

Thanh Hoa, April ..., 2025

No.: /BC- KHVT-THB

REPORT OF THE EXECUTIVE BOARD

ON THE 2024 BUSINESS RESULTS AND 2025 BUSINESS PLAN

A. 2024 BUSINESS RESULTS

I. GENERAL SITUATION

The year 2024 is a year of many difficulties and challenges for manufacturing enterprises in general and Thanh Hoa beer in particular. The political and economic situation in the world was still complicated and unpredictable, negatively affecting the domestic economy, and purchasing power and consumption of goods declined.

The Russia-Ukraine war continued to have a major impact on the supply of raw materials from Europe, along with the continuous increase in the USD exchange rate, which increased the prices of key raw materials for beer production such as malt, hops, cans, etc.

The implementation of enhanced control and enforcement of Decree 100 of the Government for drivers participating in traffic gradually formed awareness and habits of using alcohol and beer among the majority of people when participating in traffic. In addition, the unfavorable weather in 2024, with many rainy days, also had a significant impact on the beverage industry.

Competition became increasingly fierce in the market, especially among beer companies with large financial potential in the market such as Heniken, Tiger, Beer Sai Gon, and some fake, cheap beer lines in the market.

However, in 2024, the Company made many efforts in production and business activities, creating jobs and stable income for workers.

II. RESULTS OF IMPLEMENTATION IN 2024

	Indicators	Unit	Actual 2023	2024		Comparison (%)	
				Plan	Actual	Actual 2024/ Actual 2023	Actual 2024/ Plan 2024
			<i>1</i>	<i>2</i>	<i>3</i>	<i>4=3/1</i>	<i>5=3/2</i>
I	Net revenue from sale of goods and rendering of services (Consolidated)	Billion VND	1,503.78	1,638.80	1,624.58	108.03	99.13

	Indicators	Unit	Actual 2023	2024		Comparison (%)	
				Plan	Actual	Actual 2024/ Actual 2023	Actual 2024/ Plan 2024
			<i>1</i>	<i>2</i>	<i>3</i>	<i>4=3/1</i>	<i>5=3/2</i>
II	Total payment to the State budget	Billion VND	263.48	302.83	299.46	113.66	98.89
III	Consolidated profit before tax	Billion VND	6.44	4.39	5.94	92.24	135.31
IV	Consolidated profit after tax	Billion VND	5.05	3.51	3.81	75.45	108.42

+ Net revenue from sale of goods and rendering of services (Consolidated) reached: 1,624.58 billion VND; increased by 120.8 billion VND compared to the same period; achieved 99.13% of the plan.

+ Total payment to the State budget: 299.46 billion VND; increased by 35.98 billion VND over the same period; achieved 98.89% of the plan.

+ Consolidated pre-tax profit reached: 5.94 billion VND; decreased 0.5 billion VND compared to the same period; achieved 135.31% of the plan.

+ Consolidated profit after tax reached: 3.81 billion VND; decreased 1.24 billion VND compared to the same period; achieved 108.42% of the plan.

I. ASSESSMENT OF PRODUCTION AND CONSUMPTION SITUATION.

1. Labor and production work

The company continued to invest in depth to constantly improve quality and efficiency in production such as:

+ Invested in additional CO2 tanks to take advantage of excess CO2 gas for cooking at the beginning of the summer season, renovated and added PET bottle filling equipment; beer can pasteurization system to improve product quality.

+ Invested in additional automatic equipment to improve labor productivity and reduce labor on the production line.

+ Increased and prioritized the operation of large power-consuming equipment at night (off-peak electricity hours) to reduce costs due to electricity price differences.

+ Installed automatic cleaning programs, used specific chemicals in cleaning equipment, thereby increasing the efficiency of chemical use, saving water, and being environmentally friendly.

+ Researched and developed products that could reuse packaging such as glass bottles, boxes, keg shells, etc., while limiting the use of plastic PET bottles in the production process to minimize waste released into the environment.

+ Production arrangement and management were flexibly adjusted to suit the actual consumption situation.

Also at the end of the year, the company notified employees about the implementation of staff reduction, supporting employees to terminate contracts, retire early to rearrange and reassign labor.

2. *Sales and market activities*

The competition of many domestic and foreign products, along with systematic market strategies for each customer segment, attractive and long-term policies gradually changed the habits and needs of a segment of customers, including sellers and consumers.

For bottled and canned beer products, young consumers tended to switch to new products with strong brands and luxurious designs (Silver Tiger, Hanoi Beer 1890, Hanoi Premium canned beer)... to assert themselves. This significantly affected the output and consumption market of Thanh Hoa brand bottled and canned beer products in the region.

The benefits of sales entities tended to decrease due to increased sales costs, and the output and number of sales points of Thanh Hoa beer products were at risk of decreasing and shrinking (due to competitors increasing the implementation of point-taking programs).

The shift of both sellers and users from bottled beer to canned beer due to its convenience but unchanged cost (cheap canned beer) put Thanh Hoa bottled beer at risk of losing its place in some mountainous districts and recently some midland districts were also being affected (Trieu Son, Tho Xuan, Yen Dinh).

Hanoi beer product brand: With many flexible sales policies and great support from the Corporation, consumption output remained stable and growing.

During the year, beer consumption output did not meet the plan, the specific reasons are as follows:

- + Hanoi canned beer processed in December 2024. Plan from TCT adjusted down.
- + Licensed Beer: Suffered from competition; especially cheap products, imitating the HANOI brand. (Signboards similar/ or closely imitating HABECO but selling products such as Special, Sanco...)
- + Summer was in May and June, but the weather was unusual, with a lot of rain, which affected the overall consumption of beer lines.
- + The Company's sales policies were still focused only on sellers, with no programs for direct users.
- + There was a lack of a specialized department for market research to have policies for each period, market segment, and customer payment ability. This was especially true in the market areas of mountainous districts and coastal districts.
- + The Company did not invest professionally in packaging and product design, which was one of the reasons for reducing the competitiveness of the product.
- + Lack of sanctions to promote the strength of the dealer system, most dealers still relied on investment and support from the company (especially draft beer dealers) and had not improved service quality.

B. BUSINESS PRODUCTION PLAN FOR 2025

I. FINANCIAL PLAN

No.	Indicators	Unit	Implementation in 2024	Plan in 2025	Plan 2025/ Implementation 2024 (%)
			<i>1</i>	<i>2</i>	<i>3=2/1</i>
I	Net revenue from sale of goods and rendering of services (Consolidated)	Billion VND	1,624.58	1,693.79	104.26
II	Total payment to the State budget	Billion VND	299.46	302.04	100.86
III	Consolidated profit before tax	Billion VND	5.94	4.83	77.95
IV	Consolidated profit after tax	Billion VND	3.81	3.86	101.31

+ Net revenue from sales of goods and provision of services: **1,693.79** billion VND

+ Total payment to the State budget: **302.04** billion VND

+ Consolidated profit before tax: **4.83** billion VND

+ Consolidated profit after tax: **3.86** billion VND

II. IMPLEMENTATION SOLUTIONS

1. *Production activities*

- Investing in new investment projects, renovations and repairs is essential and urgent to improve productivity and product quality.
- Strengthen inspection, supervision and evaluation of saving practice; promote innovation initiatives to improve production efficiency and save costs.
- Cooperate and research new products (For example: soft drinks, beverages) based on utilizing the Company's existing production line.
- Implement a plan to reduce labor force to improve labor productivity.

2. *Marketing activities*

- Focus on governance: manage sales and debt with new, more flexible and intelligent software tools.
- Re-planning key markets.
- Review, evaluate and rearrange Agents and distribution channels appropriately; Build flexible and open mechanisms to increase competitiveness.
- Actively work with partners to promote and increase Thanh Hoa brand beer output for export markets and other provincial markets.
- Continue to invest more in marketing, agency systems and distribution channels, and have appropriate and flexible policies in sales.
- Diversify designs, enhance recognition and image of Thanh Hoa beer in the market.
- Strengthen training for market staff. Assign responsibilities and link salary and bonus results to market staff working together with Agencies.

- Propose that the Corporation has separate policies for specific difficult market areas such as Ha Tinh, Quang Binh and Quang Tri for Hanoi Beer.

Above is the report on production and business results in 2024 and the production and business plan in 2025. Respectfully submit to the General Meeting of Shareholders for consideration and approval.

COMPANY DIRECTOR