

No: 203/BC-HCVT  
Re: Operational and Investment  
Report for 2024 and Development  
Plan for 2025

*Viet Tri, April 04, 2025*

To: The General Meeting of Shareholders

Viet Tri Chemical Joint Stock Company hereby presents its report on business performance and investment activities in 2024, along with development plans and objectives for 2025, as follows:

## **I. Business performance in 2024**

### **1. Advantages and challenges**

#### **1.1. Advantages:**

As Vietnam's economy shows encouraging signs of recovery, with GDP growth estimated at approximately 7% in 2024, favorable conditions has been created for businesses to more confidently promote in production and business investment.

In May 2024, the Company officially launched its Vi-CHLORiNE production line, enhancing chlorine-based product capacity balance and operational efficiency.

New export orders in 2024 drove higher demand for Javen (sodium hypochlorite) in the textile and garment sector, creating an opportunity for the Company to expand production capacity. Javen prices remained well above previous years, positively impacting business performance.

The Company's liquid PAC (Polyaluminium Chloride) product continued to uphold its market leadership and dominance in Northern Vietnam. Consequently, the Company exceeded both its production and sales targets in 2024.

#### **1.2. Challenges:**

In the fourth quarter of 2024, as producers anticipated U.S. tariff hikes, they shifted toward export prioritization, resulting in supply shortages and a sharp surge in aluminum powder prices across both domestic and regional Asian markets. This led the Company to temporarily suspend PAC production due to a

lack of input materials. The production halt caused a surplus of chlorine-based intermediates, leading to an operational imbalance. In response, the Company implemented interim measures, including redirecting hydrochloric acid (HCl) distribution from the Northern to the Southern market.

The Vi-CHLORiNE product line entered its commercial phase in 2024, resulting in a sharp increase in related costs, including depreciation, selling expenses, and marketing activities aimed at establishing market presence.

Toward the end of 2024, the aquaculture sector faced challenges due to disease outbreaks, leading to decreased demand for Vi-CHLORiNE. At the same time, the Company encountered intense competition from both domestic producers and imported substitutes.

Moreover, the chemical market witnessed fierce competition as several domestic manufacturers expanded production capacity while demand remained relatively unchanged, creating considerable pressure on supply and led to more fragmented market share distribution.

## **2. Operating results in 2024**

- Industrial production value (at constant prices): VND 413.2 billion, equivalent to 108.9% of the 2023 figure and 92.6% of the 2024 plan;

- Industrial production value (at current prices): VND 1,340.9 billion, equivalent to 113.5% of the 2023 figure and 93.8% of the 2024 plan;

- Total revenue: VND 1,616.7 billion, equivalent to 117.8% of the 2023 figure and 103.6% of the 2024 plan;

- Profit before tax: VND 106.02 billion, equivalent to 123.6% of the 2023 figure and 100% of the 2024 plan.

## **3. Summary of Investment and Construction Activities in 2024**

In 2024, the Company successfully completed and handed over the project “Investment in a Production Line for Disinfectant Used in Domestic Water Supply and Aquaculture, with a Capacity of 9,000 Tons per Year (Equivalent to 30 Tons per Day)” 80 days ahead of the scheduled timeline.

The project fully met the approved criteria for design capacity, product quality, and environmental compliance.

The total investment capital implemented and disbursed in 2024 reached VND 172.5 billion.

## **II. Strategic Solutions and Operational Targets for the 2025 Business Plan**

### **1. Advantages, challenges**

The global landscape remains volatile and unpredictable. Geopolitical tensions in the Middle East and the prolonged Russia–Ukraine conflict continue to pose significant risks to global economic stability, including Vietnam.

Tensions surrounding global trade are expected to intensify, particularly following the inauguration of the new U.S. President, creating further uncertainty. However, Vietnam is well-positioned to benefit from the ongoing shift in global investment flows.

Vietnam’s economy met its growth targets in 2024, laying a solid foundation for continued expansion in 2025.

Domestically, stricter environmental regulations are boosting demand for industrial chemicals, particularly in water treatment applications.

Meanwhile, risks persist in the aluminum powder market. Although prices stabilized in early 2025, uncertainties remain due to potential tariff changes. A price surge similar to late 2024 would significantly impact PAC production costs. Amid fierce competition, the Company may face difficulties in adjusting selling prices, especially as some competitors operate at a loss to retain market share.

## **2. Key business targets**

- Industrial production value (at constant prices): VND 444 billion;
- Industrial production value (at current prices): VND 1,643 billion;
- Total revenue : VND 1,827 billion;
- Profit : VND 102 billion.

## **3. Investment plan**

In 2025, the Company will continue the transitional investment project from 2024, titled: "Installation of a 17% Solution PAC Production Reactor System."

The contractor selection and contract signing have been completed. Currently, the Company is actively coordinating with the contractor to expedite procurement and delivery, aiming to ensure timely installation and commissioning.

In parallel, the Company is preparing for investment in 11 additional projects, expected to be implemented throughout 2025.

## **4. Implement plan**

To ensure the successful delivery of the 2025 business plan, the Company will focus on the following core solutions:

- Improving market insight and applying flexible sales strategies suited to each period, customer segment, and region;

- Strengthening customer service throughout all stages—pre-sale, in-sale, and post-sale—to maintain existing relationships and expand the client base;
- Prioritizing the market expansion of the Vi-CHLORiNE product to increase revenue and resolve the imbalance in chlorine-based products;
- Ensuring operational stability and safety through regular inspections and maintenance of manufacturing systems;
- Ensuring Vi-CHLORiNE quality to enhance product differentiation and competitiveness;
- Reviewing and streamlining operations to eliminate unnecessary costs and ineffective practices;
- Reducing production costs by improving raw material efficiency, optimizing operations;
- Proactively negotiating with suppliers for better pricing and maintaining a suitable inventory to support uninterrupted production;
- Enhancing human resource management and implementing competitive compensation to motivate employees, foster innovation, and boost productivity.

**5. Recommendations and Proposals:** The Company has no recommendations or proposals at this time.

***Recipients:***

- The General Meeting of Shareholders;
- BOD, Supervisory Board;
- Filing: Archives, Sales Dept.

**GENERAL DIRECTOR**

**Van Dinh Hoan**