with main key target indicators as follow:

### **1. Main production and operational target in 2025:**

- Profit before tax: Parent Company reaches 1,423 billion VND; Corporation (Consolidated) reaches 1,743 billion VND.
- Revenue: Parent Company reaches 5,579 billion VND; Corporation (Consolidated) reaches 14,437 billion VND.

- Construction and Infrastructure investment of the Parent is expected to reach 1,850 billion VND.

- Expected dividend cash payment ratio in 2025 is 22%.

*(More detailed on the Report of the Board of Management, 2024 Annual Report and Proposals of the BOD for the AGM).*

## **2. Key target for operational management**

2.1. State capital divestment at the Corporation;

2.2. Development strategy and Restructuring plan of the Corporation on the basis of coordination with the Consulting firm;

2.3. Domestic and export market development. Dynamic market policies and organizational models, training and recruit personnel suitable for each area of activities of the Corporation;

2.4. Establishment, capital contribution, capital increase according to the Plan approved by the AGM.

2.5. Operational decision making based on market research and commercial demands; Research and select new products suitable for customers; Promote new high tech product such as Ultra clear glass, sintered stone; Develop new product line in the low-mid range segments;

2.6. Properly implement the Corporation's investment and development plan, ensuring the 2025 target and the long-term and sustainable development orientation;

2.7. Review, adjust, supplement and promulgate the Corporation's internal management regulations in accordance with relevant legal regulations and operation.

2.8. Review and assign responsibilities; Review and transfer of Capital's representative at member's companies that need assistance in term of management;

2.9. Increase responsibility and control levels. Implement strict management and cost control of raw materials, technical input, production and investment activities.

2.10. Organise 2025 AGM of Subsidiaries and Associated companies in 1Q2025 and 2025 AGM of Viglacera Corporation - JSC in 2Q2025.

In 2025, Viglacera Corporation - JSC will continue to restructure in term of operational management of the Parent company and its dependant companies to improve operational efficiency. The plan in 2025 will continue to be review and adjust accordingly to market situation and minimize risk.

Under the proactive and flexible management of the Corporation's leaders, along with the tradition of solidarity and unanimity of the collective will of the staff from the Corporation to its member units, Viglacera Corporation - JSC always believes that it will continue to achieve the tasks of the 2025 production and operational plan, creating a premise for stable and sustainable development for the period 2026-2030 and the following periods.

With best regards!

**ON BEHALF OF THE BOD  
CHAIRMAN**

**Nguyễn Văn Tuấn**