

BUSINESS RESULTS REPORT 2024
AND BUSINESS PLAN 2025

Part One

IMPLEMENTATION OF THE 2024 BUSINESS PLAN

I. Operational Status

- In 2024, the global situation fluctuated complexly, rapidly, and unpredictably with numerous risks and uncertainties. Strategic competition among major countries intensified, geopolitical tensions and military conflicts escalated in some nations, impacting global peace and stability, and weakening trade, investment, production, and consumption systems. Concurrently, natural disasters and extreme weather severely affected people's lives and the socio-economic development of nations. The global economy exhibited a very slow recovery trend.

- The real estate market is projected to require more time for recovery; natural disasters, floods, and climate change are evolving complexly. The government continues to focus on solutions to maintain macroeconomic stability, control inflation, and ensure major balances of the economy while also orienting specific solutions and policies to promote growth and address difficulties and obstacles for businesses.

- Oil price fluctuations in 2024 significantly impacted Vietnam's economic sectors, especially transportation, logistics, and manufacturing. As oil prices rose, transportation companies faced increased fuel costs, leading to higher freight charges, yet market freight rates did not increase proportionally with oil prices, resulting in low operational efficiency for transportation units.

- In the transportation market, some units have restructured and invested in new means of transport, focusing on specific routes with maximum transport volumes, thereby reducing transportation costs, increasing competitiveness, and exhibiting a willingness to lower transport prices to increase market share. This has increased competition among transportation enterprises in general, and particularly between state-owned and private transportation companies.

1. Advantages

- The government continues to focus on solutions to maintain macroeconomic stability, control inflation, and ensure major balances of the economy, while also orienting specific solutions and policies to promote growth and resolve difficulties and obstacles for businesses.

- Logistics Vicem Joint Stock Company (Logistics Vicem/Company/HTV) consistently receives substantial and timely support from Vietnam National Cement Corporation, as well as its member companies.

- The Company possesses a reputable brand, high transport capacity, and a relatively strong ability to mobilize subcontractors. It maintains positive relationships and collaborates in goods transportation with numerous large customers inside and outside of VICEM. Consequently, the Company continues to be entrusted by many new customers with goods transportation, enhancing its competitiveness, elevating its market position, and regularly undertaking the delivery of large shipments.

- The crew workforce is experienced, united, and committed to the company.

- The Company's capabilities and prestige are continuously being enhanced, becoming recognized and trusted by many new partners and clients.

2. Difficulties and Challenges

- Market production and business activities are not vibrant, forcing production and construction investment units to halt operations or reduce output. This has resulted in a decrease in goods transportation. Under the pressure of competition and prolonged scarcity of goods, transportation units are compelled to significantly reduce freight rates below break-even levels to maintain operations, increasing competition for goods sources and freight rates with the company.

- The iron and steel market is facing numerous difficulties due to price fluctuations and low consumption output, consequently, factories have reduced production output, leading to a decrease in the demand for input materials for production-business, hence, revenue from transporting rolled steel sheets has dropped significantly.

- In 2024, domestic cement consumption decreased because the real estate market has not yet recovered, civil construction is recovering slowly, and projects are being implemented slowly, so cement consumption did not increase. Due to the slow consumption of construction materials, the transportation output of clinker, coal, and other raw materials to cement grinding stations is low, and the loading and unloading speed of raw materials for production-business is also slow at the wharves, prolonging the turnaround time of the company's vehicles.

- Fluctuations in gasoline prices in 2024 significantly affected HTV's transportation activities, increasing operating costs in the transportation sector because gasoline prices account for a high proportion of transportation costs; HTV's transportation freight rates did not increase commensurately with the increase in fuel prices in the market.

- Several major customers have invested in inland waterway transport and sea transport vehicles to serve their own supply and trading services, which has increased competition in freight rate reductions, decreased shipping volume, and increased competition for shipping sources in the market in 2024.

- By the end of 2024, the company's fleet will only have 35 barges, equivalent to 53,638 tons of cargo capacity, with an old average age. Many groups of barges have an average age of 14 to 17 years, and are outdated in terms of tonnage and technical specifications, leading to high repair costs and frequent repairs for the

company increasing over the years, reducing the efficiency of production-business activities.

II. Overview of Business Results

1. Implementation of the 2024 Output Plan Target

1.1. Total output achieved: 5,072,504 tons.

1.2. Business Results of Each Segment

Transportation volume performed in 2024 compared to the 2024 Plan and compared to the same period in 2023 is summarized as follows:

Unit: Tons

No	Content	Implemented Year 2023	Plan Year 2024	Implemented Year 2024	Percentage Implemented 2024/Implemented 2023 (%)	Percentage Implemented 2024/Plan 2024 (%)
1	Inland waterway transport services	4,609,276	4,558,078	4,575,331	99%	100%
2	Maritime transport services	255,529	227,000	194,762	76%	86%
3	Road transport services	98,174	162,000	61,356	62%	38%
4	Loading and unloading services	171,318	292,000	65,484	38%	22%
5	Construction materials trading	146,727	166,680	175,571	120%	105%
TOTAL		5,281,024	5,405,758	5,072,504	96%	94%

2. Business Performance Results in 2024

No.	Indicators	Unit	Implemented 2023	Plan 2024	Implemented 2024	Implemented 2024/Implemented 2023	Implemented 2024/Plan 2024
1	Total cargo volume	Tonnes	5,281,024	5,405,758	5,072,504	96%	94%
2	Total Revenue	Million VND	320,188	350,964	294,680	92%	84%
	<i>Of which:</i> <i>- Net Revenue from Sales and Service Provision</i>	<i>Million VND</i>	<i>299,745</i>	<i>343,681</i>	<i>278,277</i>	<i>93%</i>	<i>81%</i>
	<i>- Financial Income</i>	<i>Million VND</i>	<i>13,922</i>	<i>2,783</i>	<i>9,190</i>	<i>66%</i>	<i>330%</i>

No.	Indicators	Unit	Implemented 2023	Plan 2024	Implemented 2024	Implemented 2024/ Implemented 2023	Implemented 2024/ Plan 2024
	- Other Income	Million VND	6,521	4,500	7,213	111%	160%
3	Profit before tax	Million VND	9,994	11,398	11,675	117%	102%
4	Profit after tax	Million VND	7,602	8,705	8,960	118%	103%
5	Return on Equity (ROE)	%	2.94	3.37	3.47	118%	103%
6	Budget contribution	Million VND	13,746	13,207	13,382	97%	101%
7	Dividend (expected)	%	3%	≥ 3%	-	-	-

Dividends implemented in 2024 will be submitted to the General Meeting of Shareholders for approval at the 2025 Annual General Meeting of Shareholders.

3. Labor – Salary:

- Average total employees (excluding managers): 220 people.
- Total salary fund (excluding managers' salaries): 49.607 billion VND.
- Average salary: 18.791 million VND/person/month.

In which: the 2024 salary of the General Director and Chief Accountant is: 1,790,981,815 VND (In words: One billion seven hundred ninety million nine hundred eighty-one thousand eight hundred fifteen VND), details as follows:

No.	Name	Position	Salaries of the Board of Directors and Chief Accountant (VND)	Note
1	Do Van Huan	General Director	704,944,941	Reappointed on January 4, 2024
2	Dam Minh Tien	Deputy General Director	376,150,895	
3	Pham Ba Trung	Deputy General Director	376,150,895	
4	Pham Thi Ngoc	Chief Accountant	333,735,084	
TOTAL			1,790,981,815	

4. Fixed Asset Procurement:

The approved plan includes: fixed asset procurement (04 barges with a capacity of 2,650 tons).

Estimated total investment: 92.9 billion VND (excluding VAT).

Implemented quantity: 0 units

Implemented payment value: 0 VND

Performance evaluation: Did not meet the plan.

Reason: Due to the company's difficulties and fluctuations in the price of sheet metal, iron, and steel, the company did not implement the purchase of the above assets in 2024.

5. Major Repair Works

- In 2024, due to the impact of increasing prices of corrugated iron, steel, and labor costs, vehicle repairs encountered many difficulties, simultaneously increasing repair expenses, which significantly affected the operating efficiency of the Logistics Vicem Joint Stock Company's vehicles due for state-regulated repairs. Damaged vehicles experienced extended repair times, leading to a shortage of transport vehicles and passivity in optimal vehicle allocation.

- The high prices of raw materials, goods, and services; the escalating prices of oil and other raw materials increased repair costs, creating significant pressure that raised the company's cost of goods sold.

6. Organization and Management

- On January 04, 2024, the Board of Directors issued Decision No. 04/2024/QĐ-HĐQT regarding the reappointment of Mr. Do Van Huan – Member of the Board of Directors to the position of General Director of Logistics Vicem Joint Stock Company for the 2021-2026 term, effective January 04, 2024.

- The recruitment of crew members faced many difficulties due to the increasingly limited supply of personnel for this profession, especially the recruitment of experienced and highly skilled crew members, which further impacted the stability of the barge fleet's operating personnel.

7. Other Activities

✓ Stock Market and HTV Stock Price

In 2024, the stock market situation, with the VN Index increasing by 12%, is specifically as follows:

Content	Early 2024 (January 2, 2024)	December 31, 2024	Percentage	Note
VN Index	1,131.72	1,266.78	+12%	
HTV Stock (VND/share)	9,360	9,500	+1%	

Regarding HTV's stock price, the market price of HTV shares in 2024 (December 31, 2024) increased by 1% compared to the beginning of 2024. During the year, the company paid a 3% cash dividend to shareholders.

✓ Regarding Management, Operation, and Market Expansion

Logistics Vicem Joint Stock Company specializes in transporting various goods by waterway for partners in the Southern region. In addition to the traditional customer, VICEM Ha Tien Cement Joint Stock Company, the company is gradually expanding its market, developing new customers, and actively seeking additional goods sources to increase revenue, maximizing the operational efficiency of its

vehicles; gradually affirming its position as the central waterway transport hub in the Ho Chi Minh City - Mekong Delta region.

Regarding management, it is increasingly being perfected towards specialization to enhance professionalism, elevate customer service quality, meet market demands; improve cost inspection and supervision; and implement flexible salary payment methods to attract and motivate employees to stay with the company.

Regarding operations, the Company continuously monitors, manages, and urges vehicles to enhance responsibility in vehicle maintenance, shorten travel times to improve vehicle exploitation efficiency; promotes crew recruitment in a challenging labor market with limited supply; applies personnel policies to facilitate sailors' advanced training and degree conversion; and boldly employs young, skilled sailors to create a successor team.

✓ Regarding the joint venture investment in the residential complex project combined with commercial services in Truong Tho ward, Thu Duc City, Ho Chi Minh City (R)

The company entered into a joint venture with R.C Real Estate Development And Finance Corporation (REFICO) to establish a new legal entity as the investor to carry out the land-use conversion for the land plot at Km 07 Hanoi Highway, Truong Tho ward, Thu Duc City, Ho Chi Minh City, to implement the residential complex project combined with commercial services based on the agreed policy of the Ministries, sectors, and competent authorities. The newly established legal entity is Truong Tho Thu Duc Real Estate Investment and Development Company Limited with an initial charter capital of 20 billion VND, and HTV's capital contribution ratio is 65% (equivalent to 13 billion VND).

The project is currently suspended pending resolution according to Notice No. 440/TB-VPCP dated September 19, 2017 from the Government Office, halting investment and development procedures for enterprises subject to adjustments under Decision No. 86/2010/QD-TTg until a decision to amend and supplement Decision No. 86/2010/QD-TTg is issued, and Official Dispatch No. 1792/TTg-CN dated November 22, 2017 from the Prime Minister requesting continued suspension in accordance with the Prime Minister's directive as per Notice No. 440/TB-VPCP dated September 19, 2017

On January 13, 2022, an inspection team comprised of representatives from relevant agencies, including:

- Representatives of the land and property user (Logistics Vicem Joint Stock Company).
- Representatives of Vietnam National Cement Corporation (VICEM).
- Representatives of the Ministry of Construction.
- Representatives of relevant Ho Chi Minh City agencies: Ho Chi Minh City Department of Finance; Ho Chi Minh City Department of Natural Resources and Environment; Ho Chi Minh City Department of Planning and Architecture; Ho Chi Minh City Department of Construction.

Conducted a joint inspection of the land and property located at Km 07 Hanoi Highway, Truong Tho Ward, Thu Duc City, Ho Chi Minh City.

Following the inspection of the land and property at Km 07 Hanoi Highway, Truong Tho Ward, Thu Duc City, Ho Chi Minh City, the inspection team concluded: Acknowledged the current status of the land as recorded in the Land and Property Inspection Report dated January 13, 2022; Requested Logistics Vicem Joint Stock Company to proactively survey and map the land area. The company has completed the actions requested by the inspection team.

On August 16, 2022, the Ho Chi Minh City Department of Planning and Architecture issued Official Dispatch No. 2917/SQHKT-QHKTT stating that: Logistics Vicem Joint Stock Company's continued use of the aforementioned land and property as office and workshop space (8,270 m²) and temporary continued use of the 1,172.2 m² land area within the canal safety corridor as a construction material storage area is not in accordance with the sub-area plan approved by the Ho Chi Minh City People's Committee in 2015. Currently, the Company is awaiting guidance from competent authorities.

Part Two

OBJECTIVES AND IMPLEMENTATION MEASURES BUSINESS PLAN FOR 2025

I. Operating Conditions

In the face of intertwined challenges and opportunities, Logistics Vicem Joint Stock Company has made meticulous and thorough preparations, clearly defining essential tasks for 2025 and committing to proactive dynamism in seizing favorable opportunities and diligently overcoming practical difficulties to fully accomplish the production, business, and investment development targets set for 2025.

1. Advantages

- Stable supply sources from key partners and clients ensure continuous operation for the Company's barge fleet.
- The Company possesses a reputable brand and maintains positive relationships with clients, cooperating in goods transportation with numerous major clients both within and outside of Vicem, thereby establishing substantial market credibility.
- Regarding the market image of Logistics Vicem Joint Stock Company in the waterway transport sector, it remains a reputable and established company with a familiar market presence, maintaining strong links with several anchorages and ports, which facilitates expansion to new clients in inland waterway transport and maritime transport services.
- The Company maintains freight transport contracts with long-standing, high-volume customers, representing stable sources of goods and accounting for over 50% of the company's revenue. This ensures year-round substantial shipping volume, maximizing the utilization of the company's fleet without interruption due to cargo shortages.
- The proposed capital expenditure plan to acquire four barges, each with a capacity of approximately 2,900 tons, presents an opportunity for the company to further enhance its transportation capacity and engage with larger clients. This plan

will also restructure the inland waterway fleet and expand business lines, leveraging existing cargo sources and strong relationships within the transportation market.

2. Difficulties and Challenges

- Despite the aforementioned advantages, certain challenges are anticipated in 2025. Given the significant economic openness, coupled with the modest domestic economic autonomy and production capacity, the impact of risks and challenges on Vietnam's economic growth and macroeconomic stability is projected to be substantial. Increasing difficulties and challenges, especially persistent inflationary pressures, will inevitably lead to rising production costs. The risk of supply chain disruptions remains a persistent threat; unusual natural disasters, epidemics, and floods further contribute to these challenges. All these factors will directly and indirectly impact the warehousing and transportation sector, the Company's core business.

- Vietnam must also prepare contingency plans for slower growth in other economies over the medium term, as the weaker-than-expected recovery in external demand continues to impede industrial and service output, thereby hindering the recovery of domestic employment and consumption. Furthermore, risks in the global financial market are also issues that Vietnam needs to consider in its macroeconomic policy. Geopolitical tensions and the resulting fragmentation of the global financial system will heighten financial instability through abrupt reversals in cross-border capital flows, hindering international payments and depressing asset prices, particularly for developing economies and emerging markets. Moreover, geopolitical tensions can indirectly affect financial stability through restrictions on international trade and technology transfer, as well as disruptions to supply chains and commodity markets, which can impact the liquidity and profitability of non-financial corporations, creating credit risks for banks and weakening macroeconomic financial stability.

- According to several economists, geopolitical tensions, including the Russia-Ukraine and Israel-Palestine conflicts, coupled with ongoing economic uncertainties, will significantly impact the global economy. Oil prices are expected to continue rising due to prolonged supply cuts from Russia and Middle Eastern countries. Food prices are also projected to increase due to persistent risks of supply disruptions, posing challenges for many low-income countries and developing economies.

- Moreover, many trading companies have invested in their own inland waterway transport and large-capacity seagoing vessels to serve their supply and trading activities. This has increased competition for cargo and reduced freight rates in the market.

- The supply of crew members in the market remains limited. This poses challenges for the company in recruiting additional crew members, especially experienced and highly skilled captains and chief engineers, to maintain a stable crew for vessel operation.

II. 2025 Business Plan

1. Financial Plan

No.	Indicators	Unit	Plan Year 2025
I	Total Revenue	Million VND	330,419
1	<i>Net Revenue from Sales and Service Provision</i>	<i>Million VND</i>	<i>321,394</i>
2	<i>Financial Income</i>	<i>Million VND</i>	<i>4,525</i>
3	<i>Other Income</i>	<i>Million VND</i>	<i>4,500</i>
II	Profit		
1	<i>Profit before tax (Excluding exchange rate differences)</i>	<i>Million VND</i>	<i>15,256</i>
2	<i>Profit after tax (Excluding exchange rate differences)</i>	<i>Million VND</i>	<i>11,809</i>
III	Profit after tax rate excluding exchange rate differences/Equity	%	4.57
IV	State Budget Payment	VND Million	17,450
V	Expected dividend payment in 2025	%	≥ 4%

2. Output Plan

Based on maximizing the transportation demands of traditional customers, combined with seeking additional transport volume from other customers in the market, gradually affirming its position as a central transportation hub in the Ho Chi Minh City area, the Company sets a transportation volume plan for 2025 of: 5,200,783 tons.

Unit: Tonnes

No.	Content	Plan 2025
1	Inland waterway transport services	4,791,453
2	Maritime transport services	107,750
3	Road transport services	66,500
4	Loading and unloading services	66,000
5	Trading services (Construction materials business)	169,080
	TOTAL	5,200,783

3. Fixed Asset Acquisition Plan

Logistics Vicem Joint Stock Company establishes a fixed asset investment and acquisition plan for 2025 as follows:

- Investment method: asset acquisition according to the Bidding Law.
- Number of vessels: 04 barges with a total deadweight tonnage of approximately 2,900 tons/barge.
- Estimated total investment for procurement is: 97.2 billion (excluding VAT).
- Expected time to put the vessels into operation: Fourth Quarter of 2025.

4. Implementing major repair work

- Improve the quality of vessel repair work in the shortest possible time.

5. Labor – Salary

- Total number of employees (excluding managers): 196 people
- Total salary fund (excluding management salaries): 44.349 billion VND.
- Average salary per person/month: 18.856 million VND/person/month.

6. Organization and Management

- Reorganize the personnel of professional departments for greater efficiency and streamlining. Alongside this is the retraining of existing staff to better perform current tasks and take on new responsibilities.
- Implement appropriate salary contracting policies and reward systems for employees to improve labor productivity and work efficiency.

7. Solution:

- Source of goods: with the market situation from 2024 to 2025 remaining sluggish, some sources of goods from major customers have declined. The company aims to develop new sources of goods transporting materials such as sand, stone, etc., to serve construction projects that are being simultaneously deployed using public investment capital.

- Management and administration activities: Stabilize management organization, enhancing professionalism. Select and rearrange the crew on each vessel for better suitability, creating cohesion, thereby increasing transportation efficiency, increasing vessel turnaround time, improving vessel maintenance, and enhancing safety for both personnel and vessels. Assign personnel in charge of each transportation route to closely monitor delivery and receipt at wharves and ports, ensuring the quality and quantity of goods during transportation to optimize each transportation route.

- Strengthen cost management and supervision, especially operating costs and vessel repair costs.

- Continue to expand business areas in trading, maritime transport, and other operational segments to increase revenue and enhance business performance.

- Accelerate the progress of the project to procure 04 inland waterway vessels to rejuvenate the vessel fleet, increase exploitation capacity, and enhance market competitiveness to achieve business production efficiency.

8. Other tasks: No.

Respectfully submitted to the General Meeting of Shareholders for consideration and approval./.

GENERAL DIRECTOR

Do Van Huan

