

No.: 891 / BC-BKS-TMC

Thai Nguyen, April 03, 2025

**REPORT OF THE BOARD OF SUPERVISORS ON OPERATIONS IN 2024
AND ORIENTATION FOR OPERATIONS IN 2025**

**Dear: Shareholders of the Company
Distinguished Guests**

Pursuant to the authority and responsibilities of the Board of Supervisors as stipulated in the Charter on organization and operation of Thai Nguyen Non - Ferrous Metal Joint Stock Company;

Pursuant to the Regulation on Organization and Operation of the Board of Supervisors of Thai Nguyen Non - Ferrous Metal Joint Stock Company;

Pursuant to the operational situation of Thai Nguyen Non - Ferrous Metal Joint Stock Company;

Pursuant to the 2024 financial statements of the Company audited by CPA VIETNAM Auditing Co., Ltd;

Pursuant to the operational documents of the Board of Directors and the Board of Management of the Company in 2024.

The Board of Supervisors would like to report on its operations in 2024 and the orientation for operations in 2025 as follows:

I. OPERATIONS OF THE BOARD OF SUPERVISORS IN 2024

1. Supervised and inspected the management and implementation of the 2024 business plan of the Company; examined the rationality and legality of business activities in accordance with the 2024 General Meeting of Shareholders' resolution.

2. Supervised and inspected the issuance of resolutions and decisions by the Board of Directors, the Board of Management, and management staff.

3. Examined the rationality, legality, accuracy, and diligence in accounting, statistics, and financial reporting. Reviewed the 2024 financial statements audited by CPA VIETNAM Auditing Co., Ltd.

4. Participated in Board of Directors meetings, monitored, and provided input and contributions to the discussions.

5. Coordinated with the Company to address and adjust certain contents in the financial statements.

II. RESULTS OF THE BOARD OF SUPERVISORS' INSPECTION AND SUPERVISION ACTIVITIES

1. Results of monitoring the operational and financial situation of the Company

1.1. Results of monitoring business production activities

The Board of Supervisors has monitored the organization of business production activities and reviewed the 2024 operational results report of the Company:

Implementation of the 2024 production plan

No.	Indicators	Unit	Plan	Implementation	Comparison of actual performance with the plan (%)
I	Produced products				
1	Lead sulfide concentrate	Ton	4,437	3,474	78.3
2	Ingots of zinc	Ton	11,800	11,800	100
	<i>Produced zinc ingots</i>	<i>Ton</i>	<i>9,143</i>	<i>9,159</i>	
	<i>Contracted zinc ingots</i>	<i>Ton</i>	<i>2,657</i>	<i>2,641</i>	
3	Sulfuric acid	Ton	17,700	17,370	98.1
4	Ingots of tin	Ton	101	64	66.5
5	Copper concentrate	Ton	941	1,226	130.3
6	Lead oxide concentrate 20%	Ton	600	605	
II	Consumed products				
1	Lead sulfide concentrate	Ton	4,437	3,396	76.5
2	Zinc ingots	Ton	11,833	11,800	100
	<i>Produced zinc ingots</i>	<i>Ton</i>	<i>9,176</i>	<i>9,158</i>	
	<i>Contracted zinc ingots</i>	<i>Ton</i>	<i>2,657</i>	<i>2,641</i>	
3	Sulfuric acid	Ton	15,794	15,026	95.1
4	Tin ingots	Ton	101	62	61.4
5	Copper concentrate	Ton	1,041	993	95.4
6	Lead oxide concentrate 20%	Ton	600	0	0
III	Total revenue	Million VND	863,723	1,163,903	134.8
IV	Profit before tax	Million VND	33,285	86,547	260.0

Source: The Company

- **Regarding production activities:** The Company has not completed the 2024 production plan. Specifically, the production of copper concentrate exceeded the 2024 business plan by 130.3%, and zinc ingots achieved 100%. Meanwhile, the

production of lead sulfide concentrate, sulfuric acid, and tin concentrate only reached 78.3%, 98.1%, and 66.5% of the 2024 plan, respectively.

- **Regarding sales activities:** Except for zinc ingots, which completed the sales plan, the remaining products did not meet the sales targets.

- **Regarding revenue:** Although the Company has not completed the production and sales plans for 2024, revenue exceeded the set target. The main reason is that the actual selling price of zinc ingots was higher than planned. Specifically:

- ✓ The average selling price of zinc ingots in 2024 reached 69.9 million VND/ton, compared to 61.07 million VND/ton in the plan, which is 114% of the target; resulting in revenue from zinc ingots increasing by 85,535 million VND compared to the plan.

- **Regarding profit:** The operating profit in 2024 exceeded the set target, reaching 260% of the plan. Although revenue from zinc ingots increased by 85,535 million VND compared to the plan, profit only increased by 53,262 million VND compared to the plan. The main reasons are: the Company suffered losses from Typhoon Yagi; and there were many unplanned repair costs, with several repair items incurring significant expenses.

1.2. Review of the 2024 financial statements

Based on the 2024 financial statements of the Company, audited by CPA VIETNAM Auditing Co., Ltd., the Board of Supervisors has reviewed and reports to the General Meeting of Shareholders as follows:

- The Board of Supervisors agrees to present to the General Meeting of Shareholders the 2024 financial statements (period from 01/01/2024 to 31/12/2024) of the Company, audited by CPA VIETNAM Auditing Co., Ltd. The report accurately reflects the financial situation as of 31/12/2024, the results of business operations, and cash flow during the financial period from 01/01/2024 to 31/12/2024, in accordance with regulations (according to the data approved by the Board of Directors for presentation to the General Meeting of Shareholders). The accounting work should focus on appropriately allocating repair costs to ensure consistency and avoid erratic fluctuations that are difficult to control;

- The recording, document retention, and preparation of accounting books and financial statements of the Company are complete, accurate, and in compliance with the state's financial and accounting regulations, meeting the management requirements.

- Here are some quick financial analysis indicators:

No.	Category	Unit	As of 31/12/2023	As of 31/12/2024
1	Liabilities/ Owner's Equity	Times	0.92	1.19
2	liquidity ratio	Times	0.84	0.82
3	Profit / Owner's Equity	%	15.32	26.11
4	Profit / total assets	%	6.48	11.67

Source: Calculations based on the audited financial statements of 2023 and 2024

As of 31/12/2024, the profitability indicators for 2024 have significantly increased compared to 2023, while the financial capacity indicators have slightly decreased compared to 2024. The Company ensures the ability to meet its short-term debt obligations.

Summary of some financial indicators for 2024

Unit of measurement: Million VND

No.	indicators	31/12/2023	31/12/2024
I	Total Assets	479,464	579,653
1	Current Assets	181,066	242,137
-	Short-term receivables	34,112	8,764
-	Inventories	87,843	97,817
2	Long-term receivables	298,398	337,516
-	Long-term prepaid expenses	62,294	94,202
II	Total Liabilities and Owners' Equity	479,464	579,653
1	Liabilities	229,620	315,572
-	Short-term liabilities	214,846	294,602
-	Long-term liabilities	14,774	20,970
2	Owner's equity	249,844	264,081
-	Charter capital	180,000	180,000
-	Undistributed after-tax profit	69,844	84,081
III	EPS (VND per share)	2,126	3,831

Source: Updated audited financial statements of 2023 and 2024

- Regarding the financial operations of the entity:

The net profit for 2024 reached 68,950 million VND, with the Company's EPS increasing from 2,126 VND per share to 3,831 VND per share. The main reason for the profit increase was the higher selling price of zinc ingots compared to the planned price.

- Evaluation of debt management:

+ The total short-term receivables as of 31/12/2024 amounted to 8,764 million VND, a decrease of 25,348 million VND compared to the beginning of the year.

+ The total long-term receivables as of 31/12/2024 amounted to 9,799 million VND, an increase of 682 million VND compared to the beginning of the year, entirely due to the increase in other long-term receivables.

The Company's receivables account for a small proportion of its annual revenue, which is an important factor for the stability and financial strength of the Company.

- Evaluation of accounts payable management:

+ The total short-term liabilities as of 31/12/2024 amounted to 315,572 million VND, an increase of 85,952 million VND compared to the beginning of the year. Specifically: Short-term loans and financial lease liabilities decreased by 8,064 million VND; Short-term accrued expenses increased by 3,981 million VND; Taxes and other payments to the state increased by 3,721 million VND; Other short-term payables increased by 31,445 million VND. The Company has no overdue payables or overdue bank loans.

+ The total long-term liabilities as of 31/12/2024 amounted to 20,970 million VND, an increase of 6,196 million VND compared to the beginning of the year.

The total liabilities of the Company amount to 315,572 million VND, accounting for 54.44% of the Total Liabilities and Owners' Equity. The Company has no overdue short-term or long-term payables.

- Regarding the implementation of investment projects:

During the year, the Company successfully completed the construction of tunnels and basic construction work for the investment project to expand and increase the capacity of the Lang Hít lead-zinc mine in Tan Long Commune, Dong Hy District, Thai Nguyen Province. The Company also implemented investment projects to maintain production at the following units: North Bac Kan Branch, Lang Hich Lead-Zinc Factory, and invested in upgrading the internal network system of the Company. In particular, during the year, the Company focused on implementing the following investment projects: Environmental improvement of the Thai Nguyen Electrolytic Zinc Plant; Investment in upgrading the fire prevention and firefighting system at the Thai Nguyen Electrolytic Zinc Plant; Investment in an automatic wastewater monitoring system at the zinc-lead processing plant in Cho Dien; Investment in the construction of residential housing at the North Bac Kan Branch.

The results of the 2024 investment and construction activities reached 48,864 million VND, achieving 69% of the 2024 plan approved by the General Meeting of Shareholders at the beginning of the year (48,864 million VND / target of 71,250 million VND).

In which:

- Repayment of previous year's liabilities: 0 VND.
- The investment for 02 ongoing projects is estimated at 3.066 billion VND, including: 01 project/ongoing construction: 01 project/maintenance construction for production at the Bac Kan Non-ferrous Metal Branch.
- The investment for 05 new projects and 02 maintenance projects for production at the units is estimated at 39.518 billion VND.
- The preparation for 02 projects/constructions is estimated at 6.110 billion VND.
- The investment structure for 2024 is as follows: Construction: 15.706 billion VND; Equipment: 25.058 billion VND; Other: 8.129 billion VND.

- The Contributed capital as of December 31, 2024:

Issued shares : 18,000,000 shares
Par value of shares : 10,000 VND/share

Value : 180,000,000,000 VND

2. The results of the supervision of the Board of Directors (BOD) and the Board of management

Regarding the evaluation of the performance report of the Board of Directors (BOD) and the Board of management in 2024, the Board of Supervisors has the following comments:

2.1. Supervision of the activities of the Board of Directors (BOD)

- In the past year, the Board of Directors (BOD) has actively implemented many tasks within its authority. Each quarter, the BOD held regular meetings and extraordinary meetings related to directing and supporting production and business activities, as well as restructuring the company's operational framework;

- The Board of Directors (BOD) has provided close and practical guidance in line with the company's business activities, helping the company achieve and exceed the profit targets set.

- The activities of the Board of Directors (BOD) have supported and created favorable conditions for the company's business operations, while also generally complying with the legal regulations and the company's charter regarding the BOD's activities in decision-making processes within their delegated authority.

2.2. The supervision of the activities of the Board of Management

- The Board of Management has implemented tasks in accordance with the company's charter, resolutions, and decisions delegated by the Board of Directors (BOD). The General Director convenes meetings with the management team to discuss, agree on assignments, and direct the departments/divisions to carry out the specific contents of the BOD's resolutions and decisions, and report the results of the implementation to the BOD.

- The Board of Management has actively implemented the tasks assigned by the BOD's resolutions and decisions, resulting in effective business outcomes and strengthened management and monitoring efforts. However, there are still many items that the Board of Management carried out outside the plan without reporting to the Board of Directors (BOD) and the Board of Supervisors (SOB).

- Human resource development continues to receive focused investment and attention to create a workforce for the company's key projects in the upcoming period. Technical management has essentially stabilized.

- The Board of Supervisors evaluates the performance of the Board of Management in 2024, noting that they have successfully achieved several financial targets, including revenue and profit, as per the tasks approved by the General Assembly of Shareholders (GAS).

3. Suggestions and recommendations

In 2025, the Board of Supervisors will continue to perform its duties on behalf of the shareholders, regularly overseeing all business and operational activities of the company. The Board of Supervisors will strengthen the monitoring of the activities of the Board of Directors and the Board of Management, with the responsibility to report to the General Assembly of Shareholders. In order to contribute to the overall

development of the company, the Board of Supervisors has the following recommendations:

**** Regarding the long-term development strategy:***

The company's management needs to focus on effectively managing production at the Cuc Duong mine and Nui Phao mine, creating a foundation for ensuring the company's sustainable development. They should balance and select appropriate investment options based on market price trends. It's also necessary to enhance medium- and long-term forecasting to make suitable decisions in investment activities.

The Executive Board needs to perform effective resource management, develop drilling and exploration plans to upgrade reserves, ensuring there is sufficient information on the current status of each block. In 2025, the supervisory board will monitor the company's resource extraction data on a monthly and quarterly basis to promptly provide suggestions and warnings to the Board of Directors and the management team.

**** Regarding labor organization:***

- Labor organization:

+ It is recommended that the Executive Board develop solutions to continue reviewing, reorganizing, and restructuring production to reduce management and support labor. The target is to achieve a management labor ratio of $\leq 12\%$ by 2025.

+ In 2024, the company's labor productivity did not meet the set target. It is recommended that the company continue reviewing and developing a plan for streamlined management to enhance labor quality and increase labor productivity. Improving labor productivity plays a key role in the development of the company's business operations and in enhancing the living standards of employees.

- Salary:

+ The company will continue to develop a salary payment plan linked to products, workload, and work efficiency through the KPI tool. Priority will be given to salaries for key positions that determine the productivity and efficiency of units, such as underground workers, zinc electrolysis workers, furnace operators, and skilled workers. This aims to encourage the dedication and efforts of skilled and capable employees.

**** Regarding production organization:***

- Maximize the capacity of the equipment production line, maintain regular maintenance of machinery and equipment, and address issues promptly to ensure that machinery and equipment always run smoothly.

- Particular attention should be given to product quality in order to create a competitive advantage in the market. In times of fluctuation in input material prices such as coal, gasoline, and electricity, the company must stay well-informed and apply flexible purchasing methods while still adhering to procurement regulations to achieve the highest economic efficiency.

- Focus on effective training and retraining to continuously improve and enhance the management skills and expertise of employees.

- In addition to focusing on production issues, the company must pay special attention to occupational health and safety, as well as fire prevention and fighting.

- The investment in basic construction should consider the necessary items, based on a savings-oriented approach that ensures development goals are met while maintaining sustainability.

**** Regarding repair and renovation activities:***

- In 2024, the company's repair and renovation activities still have some outstanding issues:

- + The repair planning has not been aligned with actual needs. During the implementation process, many new items with significant value have arisen that were not included in the plan.

- + The classification of items into major repairs, regular repairs, or upgrades that increase asset value has not been appropriate. Many repair items that should be categorized as major repairs or upgrades increasing asset value are currently being classified as regular repairs. The supervisory board has recommended adjustments to this classification.

- + In 2024, the value of regular repairs was large and incurred more than planned.

- To address the above issue, the Board of Supervisors recommends:

- + In 2025, when preparing the plan, the company needs to carefully review the repair and renovation items; assess their true nature to classify them as major repairs, regular repairs, or upgrades that increase fixed asset value.

- + The company needs to establish regulations defining which items are classified as major repairs, regular repairs, or fixed asset upgrades, and present them to the Board of Directors for approval as a basis for implementation.

- + The company needs to tighten control over repair and renovation activities to reduce costs and increase operational efficiency. It is essential to enhance the spirit of waste prevention, which is a national policy

- + Items that require repairs outside the approved plan must have a clear plan and be reported to the Board of Directors for approval.

III. THE ACTIVITY DIRECTIONS OF THE BOARD OF SUPERVISORS IN 2025

- Performing according to the functions and duties entrusted to the Board of Supervisors by the General Meeting of Shareholders.

- Supervising and checking the management and implementation of the company's production and business plan for 2025, verifying the reasonableness and legality of business activities according to the resolutions of the 2025 General Meeting of Shareholders.

- Verifying the reasonableness, legality, truthfulness, and caution in accounting, statistics, and the preparation of financial statements for 2025.

- Participating in the Board of Directors meetings to monitor and contribute opinions during the discussions.

Above is the 2024 report on the activities of the Board of Supervisors and the activity plan for 2025, respectfully submitted to the General Meeting of Shareholders. We wish all shareholders, distinguished delegates, and investors good health, success, and happiness.

Wishing the General Meeting great success and good outcomes!

Sincerely!

**On behalf of the Board of Supervisors
The Head of the Board**



Nguyen Dinh Chien

VINACOMIN - MINERALS HOLDING
CORPORATION
VIMICO - THAI NGUYEN NON -
FERROUS METAL JOINT STOCK
COMPANY

No.: 892/TTr-BKS

THE SOCIALIST REPUBLIC OF VIETNAM
Independence - Freedom - Happiness

Thai Nguyen, April...23, 2025

PROPOSAL

Regarding the selection of the auditing firm for the 2025 financial statements

Respectfully submitted to: THE GENERAL MEETING OF SHAREHOLDERS

In accordance with the obligations stipulated in the Company's Charter and the legal regulations, Vimico - Thai Nguyen Non - Ferrous Metal Joint Stock Company (TMC) respectfully submits to the General Meeting for approval the list of auditing firms to audit the financial statements for the year 2025 of TMC as follows:

1. Criteria for selecting an independent auditing firm

- The company must operate legally in Vietnam and be approved by the State Securities Commission to audit issuing organizations and listed entities;
- The company must have a reputable track record in audit quality;
- The audit team must have high qualifications and extensive experience;
- Has experience in auditing public companies;
- Has a reasonable audit fee that matches the quality of the audit based on the review of the audit fee proposals and the audit scope.

2. List of audit firms

Based on the above selection criteria, the Board of Supervisors of Vimico - Thai Nguyen Non - Ferrous Metal Joint Stock Company respectfully proposes that the General Meeting of Shareholders consider and approve the list of audit firms to be selected as the unit for auditing the financial statements for the year 2025 as follows:

- + BDO Audit Services Company Limited;
- + CPA VIETNAM Audit Company Limited;
- + Branch of MOORE AISC Auditing and Informatics Services Company Limited.

3. Proposal for the Selection of an Audit Firm

- Submitted to the General Assembly of Shareholders for approval of the selection criteria and the list of audit firms as mentioned above;
- The General Assembly of Shareholders authorizes the Board of Supervisors to act as the focal point to coordinate with the Company in selecting one of the audit firms listed above.

Submitted to the General Assembly of Shareholders for consideration and approval./.

Recipients:

- As Above
- Save: Office, BOS.

**On behalf of the Board of Supervisors
The Head of the Board**



Nguyen Dinh Chien