

Ho Chi Minh City, date month year 2025

REPORT

Production and business activities in 2024 and 2025 plan goals of Viettronics Tan Binh Joint Stock Company (VTB)

Dear: - General Meeting of Shareholders of Viettronics Tan Binh Joint Stock Company
- Board of Directors of Viettronics Tan Binh Joint Stock Company

I. SUMMARY OF VTB COMPANY'S ACTIVITIES IN 2024:

1. Socio-economic situation and production and business results in 2024 :

a. Socio-economic situation in 2024:

- The world situation continues to evolve in a complex and unpredictable manner; strategic competition is fierce; conflicts are escalating in Ukraine, the Middle East, etc.
- Local disruptions in global supply chains cause strong fluctuations in the prices of gasoline, basic goods, and transportation costs;
- Economic and trade recovery is slow and unstable.
- Natural disasters and climate change are complex.
- We must both respond flexibly and effectively to external fluctuations and overcome internal limitations and shortcomings that have lasted for many terms.
- It is necessary to spend a lot of time and resources to solve sudden and arising problems, especially monetary policy, accounts, advance fees, and overcoming natural disasters that have caused serious **and prolonged consequences in many localities**.

b. About the social situation abroad:

In 2024, the international social situation continues to face many notable challenges, including:

- **Conflict and political instability** : The war between Russia and Ukraine continues to escalate with no signs of abating. Ukraine has stepped up its offensive operations to put pressure on Russia, but the results have not been as expected. At the same time, Western countries are also involved.
- **Global economic crisis** : Global economic growth continues to slow, reaching only about 2% in 2023, due to the consequences of inflation, tight monetary policy and reduced consumer demand. China is facing a serious economic crisis, while India emerges as a rare bright spot with high growth rate.
- **Technology and green transition** : The technological revolution, especially artificial intelligence (AI), continues to grow strongly. However, this boom is accompanied by concerns about unemployment, social inequality and the risk of

technology abuse. At the same time, green energy transition is a prominent trend in many countries, despite facing many challenges in terms of resources.

- **Key events** : The 2024 Paris Summer Olympics are a major cultural highlight, but Europe still faces internal political difficulties. Also this year, Donald Trump was elected President of the United States, opening a new political period with many controversies.

In short, 2024 brings both opportunities and challenges, with a combination of economic, political and technological factors shaping the future of the world.

c. Regarding the domestic social situation: In 2024, Vietnam's social situation recorded many bright spots but also faced major challenges:

- **Economy and employment** : The labor market has recovered steadily, with unemployment remaining low. Tourism has grown strongly with more than 12.7 million international arrivals in the first 9 months of the year, up 43% over the same period.
- **Administrative management and reform** : Digital transformation continues to be promoted, administrative procedure reform has made progress, improving public service efficiency and the business investment environment.
- **Macroeconomics** : Many sectors such as agriculture, real estate and export are facing difficulties due to the impact of natural disasters and international market fluctuations.
- The disbursement rate of public investment capital is still low, bad debt is increasing, putting pressure on the financial system.

d. Regarding the domestic political situation: Favorable in international cooperation, however, there are still some difficulties in terms of orders, high unemployment rate, mainly processing, no core technology, inspection situation so disbursement is low, joint inspection of sectors such as Health, Education, Electricity, Insurance, Registration, etc. affects the business activities of enterprises.

e. Situation of domestic enterprises in 2024:

In 2024, the situation of domestic enterprises reflects both opportunities and challenges.

- **Development opportunities:**

- + **Increasing digitalization** : More than 90% of Vietnamese enterprises have applied digitalization at different levels, of which about 41% have fully digitalized. Many enterprises are increasing their budget for digitalization to improve efficiency and competitiveness.
- + **Expanding international markets** : Vietnamese businesses are focusing on ASEAN regions such as Thailand, Singapore and Malaysia to expand their operations. This is driven by supportive policies from the government and the need for international cooperation.
- + **Business environment reform** : Policies such as Resolution 02/NQ-CP of the Government continue to facilitate investment and business, reduce administrative procedures and enhance national competitiveness.

- **Challenge:**

- + **Risks from global volatility** : International conflicts, such as between Russia and Ukraine and in the Middle East, affect global supply chains and trade markets, threatening business operations.

- + **Cost pressure** : Some businesses face financial difficulties, needing to optimize costs in the short term and expand resources in the long term.
- + **Businesses withdraw from the market** : The number of businesses dissolving or temporarily suspending operations remains significant, showing great competitive pressure in the context of economic recovery.

Overall, with reform solutions and an innovative spirit, the Vietnamese business community is expected to overcome challenges and achieve positive growth this year.

f. VTB Company situation in 2024 :

- On the side of VTB Company, besides always receiving timely and profound guidance from the major shareholder, Vietnam Electronics and Information Technology Corporation, it has also encountered many difficulties as follows:
 - + Current rental rates are tentative and are likely to increase in the coming years.
 - + Consumer demand for electronic products has decreased sharply. Some TV companies are losing billions of dong per day, and some large supermarket chains are selling products on the street at a discount of up to 50%.
 - + Businesses and customers renting warehouses and offices are still affected by the general economic situation and have encountered difficulties, even bankruptcy, which has affected VTB Company's revenue.
 - + The company's products are under warranty due to long-standing inventory and outdated technology.
 - + Incomplete land legal documents lead to difficulties in inspection and administrative procedures with the Department of Natural Resources and Environment, Fire Prevention and Fighting, tax authorities, etc., making it impossible for partners to carry out service cooperation.
- Faced with that situation, VTB Company has implemented many solutions to compensate for the shortfall in revenue and profit such as: strictly controlling the product component supply chain, tightening and delaying expenditures in addition to implementing 06 key programs approved by the General Meeting of Shareholders:
 - + Research and develop products and technologies such as special advertising TVs, water flow control devices, hotel TVs, initial research on medical and environmental equipment, IoT products, etc.
 - + Co-production projects (TV, IoT devices, watches exported to Australia... smart c lock NHTC, Pharmacy masks...)
 - + Production and business according to supply chain: maintain a certain quantity of TV, computer, audio products... and masks for VTB brand.
 - + Real estate law, start allocating project costs at 06 Pham Van Hai.
 - + National Brand continues to aim for the 3rd time.
 - + Developing corporate culture: Highly appreciated by the Party Committee of Central Agencies in Ho Chi Minh City, the Youth Union and other socio-political organizations.

g. Launching 06 completely new directions:

- New IOT products and technologies (4.0 Smart technology).

- Media advertising TV project: still in progress, has sold TV + software to two companies Medi Hub and Dang Khoa, is evaluating a large number of special TV models for advertising for PTI, hotel TVs, etc.
- After- sales service : has started to establish service warranty for partners Skyworth, Hisense, Toshiba, ...
- Logistic Services : Utilizing human resources and production facilities during low seasons points to flexibly serve partners in need.
- Strengthen cooperation with new technology outsourcing partners IoT such as Nha Trang Hitech for energy digitalization program.
- Medical equipment: Initial steps to promote relationships with Customers - Corporation - SingHealth to have a roadmap for developing medical equipment production and business.

h. Production and business results in 2024:

- **Separate report results for 2024:**
 - + Total revenue realized in 2024 is 105.32 billion VND, out of the 2024 plan of 110.0 billion VND (95.75% of the plan).
 - + Total pre-tax profit realized in 2024 is VND 14,535 billion, compared to the 2024 plan of VND 14,31 billion (achieving 101.6% of the plan).
- **Consolidated report results for 2024:**
 - + Total consolidated revenue realized in 2024 is 117,773 billion VND, out of the 2024 plan of 125.0 billion VND (achievement reaching 94.22% of the plan).
 - + Total consolidated pre-tax profit realized in 2024 is 14.22 billion VND, compared to the 2024 plan of 15.35 billion VND (achievement reaching 92.63 % of the plan).

i. Other issues :

- Status and results of project implementation: Legal real estate No Trang Long, Pham Van Hai, Cat Lai: continue to monitor for completion.
- Long-term financial investment situation: Term deposits to earn interest. However, the current deposit interest rate is very low, VTB Company's cash resources are reduced due to capital contribution investment activities and liquidation of cooperation contracts.
- From 2023, investing in Viettronics Vinh Phuc Company -> operations will start to make a profit, this is a positive investment.

2. Management of receivables, payables, causes and solutions for handling bad debts, overdue debts: closely monitor debts

- Management of receivables and payables is done daily. For bad debts, the legal department will file a lawsuit.
- VTB Company's total average receivables during the year are about 20 billion VND. Currently, there are still some customers with bad debts such as: Vitek VTB Hanoi Joint Stock Company owes 8.89 billion VND (already made provisions...).

3. Implementation status of the Resolution of the General Meeting of Shareholders, Board of Directors/Board of Members; implementation status of tasks assigned by the Corporation : The Company has been implementing the resolutions and tasks assigned by the General Meeting of Shareholders.

4. Other issues:

- Inventory of obsolete materials and finished products, especially Karaoke, Refrigerators, Televisions, Speakers, Amplifiers, Household goods, etc.
- Inventory of asynchronous materials.
- Damaged materials have not been fully processed or provisioned.
- Warranty costs of old generation TV products sold to clear inventory.
- The legal status of the premises of No Trang Long, Pham Van Hai, Cat Lai has not been completed.
- Fire protection system has not been completed at No Trang Long, Pham Van Hai,... due to lack of legal documents for implementation.
- The cost of the 06 Pham Van Hai project is starting to be gradually allocated from 2023.
- Regarding the legality of the premises: Due to the state's land policies, it has not been implemented yet. It will be monitored and updated continuously.
- Regarding land rental fees: The company has paid the provisional land rental fees for 2024. It is not yet known how much the tax will increase this year and the following years. If the land rental fees increase significantly, businesses will have more difficulties.

5. Evaluate and forecast the business situation in the coming time and propose other specific measures to overcome existing problems/continue to improve operational efficiency:

- Forecast assessment of the business situation in the coming time: Although VTB Company is currently facing many difficulties, VTB's goal is to try to closely follow the Company's business situation to complete the planned profit target, however, the sales target may not be achieved.
- Specific measures to overcome shortcomings and continue to improve operational efficiency: Promote sales, rapidly develop cooperation projects, production and business, focus on technology development, diverse and effective sales systems to commercialize research (multimedia advertising products, logistics services), maximize cost savings, etc.
- Promote 06 sustainable business development programs integrated with the development of 06 orientations that have been shaped since the end of 2024 as reported above.

II. VTB COMPANY'S BUSINESS PLAN FOR 2025 (SEPARATE REPORT):

1. Based on the 2024 implementation data and closely following the actual market situation, VTB Company plans for 2025 as follows:
 - Total planned revenue in 2025 (separate report) is 113.75 billion VND (actual revenue in 2024 is 105.3 billion VND), an increase of 8% compared to actual revenue in 2024.
 - Planned pre-tax profit in 2025 (separate report) is VND 15.2 billion (realized pre-tax profit in 2024 is VND 14.53 billion). Planned pre-tax profit in 2025 increases by 4.6% compared to actual profit in 2024.
 - Expected dividend rate in 2025 is 10% of charter capital .

2. 2024 has passed and currently the world economic situation has many fluctuations that have had a significant impact on our country's economy, and currently our country is still affected by the Covid epidemic and super typhoon Yagi, making the domestic economy in general and VTB Company in particular very difficult, the Company's factory rental situation is also not optimistic due to its great dependence on state policies and tenants, deposit interest rates have decreased significantly compared to previous years, business capital has also decreased because VTB returned the money from the project No. 6 Pham Van Hai of 38 billion and invested in Viettronics Vinh Phuc Company of 17.5 billion but in the first few years, dividends have not been collected, and the business segment of traditional goods has faced fierce competition between brands and people's shopping needs have decreased sharply, product projects and production and business cooperation with partners have slowed down due to a number of objective reasons, etc. Despite the above difficulties, VTB's Board of Directors still sets the goal of The planned profit target for 2025 is 4.6% higher than the actual profit target for 2024. To achieve this planned profit, the Board of Directors and all employees must try their best. In addition to traditional production and business activities, VTB strives to find new business lines such as: Advertising and communication business, warehouse and logistics services, after-sales services, medical equipment business, production of goods for export, reducing the area the Company is using and renovating it for rent, etc. In addition, the Company strictly controls and minimizes costs to ensure the proposed profit target plan.

III. VTB COMPANY'S BUSINESS RESULTS PLAN IN 2025 (CONSOLIDATED REPORT):

In 2025, not only VTB Company, but also VTB's member companies and affiliates will face many difficulties, so VTB's consolidated business plan is as follows:

- Planned consolidated revenue in 2025: VND 125.0 billion (up 6.1% compared to 2024's implementation of VND 117.77 billion).
- Planned consolidated pre-tax profit in 2025: VND 15.5 billion (up 9.0% compared to 2024's implementation of VND 14.22 billion).

IV. SOLUTIONS TO IMPLEMENT THE PLAN:

1. Continue to develop traditional electronics and home appliances industries with differentiated products.
2. Continue to promote 06 key programs of previous years integrated with 06 orientations formed since 2024.
3. In 2025, VTB Company's slogan is: **Breakthrough for development.**

With the solidarity of all VTB employees, the support of major shareholder Vietnam Electronics and Information Technology Corporation and the authorities, we hope that VTB Company will overcome all difficulties and achieve the goals assigned by the Board of Directors and the General Meeting of Shareholders.

GENERAL DIRECTOR