

**VIETNAM – ITALY STEEL JOINT STOCK COMPANY**  
**Address: Pho Noi A Industrial Zone, Giai Pham Commune, Yen My District,**  
**Hung Yen province**  
**Phone: 0221 3942 427 - Fax: 0221 3942 226 - website: vis.com.vn**



## **ANNUAL REPORT IN 2020**

*Hung Yen, March 2021*



## ANNUAL REPORT IN 2020

*(Report in accordance with guidance in Circular Circular No 96/2020/TT-BTC  
on November 16, 2020 of the Minister of Finance)*

### I. GENERAL INFORMATION

#### 1. General information

**Trading name:** Vietnam - Italy Steel Joint Stock Company

**Business Registration Certificate No.:** 0900222647

**Charter capital:** 738,303,930,000 VNĐ

**Owner's investment capital:** 738,303,930,000 VNĐ

**Address:** Pho Noi A Industrial Zone, Giai Pham, Yen My, Hung Yen, Viet Nam

**Tel:** (84-221) 3 942 427                      - **Fax:** (84-221) 3 942 226

**Website:** [www.vis.com.vn](http://www.vis.com.vn)

#### Hanoi Office

**Address:** The 9A Floor, Song Da Tower, 18 Pham Hung Street, My Dinh 1 ward,  
Nam Tu Liem District, Ha Noi.

**Tel:** (84-24)6 2511 091                      **Fax:** (84-24) 62511 090

#### Hai Phong Branch

**Address:** Dong Nam Cau Kien Industrial Zone, Hoang Dong, Thuy Nguyen, Hai  
Phong

**Tel:** (84-225) 3868 721                      **Fax:** (84-225) 3868 722

#### 2. Stock information

**Securities code:** VIS

**Listed exchange:** HOSE

**Value of shares:** 10,000 VNĐ / share

**Number of shares outstanding:** 73,830,393 shares

#### 3. Business lines:

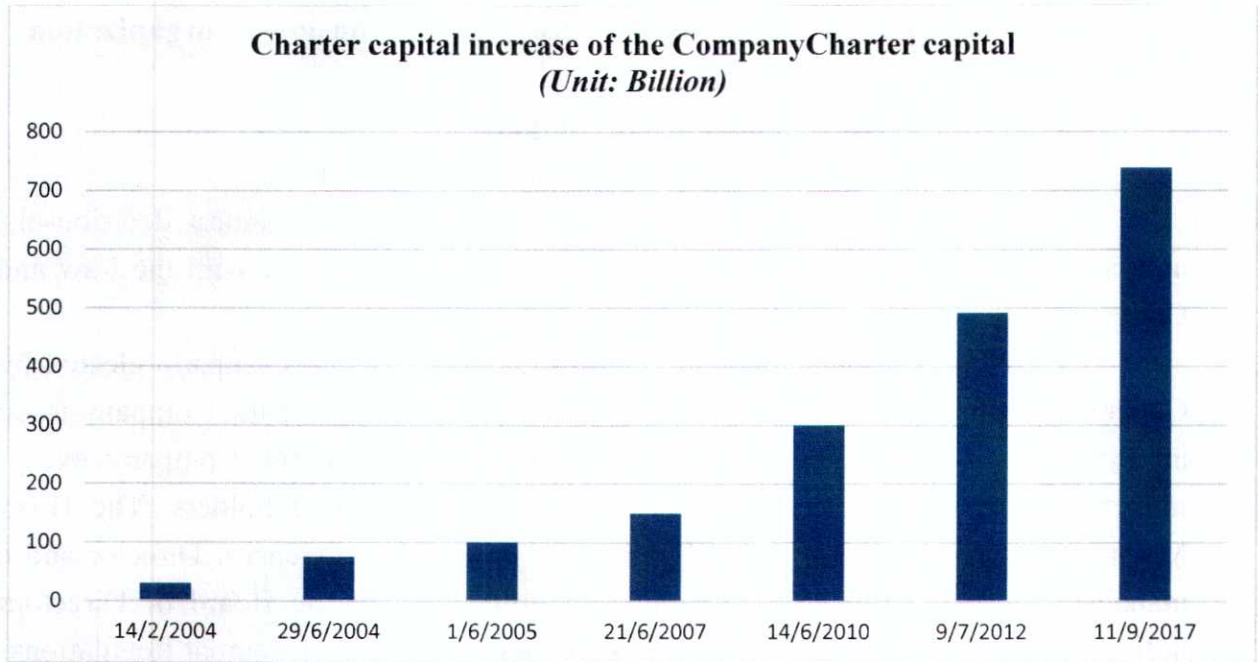
Business lines of Vietnam - Italy Steel Joint Stock Company under the Business  
Registration Certificate is:

- ✓ Production of iron, steel, pig iron;
- ✓ Wholesale of metals and metal ores;
- ✓ Wholesale of other machines, equipments and spare parts;
- ✓ The remaining business support service activities have not been clearly defined;
- ✓ Production of other metal products has not been clearly defined.



#### 4. Incorporation and development process

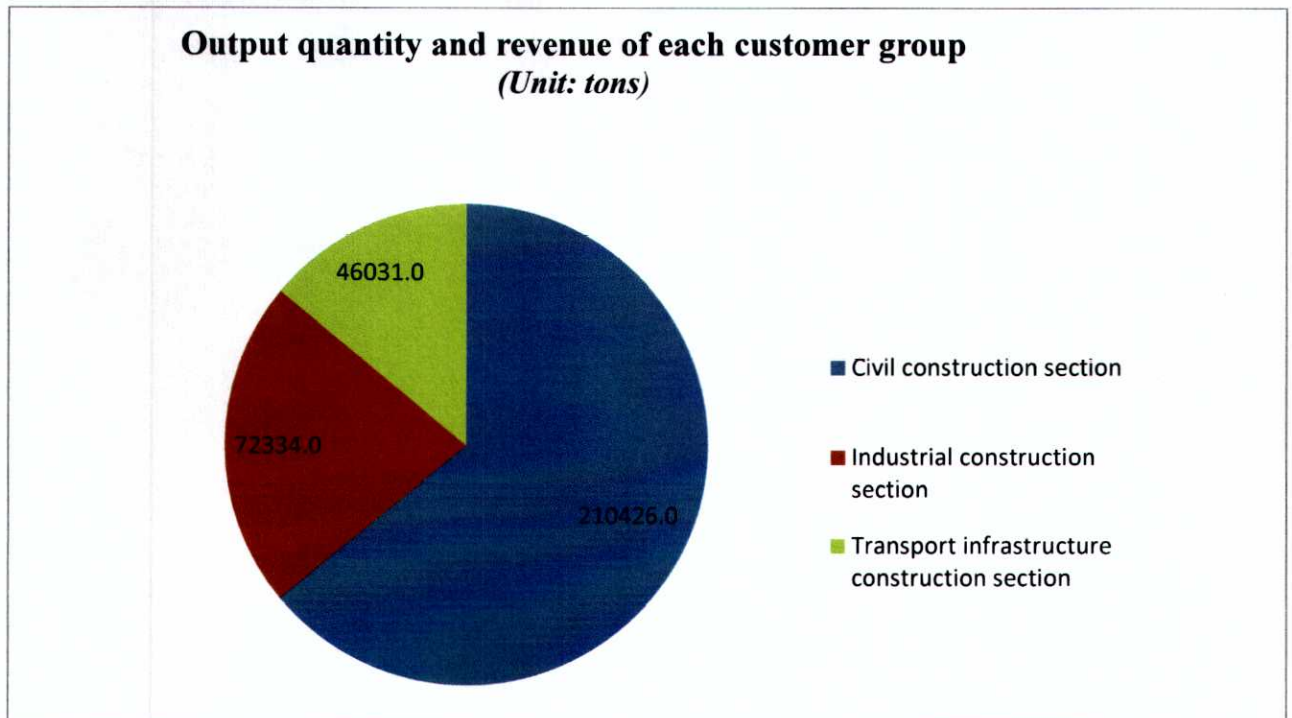
- ❖ December 26th, 2003: Established with namely Vietnam - Italy Steel JSC.
- ❖ February 11th, 2004: The first General Meeting of Shareholders.
- ❖ February 20th, 2004: Department of Planning and Investment of Hung Yen Province issued the business registration certificate for the Company (No.0503000036).
- ❖ March 18th, 2010, Department of Planning and Investment of Hung Yen Province granted the 10th business registration certificate and tax registration (No. 0900222647).
- ❖ May 31st, 2012: Merged Song Da Steel JSC into Vietnam-Italy Steel JSC.
- ❖ June 9th, 2012: Song Da Steel Steel JSC became a branch of Vietnam-Italy Steel JSC in Hai Phong (business registration No. 0900222647-004 issued by the Department of Planning and Investment of Hai Phong City issued June 13th, 2012).
- ❖ December 25th, 2012: Offering to the public an additional 192 billion of charter capital to swap shares of the shareholders of Song Da Steel JSC (except for shareholders VIS) at the swap rate is 1.31: 1.
- ❖ August 2nd, 2016, Thai Hung Trading JSC officially became a major shareholder of Vietnam - Italy Steel JSC.
- ❖ June 19, 2017 Vietnam-Italy Steel JSC issued more than 24.6 million common shares to increase its charter capital to VND 738 billion.
- ❖ November 03rd, 2017, Kyohei Steel Group held 20% of the company's charter capital.
- ❖ May 10th, 2018, Kyohei completed the purchase of 33.2 million VIS shares, increasing the ownership rate at Viet Y Steel JSC to 65%.
- ❖ The end of 2018 Kyohei Steel held 73,805% of the shares, thereby becoming the largest shareholder of Vietnam-Italy Steel JSC.
- ❖ Since established, the company has increased its charter capital 6 times: from VND 30 billion to VND 75 billion; from VND 75 billion to VND 100 billion; from VND 100 billion to VND 150 billion; from VND 150 billion to VND 300 VND billion; from VND 300 billion to VND 492 billion; from VND 492 billion to VND 738 billion.



❖ **Business areas**

Vietnam - Italy Steel has affirmed its position in the domestic steel market by providing a wide variety of products to meet the highest technical standards of construction steel.

Location of business: In the last 2 years, VIS steel is the main consumption in the Hanoi market, Hai Phong and Quang Ninh are the main markets, accounting for over 10% of total revenue. In addition, VIS steel is also available in many other markets.





## **5. Information about governance model, business organization and management apparatus.**

### **❖ The governance model of the company:**

#### **❖ VIS's organizational chart** (*See detailed diagram*)

❖ The General Meeting of Shareholders shall be the highest decision-making authority of the Company, organized and operated in accordance with the Law and the Company's Charter.

❖ Board of management: Regulatory authority of the Company elected by the General Meeting of Shareholders, has full authority on behalf of the Company to decide all important issues related to the purpose and interests of the Company except for matters within its authority of the General Meeting of Shareholders. The Board of Management has the rights and obligations to supervise the General Director and other managers in the Company. The rights and obligations of the Board of Directors are defined by the law and the Company's Charter and Internal Management Regulations.

❖ The Inspection Committee is an agency elected by the General Meeting of Shareholders, which is responsible for checking the rationality and legality in the management activities of the Board of Directors; business operations of the General Director. The Inspection Committee operates independently of the Board of management and the Board of Director.

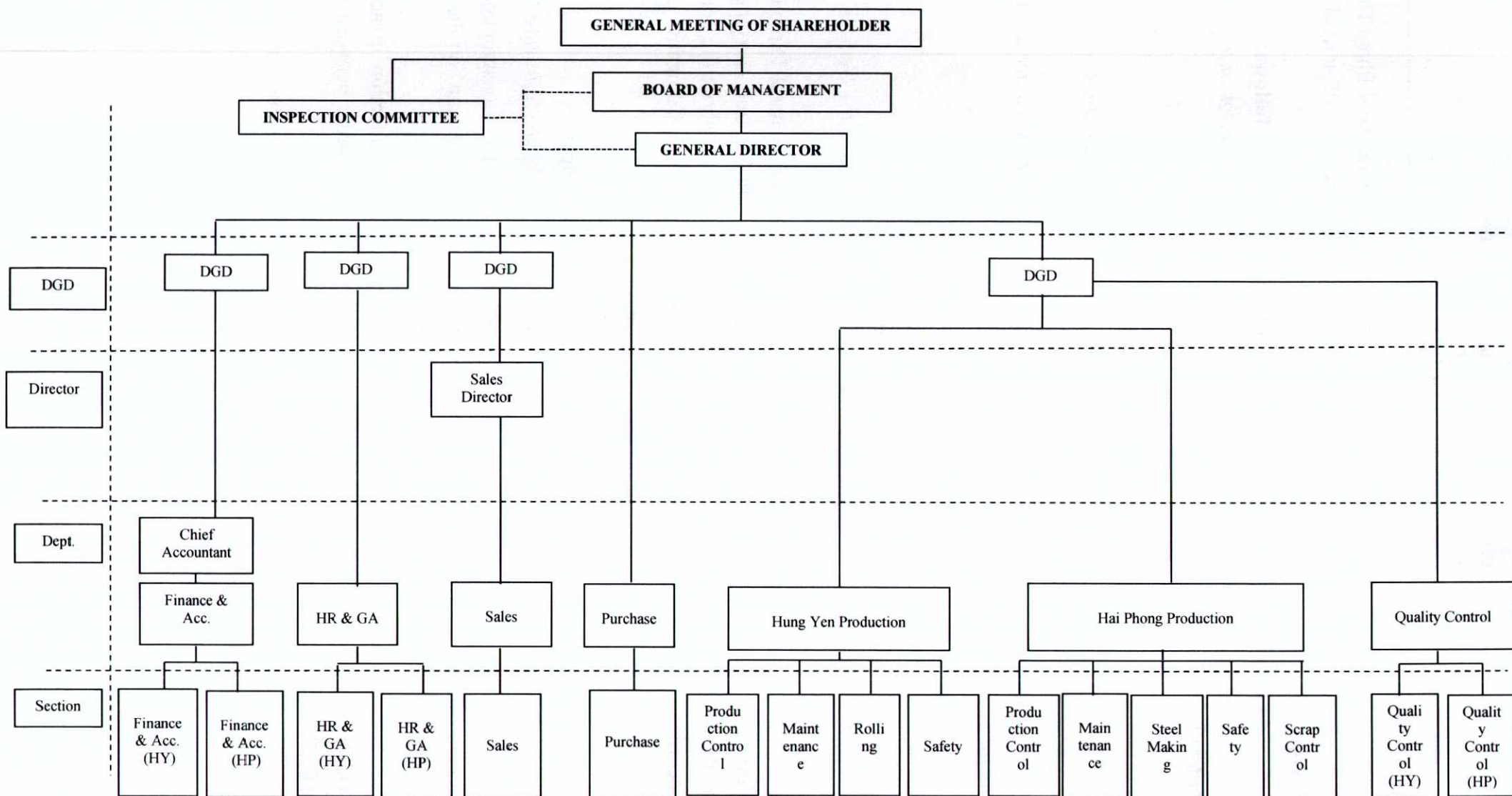
❖ Board of Directors: The General Director is the executive, who decides matters related to the day-to-day operations of the Company, responsible to the Board of Directors for the performance of assigned rights and obligations. The Deputy General Directors assist the General Director and take responsibility to the General Director for the assigned work contents, to proactively solve the tasks authorized by the General Director under the Company's regulations.



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11/11 - 10/10/11



Headquarter of the Company at Pho Noi A Industrial zone, Giai Pham Commune, Yen My District, Hung Yen province is the operating center for all activities of the Company.

**At Headquarter has departments with basic functions, as follows:**

❖ **HR & GA Section:** *To advise and assist the General Director in performing the following fields:*

- + Human Resource Management;
- + Administrative Management;
- + Application of information technology in management activities;
- + The work of Party, Trade Union.

❖ **Economic & Planning Section:** *To advise and assist the General Director in the following fields:*

- + Make plans for production and business activities;
- + Assessing the domestic and foreign economic situation;
- + Build the job performance measurement system.

❖ **Financial and Accounting Section:** *To advise and assist the General Director in the following fields:*

+ Be a professional department, that assists BOM and General Director of the Company in organizing, directing, managing, inspecting, guiding and carrying out the work of finance, credit, accounting and Business accounting throughout the company in accordance with the financial Regulations and the Charter of the Company as well as regulations on economic management of the State;

- + Making plans on production and business activities
- + Control by currency the economic activities in the Company.

❖ **Sales section:** *Advise and assist the General Director in the following fields:*

+ Provide the overall organizational model of VIS steel consumption. Build, organize and develop the Distributors/Agents/Customers system, operate on the principle of the most favorable for VIS steel consumption;

+ To be responsible for tracking payment, urge debt collection in accordance with terms of payment agreed in the contract and/or confirmed order between Vietnam-Italy Steel JSC and customers;

+ Monitor market price information, distribution strategy, promotion, etc. As well as capture the trend of construction steel market and other related fields to analyze in order to give the best proposals, advices for the Board of Directors in the consumption of VIS steel products;

+ Attend in production planning based on analysis of market demand and consumption ability;



+ Develop and implement brand development activities for the company such as marketing, advertising and communication plan based on monthly and annual strategies, which were approved by the BOM and the General Director;

+ Plan and organize activities to build and develop corporate culture according to the general development strategy of the company and the mother company;

+ Implement of ISO 9001:

❖ **Purchase Section:** Advise and assist the General Director in the following fields.

+ Plan to purchase and import raw materials: Scrap, billet, pig iron for the production of the company;

+ Purchase raw materials, equipments for the production and business plan of the company;

+ Make relationship, transactions with domestic and foreign partners to effectively exploit the inputs materials for the production of the company;

❖ **Production control Section:** Advise and assist the Board of Management, General Director in the following fields:

+ Plan production schedule, monitor and control the production.;

+ Manage the internal economic and technical norms;

+ Manage warehouse, input and output of materials, raw materials, fuel and finished steel;

+ Management and operate weighing stations 120 tons, online weighing;

+ Manage the internal transport, loading and unloading, crane operation.

❖ **Quality Control Section :** Advise the leaderships in the following fields:

+ Control products quality;

+ Control and use materials and raw materials;

+ Manage ISO.

❖ **Safety Section:** Consult the leaderships in the company on the following areas:

+ Training;

+ Management of 5S work;

+ Management of labor safety and hygiene.

❖ **Maintenance Section:**

+ Equipment management, Mechanical and electrical engineering management of steel rolling line maintenance and equipment care

+ Develop and issue maintenance standards for mechanical and electrical equipment of steel rolling lines.

+ Managing investment activities, organizing, managing and operating projects related to capital construction investment in Hung Yen.





❖ **Hanoi representative office.**

+ Address: Floor 9A, Tower Song Da HH4, 18 Pham Hung Str, Nam Tu Liem, Hanoi

+ Tell: (84-24) 6 251 1091 Fax: (84-24) 6 251 1090

❖ **Hai Phong branch:**

+ Perform the function of organizing and managing the production of steel billets according to the plan approved by the Company to ensure the economic and technical criteria and product quality;

+ Perform the functions of personnel management and financial management according to the decentralization;

+ Address: Dong Nam Cau Kien Industrial Zone, Hoang Dong, Thuy Nguyen, Hai Phong City

+ Tell: (84-225) 3 868 721 Fax: (84-225) 3 868 722

❖ **Hung Yen steel rolling factory:**

+ Perform the function of organizing and managing the production of steel bar and wirerod according to the plan approved by the Company to ensure the economic and technical criteria and product quality.

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❖ **Subsidiaries, associated companies: None**

**6. Development orientation:**

❖ **Main target**

Supplying high-quality construction steel products and perfect services to the market, becoming the No. 1 brand in the steel industry in Vietnam.

Diversify output products of Vietnam-Italy Steel to meet the market demand, increase the size of the position of the domestic company and the world steel industry.

❖ **Medium and long-term development strategy.**

+ Vietnam- Italy Steel JSC., aspires to become a reputation construction steel manufacturing and trading company within region and over the world. Specific strategy:

+ Developing Industrial production be our key target.

+ Maintaining the leading enterprise's competitiveness position.

+ Promoting investment projects.

+ Training and educating human resource meeting with global standards and qualifications.

+ Strongly exploiting oversea market.



+ Ensuring competitiveness ability within nation and the region.

➤ As a production and business enterprise operating with the motto: Customer is all, the interests of shareholders are always focused, the interests of employees are particularly interested, effectively contributing to the industry and country development.

✚ For Customers: Vietnam- Italy Steel JSC. is committed to maximizing the interests of customers based on consulting and providing customers with perfect products, quality, professional services with competitive prices.

✚ For Employees: Vietnam- Italy Steel JSC. always pays attention to the material and spiritual life of the employees, ensuring a stable income, paying special attention to loyalty, dedication to the development of company. Ensure employees are regularly trained to improve their professional qualifications, skills, ensuring the development of both political and cultural.

✚ For Shareholders: Vietnam- Italy Steel JSC. always pays attention to and enhances stock value, maintains a high annual dividend.

✚ For Industry and Country: Vietnam- Italy Steel JSC. is committed to well performing financial obligations to the state budget, always upholding and complying with guidelines and management policies of the whole industry and the Government contributing to stabilizing the domestic steel market, always paying attention to social and charity work to share difficulties of the community.

❖ **Corporate objectives with regard to Corporate environment, society and community Sustainability, enhancing social responsibility and community, VIS sets the following goals:**

➤ **For employees:**

- Ensure a fair working environment, regardless of age, gender, ethnicity. There is a good remuneration and promotion system based on work capacity and results of assessment of work performance.

- Create the best working conditions in combination with internal and external training to improve work skills and comprehensively develop individual employees.

- Stabilize and improve the quality of life of staff members materially and spiritually. Good welfare regime, paying attention to sickness and meekness. Low severance rate.

- Ensuring good labor safety and hygiene. Take good care of your health and prevent labor accidents.

➤ **For shareholders and investors:**

- Proactively announce all timely and transparent information to shareholders and investors.

- Actively meet, exchange information and listen to comments from shareholders and investors.



- Commit to using capital sources for the right purpose and efficiency. Constantly creating added value for shareholders and investors.

➤ **For customers and partners:**

- Maintain the credibility. Support the same development
- Create added value for customers and partners.

➤ **For the community.**

- Respect the rules of law.
- Create prosperity for the community where VIS operates, especially in Hung Yen and Hai Phong.

## 7. The risks

**The First, Payment risk:** Payment risk is the risk when the partner in economic contracts cannot pay on time or can transfer assets on time as committed. With regard to the sales policy of late payment that the Company is applying, the risk that the customer does not pay on time as committed, will arise overdue debts, even bad receivables insolvency, bad debt.

**The Second, Exchange rate risk:** Steel scrap is the main raw material of the Company which is mainly imported from abroad, paying suppliers in foreign currency. In the process from the time of signing the sale and purchase contract to the time when the goods arrive at the new port, make payment to the supplier, if there is a fluctuation in the market exchange rate, there will be a significant impact on the results of business activities of the company.

**The Third, Interest rate risk:** With more than 4000 billion dong of working capital that the Company has borrowed from credit institutions every year, the increase or decrease of interest rates will greatly affect the finance of the Company. This directly affects the business results of the Company.

**The Fourth, Competitive risks:** With the expansion of increasing capacity of a series of factories in the North. Making the supply of steel market increasing and exceeding demand. Competition in the steel market is becoming more and more fierce between steel mills to keep market share. Many projects no put quality issues on the top, they tend to choose cheap steel, making VIS products very difficult to compete.

**The Fifth, Personnel risks:** In 2020, the Covid epidemic situation is very complicated all over the world. In Vietnam, there are two strong outbursts that have affected the production and business activities of the Company. The company has also organized online work for indirect department. Some technical workers ask for termination of labor contracts, especially those that are no longer trained at vocational schools, also cause a shortage of the Company's professional labor, although the Company turns to recruiting workers working with other jobs and occupations for self-training, but the self-training only meets simple jobs that are not too complicated.



**The Sixth, Risks of natural disasters and epidemics:** The disease situation of Covid-19 is still complicated in Vietnam and over the world. The outbreaking of Covid-19 in Vietnam may be happened again at any time, which is also a challenge for the economy and steel business.

## II. Operations in the Year

### Situation of production and business operations

Results of business operations in 2020 as follows:

TT/ No	Chỉ tiêu/ Content	Năm 2020/ In 2020			Năm 2019/ In 2019
		KH/Plan	Kết quả/ Result	Tỉ lệ/ Rate (%)	
<b>1</b>	<b>Sản xuất (tấn)/ Production (ton)</b>				
	- Phôi/ Billet	<b>329,550</b>	<b>351,174</b>	<b>107%</b>	<b>345,659</b>
	+ Tự sản xuất/Production	329,550	342,556	104%	239,311
	+ Mua ngoài/ Trade		8,618		106,348
	- Thép/Steel	<b>322,300</b>	<b>325,072</b>	<b>101%</b>	<b>336,626</b>
	+ Tự sản xuất/Production	322,300	305,379	95%	299,578
	+ Gia công + mua ngoài/OEM & trade		19,693		37,048
<b>2</b>	<b>Tiêu thụ (tấn)/ Sales (ton)</b>				
	- Phôi/ Billet	-	<b>44,318</b>		<b>46,780</b>
	+ Phôi bán ngoài / outside Billet		25,887		13,822
	+ Phôi OEM /OEM Billet		18,431		32,958
	- Thép/ Steel	<b>322,300</b>	<b>327,667</b>	<b>102%</b>	<b>335,427</b>
<b>3</b>	<b>Giá trị SXCN (tỷ đồng)/ Value of the industry production (billion VND)</b>	<b>3,998</b>	<b>4,366</b>	<b>109%</b>	<b>5,064</b>
<b>4</b>	<b>Doanh thu (tỷ đồng)/ Revenue (billion VND)</b>	<b>3,634</b>	<b>4,062</b>	<b>112%</b>	<b>4,593</b>
<b>5</b>	<b>Lợi nhuận trước thuế (tỷ đồng)/ Profit before taxes (billion VND)</b>	<b>(65.57)</b>	<b>22.52</b>		<b>(213.67)</b>
<b>6</b>	<b>Đầu tư (tỷ đồng)/ Investment (billion VND)</b>	<b>47.7</b>	<b>32.84</b>	<b>69%</b>	<b>65.10</b>
<b>7</b>	<b>Số lao động bình quân (người)/ Average labor force (person)</b>	<b>744</b>	<b>714</b>	<b>96%</b>	<b>794</b>
<b>8</b>	<b>Thu nhập bq tháng (tr.đ/ng) (Monthly Average income (Million VND/person)</b>	<b>12.41</b>	<b>13.33</b>	<b>107%</b>	<b>12.47</b>

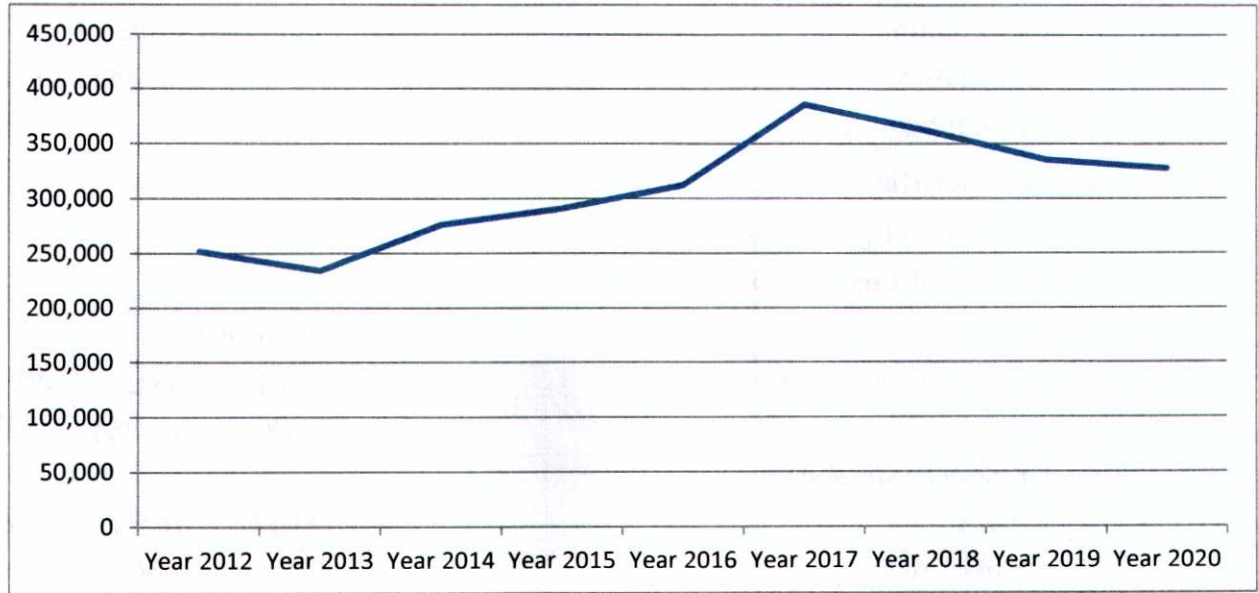


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**VIS steel sales from 2012 to 2020 (Unit: Ton)**



**2. Human resource organization**

**2.1. List of the Board of Directors**

No.	Full name	Position	Number of shares owned at the end of the period	Rate %	Note
1	Yasuhiro Yonemura	General Director	0	0%	Appointed from July 17, 2020
2	Yoichi Hoshino	General Director	0	0%	Resigned from July 17, 2020
3	Satoshi Oda	Deputy General Director	0	0%	Appointed from July 10, 2018
4	Shin Yasuda	Deputy General Director	0	0%	Appointed from September 16, 2020
5	Satoshi Sugino	Deputy General Director	0	0%	Appointed from July 10, 2018
6	Đặng Ngọc Hưng	Deputy General Director	0	0%	Appointed from September 10, 2019
7	Yasuo Arata	Deputy General Director	0	0%	Resigned from July 31, 2020
8	Nguyễn Thanh Hà	Deputy General Director	3.000	0,004 %	Resigned from May 14, 2020

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No.	Full name	Position	Number of shares owned at the end of the period	Rate %	Note
9	Đặng Thị Tuyết Dung	Chief accountant	103	0%	Appointed from November 1st, 2016

**Personnel information about the Board of Directors:****❖ Mr. Yasuhiro Yonemura: General Director.**

- Male/Female: Male
- Date of birth: 29/01/1968
- Passport numbe: TT1146813
- Place of birth: Japan
- Nationality: Japanese
- Permanent address: 4-8-1 Sakura, Mino City, Osaka Pref., Japan
- Education: Bachelor of Economics – Kwansei Gakuin University

**- Career timeline**

- + Apr 1985 – June 2003: Hazama Corporation
- + Nov 2003: Kyoei Steel Ltd. Hirakata Division
- + July 2008: Manager Accounting Section, Hirakata Division, Kyoei Steel Ltd.
- + Oct 2008: Manager – General Affair Section, Kyoei Steel Ltd.
- + Jan 2011: Manager – Corporate Planning Department, Hirakata Division - Kyoei Steel Ltd. Headquarter
- + Mar 2012: Deputy General Director – Kyoei Steel Vietnam Co., Ltd
- + Mar 2018: General Manager – Sales & Marketing Dept., Hirakata Division, Kyoei Steel Ltd.
- + June 2019: Deputy General Manager – Hirakata Division – Kyoei Steel Ltd.
- + May, 2020: Member of the BOM of Vietnam – Italy Steel JSC.
- + July, 2020: Member of the BOM cum General Director.
- Number of stock owing: None

**Including:**

- + Individual possession: 0 stock.
- + Representative of the capital: 0 stock.
- Infringements: None.
- Debts to Company: None.
- Relevant benefits with the company: None



❖ **Mr. Yoichi Hoshino - Position: General Director.** (*Curriculum vitae at the BOM*).

❖ **Mr Satoshi Oda - Position: Deputy General Director**

- Male/Female: Male
- Date of birth: 09/03/1973
- Passport number: TR1994614
- Place of birth: Japan
- Nationality: Japanese
- Permanent address: 1-23-19 Mendori-cho, Kuzuha, Hirakata, Osaka, Nhật

Bản.

- Education: Osaka University engineer.
- **Career timeline:**
- + 04/1996: Engineer at Kyoei Steel Co.,Ltd.
- + 10/2007: Engineer at Steel rolling parts, Hirakata area.
- + 07/2010: Director at steel production department, Hirakata area.
- + 03/2015: Deputy General Director at Production Department, Hirakata area.
- + 06/2016: General Director at Production Department, Hirakata area.
- + 05/2018: General Director at Overseas Investment Division.
- Number of stock owing: None

*Including:*

- + Individual possession: 0 stock.
- + Representative of the capital: 0 stock.
- Infringements: None.
- Debts to Company: None.
- Relevant benefits with the company: None.

❖ **Mr. Yasuo Arata – Position: Deputy General Director**

- Male/Female: Male
- Date of birth: Aug 29<sup>th</sup>, 1955
- Passport number: TR3630182
- Place of birth: Japan
- Nationality: Japanese
- Permanent address: 3-4-24 Miharuno, Hanamigawa-ku, Chiba, Japan
- Education: Bachelor of Economics – Keio University

Career timeline

- + Apr 1978: Enter Sumitomo Metal Industries, Ltd
- + Apr 1993: Manager - Assigned as Manager at Steel Sheets, Sale Division of Group 2



+ June 2000: Deputy General Manager – Assigned as a Deputy General Manager at Sheets, Sales Division

+ Apr 2002: General Manager – Assigned as General Manager at Sales Division

+ June 2013: Executive Officer, Kanto Steel Ltd (100% Subsidiary of Kyoei Steel Ltd)

+ June 2016: Senior Executive Officer, Kanto Steel Ltd

+ April, 2019: Deputy General Director of Vietnam – Italy Steel JSC.

Current position at Companies/Organizations: Deputy General Director

- Current position at other Companies/Organizations: Kyoei Steel Co., Ltd.

- Number of stock owing: None

*Including:*

+ Individual possession: 0 stock.

+ Representative of the capital: 0 stock.

- Infringements: None.

- Debts to Company: None.

- Relevant benefits with the company: None.

❖ **Mr Satoshi Sugino - Position: Deputy General Director**

- Male/Female: Male

- Date of birth: 18/02/1976

- Passport number: TZ1051813

- Place of birth: Japan

- Nationality: Japanese

- Permanent address: 3-8, Honjocho, Higashinada-ku, Kobe-shi, Hyogo, Japan

- Education: Osaka University of Economics  
Bachelor of Business Administration

- **Career Timeline:**

+ 09/2000: Enter Chao Tax Co.

+ 01/2009: Enter Kyoei Steel Co., Ltd.

+ 12/2014: Director, Kyoei Steel Vietnam Co., Ltd.

+ 07/2018: Deputy General Director, Vietnam- Italy Steel JSC.

- Number of stock owing: None

*Including:*

+ Individual possession: 0 stock.

+ Representative of the capital : 0 stock

- Related organization of the declarant.

- Infringements: None.

- Debts to Company: None.





- Relevant benefits with the company: None

❖ **Mr. Shin Yasuda – Position: Deputy General Director**

- Male/Female: Male
- Date of birth: 10/01/1962
- Passport number: TZ1294186
- Place of birth: Japan
- Nationality: Japanese
- Permanent address: 6-43-13 Shimouma, Setagaya-ku, Tokyo, Japan
- Education: Department of Law, Aoyama Gakuin University

- **Career Timeline:**

- + April 1985: Major Account Division - Fuji Xerox Co. Ltd
- + Mar 1996: Wasea University, MBA
- + Apr 1996: Manager, Business Operation, Network Business Unit
- + Apr 2000: General Manager, Sales & Marketing, Overseas Printer Business Unit, Fuji Xerox Co., Ltd
- + Apr 2004: General Manager, Sales & Marketing, Fuji Xerox Co., Ltd
- + Oct 2010: Manager, Product Marketing, Fuji Xerox Co., Ltd
- + Apr 2017: Senior General Manager, Marketing & planning, Fuji Xerox Asia Pacific – Malaysia Operations
- + Nov, 2019: Acting to Deputy General Manager, Overseas Investment Dept. , Kyoei Steel., Ltd.

Number of stock owing: None

*Including:*

- + Individual possession: 0 stock.
- + Representative of the capital: 0 stock.
- Infringements: None.
- Debts to Company: None.
- Relevant benefits with the company: None

❖ **Mr. Dang Ngoc Hung – Position: Deputy General Director**

- Male/Female: Male
- Date of birth: 03/6/1979
- Nationality: Vietnamese
- Permanent address: Lac Ve Commune, Tien Du District, Bac Ninh Province.
- Education: Bachelor of Economics, Master of Business Administration

- **Career Timeline:**

- 9/2001 - 03/2003: Staff and Leader of Consulting of the SME Support Center - General Department of Standards - Measurement - Quality of Vietnam



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5/2003 – 7/2008: Asia Commercial Joint Stock Bank (ACB) - ACB South Branch

7/2008 - 03/2013: Human resource Director of the B.C.H Joint Stock Company

03/2013 - 07/2015: Deputy General Director of Van Loi Iron and Steel Joint Stock Company

08/2015 - 07/2016: Deputy Manager of Sales Department of Thai Hung Trading Corporation

8/ 2016 -: - August 2018 Vietnam-Italy Steel Joint Stock Company Assistant of Chairman of the BOM, Member of the BOD

12/2018 -: - 06/2019: Manager of the Logistics Dept. of Thai Hung Trading Joint Stock Company

- Current position at Companies/ Organizations: Deputy General Director of Vietnam - Italy Steel JSC.

- Current position at other Companies/ Organizations: None

- Infringements: None.

- Debts to Company: None.

- Relevant benefits with the company: None

❖ **Mr Nguyen Thanh Ha - Position: Deputy General Director**

- Male/Female: Male

- Date of birth: 10/02/1970

- Permanent address: Tien Hai, Duy Tien, Ha Nam

- Residential address: No 60, Bac Ha Urban Area, Mo Lao Ward, Ha Dong District, Hanoi City.

- Nationality: Viet Nam

- Ethnic: Kinh

- Cultural: 12/12

- Education: Bachelor of Finance/Master of Business Administration.

- **Career Timeline:**

1992 - 1994: Staff of accounting department of Song Da Corporation

1994 - 1998: Chief Accountant of Song Da 8 Branch in Ninh Binh

1998 - 2003: Deputy Chief Accountant of Song Da 8 Branch

2003 - 2004: Chief Accountant of Executive Board of Ho Chi Minh Road - Song Da Corp.

2004 - 2008: Chief Accountant of VietNam - Italy Steel JSC.

2008 - 8/2009: Chief Accountant of Song Da Steel JSC

9/2009 – 11/2011: Deputy General Director of Song Da Steel JSC and Member of the Board of Song Da Steel JSC.

11/2011 – 5/2012: General Director of Song Da Steel JSC.



**VIETNAM-ITALY STEEL JOINT STOCK COMPANY**

Address: Pho Noi A Industrial Zone, Giai Pham, Yen My, Hung Yen, Viet Nam

Tel: (84-221) 3 942 427 Fax: (84-221) 3 942 226 website: vis.com.vn

6/2012 – 1/2013: Director of Vietnam - Italy Steel JSC Branch in Hai Phong..

2/2014 - 10/07/2018 : General Director of Vietnam - Italy Steel JSC

10/07/2018: Deputy General Director of Vietnam - Italy Steel JSC.

- Curent position at Companies/ Organizations: Deputy General Director of Vietnam - Italy Steel JSC.

- Curent position at other Companies/ Organizations: None

- Infringements: None.

- Debts to Company: None.

- Relevant benefits with the company: None

❖ **Mrs Dang Thi Tuyet Dung – Position: Chief Accountant of the Company**

- Male/Female: Female

- Date of birth: 16/03/1972

- Permanent address: Binh Thanh, Binh Son, Quang Ngai

- Nationality: Vietnam

- Ethnic: Kinh

- Cultural: 12/12

- Education: Bachelor of Finance/Master of Business Administration.

- **Career Timeline:**

+ 1992 – 1996: Finance and Accounting Department of Song Da 4 JSC.

+ 1996 – 2000: Finance and Accounting Department of Song Da 7 Company Branch in Yaly.

+ 2000 – 2004: Finance and Accounting Department of Song Da 3 JSC

+ 2004 –10/2016: Finance and Accounting Department of Vietnam - Italy Steel JSC

+ 11/2016 đến nay: Chief Accountant of Vietnam - Italy Steel JSC

+ Curent position at Companies/ Organizations: Chief Accountant of Company

- Curent position at other Companies/ Organizations: None

- Number of stock owing: 103 stock

- Including:

- Individual possession: 103 stock.

- Representative of the capital: 0 stock.

- Infringements: None.

- Debts to Company: None.

- Relevant benefits with the company: None

**2.3. Changes in the Executive Board in 2020:**



❖ **Dismissed decision in 2020**

No.	Number of the Decision	Date of dismissed	Managers name
1	35/QĐ-HĐQT dated July 17 <sup>th</sup> , 2020	July 17 <sup>th</sup> , 2020	Dismissing Decision of General Director for Mr. Yoichi Hoshino
2	51/QĐ-HĐQT dated July 31 <sup>st</sup> , 2020	July 31 <sup>st</sup> , 2020	Dismissing Decision of Deputy General Director for Mr. Yasuo Arata

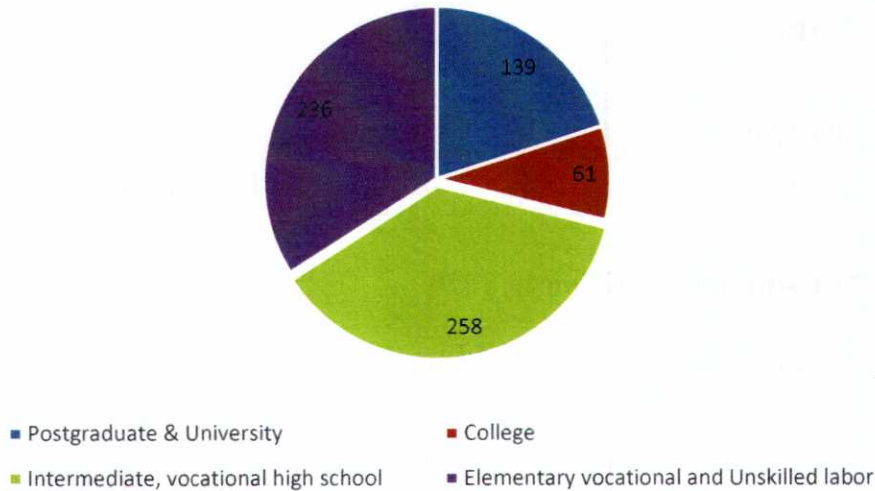
❖ **Appointment decision in 2020**

No.	Number of Decision	Date of appointment	Managers name
1	36/QĐ-HĐQT ngày 17/7/2020	July 17 <sup>th</sup> , 2020	Appointment Decision of General Director for Mr. Yasuhiro Yonemura
2	22/ QĐ-HĐQT on April 19 <sup>th</sup> , 2019	May 14 <sup>th</sup> , 2020	Appointment Decision of Deputy General Director for Mr. Satoshi Oda
3	23/ QĐ-HĐQT dated May 14 <sup>th</sup> , 2020	May 14 <sup>th</sup> , 2020	Appointment Decision of Deputy General Director for for Mr. Yasuo Arata
4	24/ QĐ-HĐQT dated May 14 <sup>th</sup> , 2020	May 14 <sup>th</sup> , 2020	Appointment Decision of Deputy General Director for for Mr. Đặng Ngọc Hưng
5	25/ QĐ-HĐQT dated May 14 <sup>th</sup> , 2020	May 14 <sup>th</sup> , 2020	Appointment Decision of General Director for Mr. Yoichi Hoshino.
6	26/ QĐ-HĐQT on Sept. 10 <sup>th</sup> , 2019	May 14 <sup>th</sup> , 2020	Appointment Decision of Deputy General Director for Mr. Satoshi Sugino
7	57/QĐ-HĐQT dated Sept. 09 <sup>th</sup> , 2020	Sept. 09 <sup>th</sup> , 2020	Appointment Decision of Deputy General Director for Mr. Shin Yasuda

**2.2. Number & Qualification of employees until 31/12/2020:**



*Number & qualifications of employees  
until 31/12/2020 (Unit: person)*



❖ **Policies towards workers:**

✚ The implementation of the policy regime for employees: The company has fully and properly paid the regulations on social insurance, health insurance and unemployment insurance for employees. The total salary fund for paying social insurance, health insurance and unemployment insurance to the end of December 2020 is: 53.2 billion VND, the total amount paid to the insurance agency in 2020 is 16.9 billion VND, of which (Hung Yen: 7.1 billion VND, Hai Phong: VND 9.8 billion).

✚ The total salary fund to pay for the whole company in 2020 is: 100.9 billion dong, equivalent to the average monthly salary fund: 8.4 billions dong. The average salary of the whole company is: 11.9 million / person / month, reaching 104% of the plan. Average income is 13.3 million VND / person / month, equal to 109% Compared to 2019.

✚ In 2020, in general, the service, administrative have performed quite well according to their assigned functions and tasks, specifically

✚ Security department: From June 2020 to perform the outsourced security of Alsok Company.

✚ Administrative service: Completing the work well at the request of the Company.

✚ Health: Organizing periodical health checks for hazardous and hazardous labors in July 2020 and all employees in December 2020; Organize periodic working environment testing in November 2020.

✚ The training for employees: The year 2020 is mainly self-training, on-the-job mentoring and periodic training in accordance with law such as training on OSH, food safety and hygiene. There are 02 personnel sent to Japan to train for 3 years.



### 3. Investment activities, project implementation

#### a. Major investments

In 2020, most investment projects and planned repair items will be carried out, however there are still some repair items due to changes in production plans and some objective reasons that should be transferred to the plan of 2021. A number of new arising items according to requirements for production and business and for the needs of employees in the Company.

In 2020, the total amount of implemented investment is VND 32.84 billion. Of which:

+ Haiphong Factory: 10.15 tỷ đồng/ 10.15 bil VND.

+ HungYen Factory: 22.69 tỷ đồng/ 22.69 bil VND.

Details:

- Implementation value of the 2020 plan was 28.2 billion vnd.
- Implementation value carried over from the 2019 plan was 4.43 billion vnd.
- Items arising outside the plan was 212 million vnd.

#### b. Subsidiaries, associated companies: None

### 4. Financial situation

#### a) Financial situation

Chỉ tiêu/ <i>Indicators</i>	Năm/ <i>Year</i> 2020 (VND)	Năm/ <i>Year</i> 2019 (VND)	% tăng giảm/ % <i>change</i>
* Đối với tổ chức không phải là tổ chức tín dụng và tổ chức tài chính phi ngân hàng			
Tổng giá trị tài sản/ <i>Total asset</i>	2,874,520,704,556	2,588,304,046,272	11%
Doanh thu thuần/ <i>Net revenue</i>	4,061,791,780,134	4,593,003,784,174	-12%
Lợi nhuận từ hoạt động kinh doanh/ <i>Profit from business activities</i>	12,397,496,425	-200,503,272,040	
Lợi nhuận khác/ <i>Other profits</i>	10,118,466,733	-13,171,215,669	
Lợi nhuận trước thuế/ <i>Profit before tax</i>	22,515,963,158	-213,674,487,709	
Lợi nhuận sau thuế/ <i>Profit after tax</i>	29,988,113,538	-218,716,500,183	
Tỷ lệ lợi nhuận trả cổ tức/ <i>Payout ratio</i>	0	0	

#### b. Các chỉ tiêu tài chính chủ yếu



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<b>Chỉ tiêu/ Indicators</b>	<b>Năm/ Year 2020</b>	<b>Năm/ Year 2019</b>	<b>Ghi chú/Note</b>
<b>1. Chỉ tiêu về khả năng thanh toán/ Solvency ratio</b>			
+ Hệ số thanh toán ngắn hạn/Current ratio:	1.10	1.02	
Tài sản ngắn hạn/Short term Asset	2,567,282,718,143	2,139,892,900,312	
Nợ ngắn hạn/Short term debt	2,342,034,236,480	2,089,723,689,957	
+ Hệ số thanh toán nhanh/Quick ratio:	0.75	0.69	
<u>Tài sản ngắn hạn - Hàng tồn kho</u> <u>Short term Asset - Inventories</u>	1,747,008,051,695	1,435,091,557,354	
Nợ ngắn hạn/Short term debt	2,342,034,236,480	2,089,723,689,957	
<b>2. Chỉ tiêu về cơ cấu vốn/ Capital structure Ratio</b>			
+ Hệ số Nợ/Tổng tài sản (Debt/Total assets ratio)	0.82	0.81	
+ Hệ số Nợ/vốn chủ sở hữu (Debt/Owner's Equity ratio)	4.44	4.19	
<b>3. Chỉ tiêu về năng lực hoạt động/ Operation capability Ratio</b>			
+ Vòng quay hàng tồn kho/ Inventory turnover:	5.19	5.91	
Giá vốn hàng bán/Hàng tồn kho bình quân (Cost of goods sold/Average inventory)			
+ Vòng quay tổng tài Sản/Total asset turnover:	1.49	1.74	
Doanh thu thuần/Tổng tài sản bình quân (Net revenue/ Average Total Assets)			
<b>4. Chỉ tiêu về khả năng sinh lời/ Profitability</b>			
+ Hệ số Lợi nhuận sau thuế/Doanh thu thuần (profit after tax/ Net revenue Ratio)	0.01	-0.05	
+ Hệ số Lợi nhuận sau thuế/vốn chủ sở hữu (profit after tax/ total capital Ratio)	0.06	-0.44	
+ Hệ số Lợi nhuận sau thuế/Tổng tài sản (profit after tax/ Total assets Ratio)	0.01	-0.08	
+ Hệ số Lợi nhuận từ hoạt động kinh doanh/Doanh thu thuần (Profit from	0.00	-0.04	

**5. Shareholders structure, change in the owner's equity.**

**a. Shares**

- Type of securities registered for trading: ordinary shares

- Charter capital until December 31st, 2019 of the Company: VND 738,303,930,000

- Total number of shares: 73,830,393 Shares

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- Number of shares freely transferred: 73,830,393 shares.
- Number of shares restricted transfer: 0 shares
- Face value of shares: VND 10,000 / share

**b. Shareholder structure:***The statistical data about the shareholders (to date March 18<sup>th</sup>, 2020)*

TT	Name of Shareholder	Number of Shareholder	% Charter Capital
1	Kyoei Steel, Ltd	54.490.677	73,805%
2	Thai Hung Trading JSC	14.767.005	20,001%
3	Other shareholders	4.572.711	6,194%
	<b>Total</b>	<b>73.830.393</b>	<b>100,000%</b>

**c. Situation of changes in owners' investment capital: (not arising)****d. Transaction of treasury stocks: (not arising)****e. Other securities: (not arising)****6. Environment-Social-Governance (ESG) Report of the Company****6.1. Total direct and indirect GHG emission****❖ Hung Yen factory****- Calculation results of CO<sub>2</sub> emissions in 2020:**

No.	Giá trị phát thải CO <sub>2</sub> trong năm 2020/ CO <sub>2</sub> emission value in 2020 (Unt price: KgCO <sub>2</sub> )	
1	Phát thải do sử dụng Điện/ Emission due to electricity use.	17,960,944
2	Phát thải do sử dụng dầu Diezel (DO)/ Emission due to use of diesel oil (DO).	56,314
3	Phát thải do sử dụng khí Gas/ Emission due to gas.	8,508
4	Phát thải do di chuyển của nhân viên/ Emissions due to employee mobility	30
5	Phát thải do xử lý nước thải/ Sewage treatment	251,812
6	Phát thải do rác thải sinh hoạt/ Emissions due to domestic waste	630
7	Phát thải do chất thải rắn công nghiệp thông thường/ Emissions due to conventional industrial solid waste	43,946
8	Phát thải do chất thải nguy hại/ emissions due to hazardous waste	301





<b>Tổng lượng phát thải năm/Total emissions 2020:</b>	<b>18,322,485</b>
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✓ **Các sáng kiến, biện pháp giảm thiểu phát thải khí nhà kính/Measures and initiatives to reduce GHG emission.**

- Develop a program of monitoring and monitoring changes in the quality of waste sources at the Factory before being discharged into the environmental.
- Plant many trees within the Factory to increase CO<sub>2</sub> absorption, improve the air.
- Need to raise awareness to save electricity.
- Promote propaganda about environmental protection for all officers and employees in the whole Factory.

❖ **Hai Phong Branch**

- **Calculation results of CO<sub>2</sub> emissions in 2020:**

No.	CO <sub>2</sub> emission value in 2020 (unit: KgCO <sub>2</sub> )	
1.	Phát thải do sử dụng Điện/ Emission due to electricity use.	101,991,905
2.	Phát thải do sử dụng dầu Diezel (DO)/ Emission due to use of diesel oil (DO).	1,332,033
3.	Phát thải do sử dụng khí Gas/ Emission due to gas.	349,976.6
4.	Phát thải do xe Container chở nguyên vật liệu/ Emissions due to container trucks carrying raw materials	5,184
5.	Phát thải do di chuyển của nhân viên/ Emissions due to employee mobility	267,225
6.	Phát thải do xử lý nước thải/ Sewage treatment	1,640.9
7.	Phát thải do rác thải sinh hoạt/ Emissions due to domestic waste	1,794.2
8.	Phát thải do chất thải rắn công nghiệp thông thường/ Emissions due to conventional industrial solid waste	243,435
9.	Phát thải do chất thải nguy hại/ emissions due to hazardous waste	159,098
<b>Tổng lượng phát thải năm 2020/ Total emissions in 2020 (KgCO<sub>2</sub>)</b>		<b>104,352,291.7</b>

✓ **Measures and initiatives to reduce GHG emissions.**

- Develop a program of monitoring and monitoring changes in the quality of waste sources at the Branch before being discharged into the environmental.
- Plant many trees within the branch to increase CO<sub>2</sub> absorption, improve the air.



- Limit the amount of emissions from motorbikes of officers and employees within the branch

- Raise awareness to save electricity.

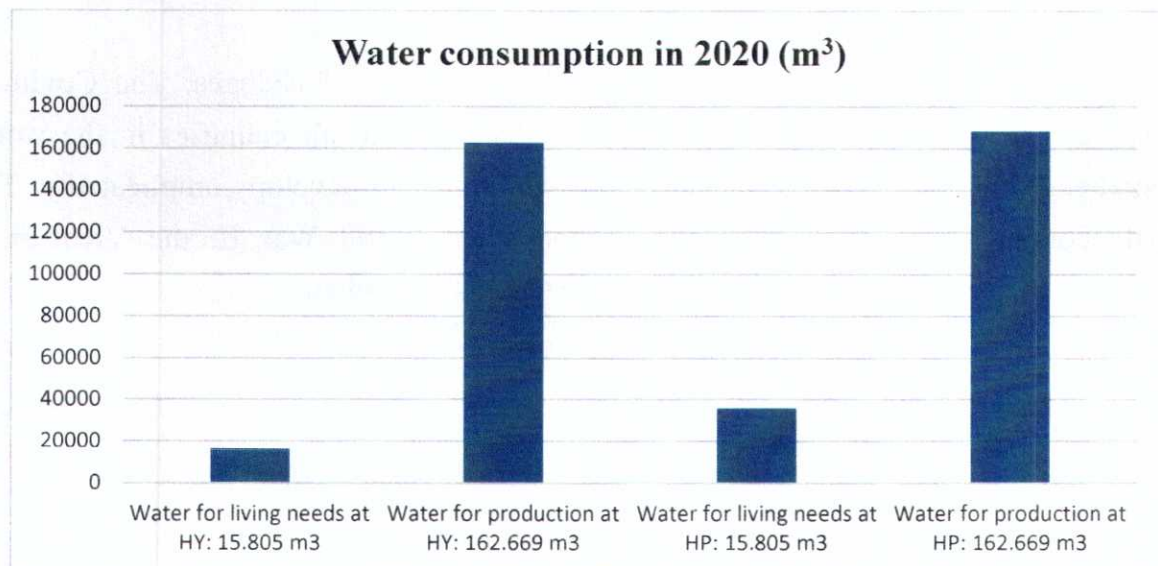
- Promote propaganda about environmental protection for all officers and employees in the whole branch.

## 6.2. Management of raw materials

### ❖ The total amount of raw materials used for production.

No.	Materials Name	Volumes (Kg)	Note
<b>I</b>	<b>Scrap steel &amp; iron</b>	<b>375,634,270</b>	
1	Thép phế/ Scrap steel	375,250,820	
2	Pig Iron	383,450	
<b>II</b>	<b>MnSi</b>	<b>3,772,631</b>	
<b>III</b>	<b>Than Điện cực/ Graphite Electrode</b>	<b>535,981</b>	
1	GE F550	348,583	
2	GE F400	187,399	
<b>IV</b>	<b>FeSi</b>	<b>784,118</b>	
1	FeSi	783,874	
2	Fero Valadi	244	
<b>V</b>	<b>Coal used at Hung Yen Factory</b>	<b>22,463</b>	
<b>VI</b>	<b>Coal used at Hai Phong branch</b>	<b>12,463,713</b>	
1	Coal 6A	1,817,600	
2	Coal 5B	851,496	
3	Coal 3B	1,348,790	
4	Coal 3A	8,445,827	
<b>VII</b>	<b>Metallurgical Lime</b>	<b>10,325,903</b>	

## 6.3. Water consumption of business activities





#### 6.4. Compliance with the law on environmental protection

Vietnam-Italy Steel Joint Stock Company is an enterprise that produces construction steel, the company always complies with the regulations on environmental protection such as environmental monitoring and periodical and correct environmental monitoring reports, provisions of law. In November 2020, the Company was penalty for administrative violations once for the violation of wastewater discharge with one of the environmental parameters exceeding 100% or more according to the construction investor's prescribed standards on receiving wastewater constructing and operating the infrastructure of Pho Noi A industrial park, specifically the target  $NH_4-N = 25.5 \text{ mg / l}$ , exceeding 5.1 times of the standard connection with a fine 133,000,000 Viet Nam Dong.

The company has taken measures to remedy the above violations as follows:

- The system of domestic wastewater treatment has been built;
- In the process of finding a consultant to make an environmental protection plan and then submit it to the Hung Yen Department of Natural Resources and Environment in order for approval, implementation and certification. It is expected that by the end of December 2021, this content will be completed.

#### 6.5. Report on responsibility for local community.

<input type="checkbox"/> Donation to the Covid -19 prevention fund:	15,000,000 VND
<input type="checkbox"/> Support for IRISS School:	5,000,000 VND
<input type="checkbox"/> Donation to the fund for the poor:	30,000,000 VND
<input type="checkbox"/> Support for Tet for the poor:	20,000,000 VND
<b>=&gt; Total:</b>	<b>70,000,000 VND</b>

### III. Report and assessment of the Board of Director

#### 1. Assessment of operating results

The 2020 is a year the world undergoes a lot of changes. The Covid-19 pandemic that appeared from the end of 2019 has affected all countries in the world comprehensively and extensively, and is still continuing to develop complicatedly. The global economy fell into the worst recession since World War II, the Vietnamese economy was also significantly affected by the Covid-19 pandemic.



Along with the general difficulties of the economy, the Vietnam - Italy steel production and business activities also experienced a turbulent year. After recording a record cumulative loss over 2 consecutive financial years, VIS entered 2020 with a worrying sentiment when the business plan of the year approved by the general meeting of shareholders continues to forecast losses. How to do business effectively? That question is always the concern of the Board of Managements and the Board of Directors of the company.

Through the first 4 months of the year, production and business activities of VIS continued to be ineffective. Since May 2020, after many efforts of the Board of Directors, solutions for production and business have been implemented, combined with Covid 19 epidemic prevention of the Government of Vietnam. The result is very good, the business activities of VIS have continuously gained profits.

In 2020, the revenue was VND 4,062 billion, reaching 112% of the annual plan, and equaling 118% compared to the same period in 2019. The result of a pre-tax profit was VND 22.5 billion. Profit after tax was VND 29.98 billion. Paying to State budget in 2020 were 256.2 billion vnd, increased 31% comparing to 2019 (197.2 billion vnd).

## 2. Financial Situation

### a) Assets

In 2020, the total asset value of the Company is 2,874 billion, an increase of 11% compared to 2019. Working assets tend to increase, from 83% in 2019 to 89% in 2020. Specifically: Short-term investment increased by 7%; Inventory increased by 16%; Cash and cash equivalents increased by 2%. Fixed assets account for about 11%, a decrease of 6% compared to 2019. This proves that many of the fixed assets of the Company have been fully depreciated. The company has not focused on investing in new fixed assets to replace.

### b) Debt Payable.

Unit price: Million VND

Chỉ tiêu/Content	Year 2020	Year 2019	Up and down
<b>Nợ ngắn hạn/ Short-term debt</b>	<b>2.342,0</b>	<b>2.089,7</b>	<b>252,3</b>
+ Phải trả người bán ngắn hạn/ <i>Short-term payables to sellers</i>	169,9	242,3	(72.4)
+ Người mua trả tiền trước ngắn hạn/ <i>Short-term prepayment by buyers</i>	7,4	0,5	6.9
+ Thuế và các khoản phải nộp NN/ <i>Taxes and other payables to the State</i>	0,6	0,7	(0.1)



Chỉ tiêu/Content	Year 2020	Year 2019	Up and down
+ Phải trả cho người lao động/ <i>Payable to employees</i>	20,7	18,3	2.4
+ Chi phí phải trả ngắn hạn/ <i>Short-term accrued expenses</i>	56,0	13,3	42.7
+ Doanh thu chưa thực hiện ngắn hạn/ <i>Short-term unearned revenue</i>	-	0,2	(0.2)
+ Phải trả ngắn hạn khác/ <i>Other short-term payables</i>	6,4	318,5	(312.1)
+ Vay và nợ thuê tài chính ngắn hạn/ <i>Short-term loans and financial lease debts</i>	2.078,9	1.492,9	273.9
+ Quỹ khen thưởng phúc lợi/ <i>Bonus and welfare fund</i>	2,1	3,0	(0.9)

As at 31/12/2020, liabilities of the Company are 2,342 billion VND, increasing 12% compared to the beginning of the year. The ratio of borrowing and finance lease debt increased while the ratio of payables to sellers decreased, proving that the Company did not take advantage of opportunities to take over capital from suppliers. The company had to increase bank loans to meet the capital needs during production and business activities.

### **3. Improvements in organizational structure, policies, management.**

#### **❖ Management and administration**

In 2020, the Company held once the Annual General Meeting of Shareholders on May 14, 2020 approving personnel for the term 2020 - 2025, 03 members of the BOM and 02 members of the Inspection Committee.

Using the overall management software into the company management. To apply regulations on management and using computers, intranet, internet, ensuring on safety data, avoiding the risk of attacks, viruses.

#### **❖ Organization and salary**

- In 2020, the company restructured the company's organizational model, reduced the staffing rate of indirect block in the first quarter of 2020, merged, and relocated some parts to suit in accordance with the Company situation.

From September 2020, the Company switched to the production plan of 3 shifts / 4 crew of manpower to ensure absolute compliance with the requirements of the Labor Law regarding shift break time, and increase rest days for employees labor regeneration.

The total salary fund to pay for the whole company in 2020 is: 100.9 billion dong, equivalent to the average monthly salary fund: 8.4 billions dong. The average salary of the whole company is: 11.9 million / person / month, reaching 104% of the plan. Average income is 13.3 million VND / person / month, equal to 109% compared to 2019.

#### **❖ Sales**

##### **➤ Steel Sales**



The quantity of sales steel in 2020 were 327.667 tons, reached 102% of the plan, equivalent to 98% comparing to the same period in 2019. Because the rolling mill is operating at full capacity, in order to have enough products to supply to the market to meet the needs of customers, the Company has conducted steel OEM activities at KSVC and Thai Trung factories. The volume of OEM steel in 2020 is 19,693 tons.

With the goal of not being too dependent on any one distributor, at the same time reducing risks in the business process, the Company has looked for some reputable and financially potential distributors in business to conduct business cooperation. The share of VIS product consumption has been gradually shifted from major distributors to some new distributors.

Market share: In 2020, VIS's market share continued to increase, accounting for 6.9% of the Northern market.

➤ **Billet Sales:**

In 2020, the billet market appears favorable factors, steel billet price is continuously maintained at a high level, creating favorable conditions for steel billet business. The volume of billet sold to the outside increased compared to previous years.

The volume of billet sold in 2020 reached 25,887 tons; Billet volume provided for steel OEM activities is 18,431 tons. The increase in the output of billet for external market and billet for OEM activities has reduced production costs per 1 tons of products, enabling VIS billets to be price competitive with other similar products on the market.

❖ **Production:**

➤ **Billet production:**

The production in 2020 achieved 342,556 tons, reached 104% of the plan, 143% comparing with the same period of 2019.

*Some main consumables in 2020:*

No.	Tiêu hao/ Consumption	In 2019	In 2020		
			Mục tiêu/ Target	Kết quả/ Result	Chênh lệch/ Difference
1	Yield ratio (%)	91.07	92.30	90.12	-2.18
2	Mn <sub>65</sub> Si <sub>16</sub> , Mn <sub>65</sub> Si <sub>17</sub> (kg/ ton)	12.06	10.05	11.01	0.96
3	FeSi <sub>72</sub> , FeSi <sub>68</sub> , FeSi <sub>74</sub> (kg/ ton)	1.92	1.25	2.29	1.04
4	Than điện cực F400/ Graphite electrode F400 (kg/ ton)	0.55	0.56	0.55	-0.01
5	Than điện cực F550/ Graphite electrode F550 (kg/ ton)	1.07	1.20	1.02	-0.18

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6	Điện/ <i>Electricity (kwh/ ton)</i>	506.67	509.68	516.55	6.87
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Quality of billets: Rate of grade 2 billet and scrap: 5,761 tons, accounting for 1.68% of production output, up 0.67% compared to 2019.

**✓ Steel production:**

Total steel production volume in 2020 is 305,379 tons, reaching 95% of the plan, increasing up 2% over in 2019.

**Consumption results in 2020**

No.	Tiêu hao/ <i>Consumption</i>	In 2019	In 2020		
			Mục tiêu/ <i>Target</i>	Kết quả/ <i>Result</i>	Chênh lệch/ <i>Difference</i>
1	Yield ratio (%)	97.79	97.85	97.18	-0.67
2	Coal (kg/ ton)	70.55	70.83	73.56	2.73
3	Electricity (kwh/ ton)	99.66	100.83	102.04	1.21
4	Operation ratio (%)	86.84	86.93	87.02	0.09
5	Productivity (tons/h)	45.17	46.53	45.93	-0.60
6	Miss roll ratio (%)	0.059	0.055	0.079	0.024

Regarding VIS product quality: In 2020, grade 2 products and products which has slight defects were 3,705 tons, accounting for 1.21% of production output, up 0.29% over in 2019 (In 2019: 0.93%).

In 2020, no claims about the quality of VIS steel products will arise; Some customer complaints have been resolved quickly by the Sales department in conjunction with quality control.

**➤ Safety:****✓ At Hung Yen Rolling factory**

In early 2020, safety work at the Hung Yen rolling mill was performed relatively well. But in the last months of the year, there were a number of consecutive accidents, arising from basic operations. This proves that there is still a subjective mentality of workers in the implementation of safety measures at work. The cumulative number of safe days up to December 31, 2020 is 34 days.

The 5S activity in 2020 is not good. Employees' awareness of 5S implementation is not high. Waste and garbage have not been classified according to the instructions. Around the factory, there was still a lot of waste.

**✓ At Hai Phong factory:**



In 2020, the Hai Phong factory occurred 6 occupational injuries, in which 2 cases were minor that happened outside the factory (the incidents occurred while they were in traffic); 04 cases occurred in the factory including 02 cases taking days-off and the others not taking days-off. The patrol and detection of potential hazards has been enhanced. As of Dec 31st 2020, the safety days are 177.

**- Solutions implemented:**

To change the employee's bad habits in occupational health, and at the same time raise awareness and discipline of employees in occupational safety and sanitation, in 2020 the company has implemented activities such as:

- + Maintaining large patrols, organizing review of occupational safety and health through monthly safety meetings.
- + Organize monthly safety training classes for direct workers
- + Organizing collective labor sessions, cleaning up, picking up trash throughout the Company

The above-mentioned activities have gradually raised employees' awareness of occupational safety; thereby equipping workers with knowledge in order to recognize the dangers in labor; Employees are required to fully implement protective equipment

**4. Development plans in the future**

Following the favorable factors brought by 2020, Vietnam steel market is forecasted to continue to make a breakthrough in 2021 thanks to the benefits from the promotion of public investment as well as the residential real estate market may heat up again. Facing Vietnam's successes in controlling the epidemic well, combined with the Government's investment attraction policies, it is forecasted that there will be many foreign companies and corporations in the coming time choose Vietnam as the location of production centers and factories. The demand for factory investment in industrial zones has increased. These will be great opportunities to boost the development of the steel market.

The company has access to abundant credit limits, low interest rates, appropriate repayment period, meeting the capital use needs of production and business activities.

The company develops a business and production plan in 2020 with the following main targets:





TT	Chỉ tiêu/ Content	Thực hiện năm 2020/ Results 2020	Kế hoạch năm 2021/ Plan 2021	Tỷ lệ/ Rate (%)
1	<b>Sản xuất (tấn)/ Production (ton)</b>			
	- Phôi/ Billet	351,174	377,775	108%
	+ Tự sản xuất/Production	342,556	377,775	110%
	+ Mua ngoài/ Buying outside	8,618		
	- Thép/Steel	325,072	322,040	99%
	+ Tự sản xuất/Production	305,379	322,040	105%
	+ Gia công + mua ngoài/OEM & buying outside	19,693		
2	<b>Tiêu thụ (tấn)/ Sales (ton)</b>			
	- Phôi/Billet	44,318	45,000	102%
	- Thép/Steel	327,667	322,000	98%
3	<b>Giá trị SXCN (tỷ đồng)/ Value of the industry production (billion VND)</b>	4,366	5,130	117%
4	<b>Doanh thu (tỷ đồng)/ Revenue (billion VND)</b>	4,062	4,588	113%
5	<b>Lợi nhuận trước thuế (tỷ đồng)/ Profit before taxes (billion VND)</b>	22.52	28.17	125%
6	<b>Đầu tư (tỷ đồng)/ Investment (billion VND)</b>	32.84	153.67	468%
7	<b>Số lao động bình quân (người)/ Average labor force (person)</b>	714	720	101%
8	<b>Tiền lương bình quân (tr. đồng/ng) (Monthly average income (Million VND/person)</b>	11.92	13.14	110%

❖ **Solutions to implement the production and business plan in 2021**

➤ **Human resource management solutions:** Personnel is a very important factor in deciding the results of production and business activities. In order to perform well the business plan, we need to implement some human resources management solutions as follows:

✓ **Stabilize and maintain existing human resources:**

+ Completing the regulations and policies currently being applied; Ensure fair and reasonable in salary payment for employees, to attract external resources and retain internal resources.

+ Improved working environment; Conducting periodic performance assessment of each employee; Rearranging and stabilizing personnel, ensuring the right staffing, right job

✓ **Attracting and developing human resources:**



+ Implement reasonable remuneration, welfare and bonus policies to facilitate the employee's long-term attachment to the company.

+ Create a dynamic and friendly working environment. Supplementing promotion policies for excellent employees.

+ Coordinate with educational institutions such as universities, training centers to find qualified candidates to recruit.

+ Develop dynamic and reasonable personnel policies to attract many talents from other places to serve the company.

➤ **Management of supplying raw materials solution**

In order to ensure adequate supply, the right type, quantity and quality of raw materials needed for the production process with minimal business costs, we need to implement a number of solutions for purchasing, and inventory management as follows:

✓ **For scrap purchase:**

+ Find more new suppliers, diversify the supplier system, increase price competitiveness, and ensure product quality.

+ Screen existing suppliers, eliminate suppliers who are not of contract quality

✓ **For graphite electrode:**

+ Seeking cheap source with quality assurance.

+ Find more suppliers to increase price and quality edge

+ Attach the consumable items to the contractual terms to sign, in order to increase the supplier's liability and limit risks for the Company

✓ **For alloys and other materials:** Exploiting from other sources (imported or domestic) to increase price and quality competitiveness

✓ **For inventory management**

+ For the main types of raw materials: It is necessary to set up a reasonable inventory reserve goal (maximum and minimum inventory level). Based on the production plan, plan the order to match the inventory target have been set.

+ For types of raw materials, supplies and spare parts that have regular use demands but are available on the market with relatively stable prices, there is no need to reserve inventory. VIS will sign the contract in principle and then order each time when there is a need for it

+ For special types of materials and supplies that are scarce and have a relatively long buying time, VIS must establish a stable supply and order and stockpile at a higher than normal rate to ensure that safety guarantee, avoid risks

+ Create relationships with domestic and foreign suppliers in the field of steel production equipment, to ensure the quality of materials and procurement equipment.

➤ **Production management solution**



✓ **For steel production:**

+ Communicate closely with Hai Phong Branch to produce all kinds of billet grades with suitable alloy composition to reduce steel production costs and reduce the volume of short and long steel.

+ Strict control of inputs such as coal and repair materials to reduce the cost of coal consumption and other repair materials

+ Implement strictly to production schedule, work plans and allocate human resources to suit each type of product to ensure high work efficiency.

+ Strengthen technology discipline, compliance with Standard Operation Procedures to minimize troubles due to subjective.

+ Making detailed schedule for maintenance of equipments for the purpose of improving operation ratio.

+ Continuing to maintain inspection and supervision of occupational safety and labor insurance at all divisions.

✓ **For billet production:**

+ Taking advantage of the opportunities and factors in the market to increase the output of billets, increase the quantity of billets supplied to the outside market;

+ Compliance with technological processes, operating procedures to minimize subjective problems.

+ Continue to research to find out solutions to optimize equipment operation (electric operation mode, feeding speed,...) in accordance with the existing raw material conditions and equipment system of branch ...

+ Make detailed plan for equipment operation and maintenance in order to improve the operating rate.

+ Continuing to maintain good inspection and supervision of occupational safety and labor insurance, strict implementation of measures, rules, and regulations on occupational safety at all divisions.

✓ **Product supplying solution**

+ To ensure good implementation of the business plan set out, in 2021 VIS offers a number of solutions for sales and product consumption as follows:

+ Continue to follow the market situation, maintain flexible sales policies

+ Regularly update information on the market (demand, price, competitors ...) to evaluate, analyze and make consumption plans and solutions in the right direction and effectively;

+ Re-evaluate financial capacity and development needs of customers, focusing on traditional customers with financial potential. Continue to support and develop Distributors capable of increasing production. Develop new Distributors, especially Distributors in the industrial, transport and infrastructure sectors



- + Build deep and close relationship with contractors. Focusing on regular care for Investors and Investor Representatives implementing large, national key projects
- + Continue to increase the output and the number of agents of group 2 and group 3 in a direction of safety and in accordance with the financial capacity of each agent.
- + Research, explore and seize opportunities in foreign markets to boost the export volume of steel billets.

#### **5. Explanation of the Board of Directors for auditor's opinions (None)**

#### **6. Assessment Report related to environmental and social responsibility of Company**

##### **a) Relevant assessments on the environment:**

- Continue to promote the propaganda, education and supervision of the implementation of Occupational safety and environmental protection in the process of repairing and executing items of the Company's units. Attention to fully implement the labor protection regimes for employees in accordance with the provisions of law and the Company's regulations. Strengthen the inspection and self-inspection of labor safety - labor sanitation; Environmental protection in the Company to minimize the risk of labor accidents, equipment incidents and environmental pollution.

##### **b) Related evaluation on labor issues**

- Continue to review, amend and revise regulations and regulations on management, intensify advisory activities at all levels, improve production and business efficiency. Continue to rearrange the organizational structure and labor norms of the Company.

- Paying attention to fully implement the regimes and policies on social life for employees to ensure internal solidarity, political stability, production and business development.

##### **c) The assessment relates to the responsibility of businesses to the local community**

- Organize emulation movements with specific goals; well performing material and spiritual life care in order to motivate laborers;

- Actively participate in local movements, support charitable social activities launched by localities and the Central Government.

#### **IV. Assessments of the Board of Management on the Company's operation**

##### **1. Assessments of the Board of Management on the Company's operation**



Facing difficulties caused by the global economy, domestic economy, steel industry's difficulties, the Board of Directors proactively identified and analyzed the situation, promptly set goals and orientations. in accordance with the reality of the Company. At the same time, proposing solutions to manage and direct the implementation of effective production and business plans such as: Directing the implementation of solutions on saving, reducing costs, lowering product costs, strictly manage the quality of input materials and raw materials. Therefore, the Company has maintained a stable production, job stability and income for employees, sports and cultural movements have always been focused.

## **2. Assessment of Board of Directors on Board of Management' performance**

Based on the Company's Charter and internal regulations and regulations, the Board of Management performs the function of supervising the Company's management and Board of Director regularly and continuously through checking the implementation production and business tasks, written reports of the General Director and managers. In addition, the Board of Management cooperates with the Board of Supervisors to grasp the status of the Company's operations, so that there are recommendations to support the Board of Directors to implement with the following evaluation results: General Director has performed the functions and duties stipulated in the Company's Charter, the Regulation on corporate governance and has complied with the resolutions and decisions of the Board of Management.

## **3. Plans, orientations of the Board of Management**

- Based on the orientation goals of the Company. The BOM continues to strengthen the direction of inspection and supervision of the Executive Board to effectively implement the Resolutions / Decisions of the Board of Directors in order to well implement the goals and orientations of the Company.

- Continue to monitor the domestic and international economic situation and production and business activities of the Company, proactively grasp the situation to make proper judgments and assessments, from which promptly give out appropriate policies, management and direction measures for the BOD to organize the implementation of the tasks with the highest efficiency.

## **V. CORPORATE GOVERNANCE.**

### **1. Board of Management**

#### **a. Members of the BOM:**

**VIETNAM-ITALY STEEL JOINT STOCK COMPANY**

Address: Pho Noi A Industrial Zone, Giai Pham, Yen My, Hung Yen, Viet Nam

Tel: (84-221) 3 942 427 Fax: (84-221) 3 942 226 website: vis.com.vn

No.	Full name	Position	Number of shares owned at the end of the period	Ghi chú
1	Mr. Yoichi Hoshino	Chairman of the BOM	0	Appointment Chairman of the BM from July 17 <sup>th</sup> , 2020
2	Mr. Hiroshi Kunimaru	Members of the BOM	0	Appointment from April 19 <sup>th</sup> , 2019
3	Mr. Yasuhiro Yonemura	Member of the BOM cum General Director	0	Appointment from May 14 <sup>th</sup> , 2020
4	Mr. Satoshi Oda	Members of the BOM	0	Resignation from May 14 <sup>th</sup> , 2020
5	Mr. Trịnh Khôi Nguyên	Members of the BOM	0	Appointment from April 19 <sup>th</sup> , 2019 and had submitted Resignation letter from January 01 <sup>st</sup> , 2021
6	Mr. Nguyễn Duy Luân	Members of the BOM	0	Appointment from July 10 <sup>th</sup> , 2018

**❖ Mr. Yoichi Hoshino - Position: Chairman of the BOM**

- Male/Female: Male
- Date of birth: 24/11/1948.
- Passport number: TZ0760487.
- Place of birth: Japan
- Nationality: Japanese.
- Permanent address: 4-10-1 Aoyama, Otsu, Shiga, 520-2101, Japan.
- Residential address: No 34, Ton Duc Thang road, 11 street, DongThanh ward, Ninh Binh City, Ninh Binh Province, Viet Nam
- Education: College of Industrial Technology/Associate in Mechanical Technology.
- **Career Timeline:**
  - + April, 1967: Enter Nakayama Steel Products Co., Ltd.
  - + April, 1974: Enter Kyoei Steel Ltd.
  - + June, 1975: Engineer at Jakarta Kyoei Steel (Indonesia)
  - + June, 1979: Engineer at Auburn Steel Corp., (USA).



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- + July, 1994: Engineer at Florida Steel Corp (USA).
- + Mar, 1997: Engineer at Ameli Steel Corp (USA).
- + April, 2003: Deputy General Director of Production Department at Hirakata Plant.
- + Oct, 2007: Deputy General Director at Vina Kyohei Steel Co., Ltd (Viet Nam).
- + Mar, 2012: Deputy General Director at Kyohei Steel Vietnam Co., Ltd.
- + April, 2016: General Director at Kyohei Steel Vietnam Co., Ltd.
- + Mar, 2018: Member of BOM at Vietnam - Italy Steel JSC.
- + July, 2018: Member of BOM, General Director at Vietnam - Italy Steel JSC.
- + July, 2020: Chairman of the BOM
  - Number of stock owing: None
- Including:
  - + Individual possession: 0 stock.
  - + Representative of the capital: 0 stock.
  - Infringements: None.
  - Debts to Company: None.
  - Relevant benefits with the company: None
- ❖ **Mr. Hiroshi Kunimaru – Position: Member of the BOM**
  - Male/Female: Male
  - Date of birth: July 21<sup>st</sup>, 1962
  - Passport number: MU1811837
  - Place of birth: Japan
  - Nationality: Japanese
  - Residential address: 2-5-2-704 Shofuudai, Tarumi-ku, Kobe, Hyogo, Japan
  - Education: Kobe University – Faculty of Economic
- **Career timeline**
  - + Aprl 1986: Enter Resona Bank, Limited (Formerly The Daiwa Bank, Limited)
  - + Jun 2003: General Manager of Shimomoto Branch.
  - + April 2012: General Manager of Senba Branch
  - + April 2014: General Manager of Credit Division
  - + May 2016: Advisor of Kyohei Steel., Ltd
  - + June 2016: Board Director of Kyohei industrial Co., Ltd
  - + June 2017: Executive Officer of Kyohei Steel., Ltd
  - + June 2018: Senior Executive Officer of Kyohei Steel., Ltd
  - + April, 2019: Member of the BOM, Vietnam – Italy Steel., JSC
    - Number of stock owing: None
- Including:
  - + Individual possession: 0 stock.



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- + Representative of the capital: 0 stock
- Infringements: None.
- Debts to Company: None.
- Relevant benefits with the company: None
- ❖ **Yasuhiro Yonemura – Member of the BOM cum General Director**  
(*Curriculum vitae at the BOD*).
- ❖ **Mr. Satoshi Oda – Member of the BOM**  
(*Curriculum vitae at the BOD*).
- ❖ **Mr Nguyen Duy Luan - Position: Members of the BOM.**
  - Male/Female: Male
  - Date of birth: 17/06/1973
  - Place of birth: Đồng Lạc – Chí Linh – Hải Dương
  - Residential address: Group 21, Phan Dinh Phung Ward, Thai Nguyen City
  - Passport number: 090700426
  - Nationality: Vietnam
  - Ethnic: Kinh
  - Education: Master of Business Administration, Bachelor of Economics
  - **Career Timeline:**
    - + 1993-1999: Sales Department, Organization Department, Financial Accounting Department at Thai Hung Metal Service Company.
    - + 1999-2001: Deputy Head of Finance and Accounting Department at Thai Hung Metal Service Company.
    - + 2001-2003: Deputy Manager of Sales dept. at Thai Hung Metal Service Company.
    - + 2003-2004: Sales Manager of Thai Hung Trading Joint Stock Company.
    - + 2004-2006: Director of Thai Hung Commercial Joint Stock Company Hai Phong Branch.
    - + 2006-2010: Deputy General Director of Gia Sang Steel Rolling Joint Stock Company.
    - + 2010-2014: Deputy General Director of BCH Joint Stock Company.
    - + 2014-2017: Head of PMU of Thai Hung Trading Joint Stock Company.
    - + 09/2017: Assistant of the Chairman of the Board.
    - + 11/2017: Deputy General Director of Vietnam - Italy Steel Joint Stock Company.
    - + 7/2018: Member of Board of Directors of Vietnam - Italy Steel Company.
  - Current position at Companies/ Organizations: Member of BOM of Vietnam - Italy Steel Company.
  - Number of stock owing: None





- Infringements: None.
- Debts to Company: None.
- Relevant benefits with the company: None

❖ **Mr. Trinh Khoi Nguyen**

Male/Female: Male

- Date of birth: 03/10/1963
- Place of birth: Ha Noi
- Residential address: 129 C Nguyen Trai, Thuong Dinh Ward, Thanh Xuan District, Ha Noi.

- Nationality: Vietnam
- Ethnic: Kinh
- Education: Thai Nguyen University of Technology – Electrical Engineer  
Hanoi University of science and technology –  
Master of Business Administration.

- **Career Timeline:**

- + 1985 -1992: Technical staff – Hanoi Mechanical Company
- + 1992- 2002: (Staff of Investment Planning Dept.) Vietnam Steel Corporation
- + 2002 – 2007: (Deputy Manager of Investment Planning Dept.) Vietnam Steel Corporation
- + 2007 – 2015: (Manager of Investment Management Department), Vietnam Steel Corporation
- + 2016 – now: (Deputy General Director) Vietnam Steel Corporation
- + April 19<sup>th</sup>, 2019: Member of the BOM of Vietnam – Italy Steel JSC
- Number of stock owing: None
- Infringements: None.
- Debts to Company: None.
- Relevant benefits with the company: None

**b. Sub-committees belong to the Board of Mangement: None**

**c. Activities of the Board of Management:**

Base on the Law on Enterprises and the Charter of the Company, the BOM is the governing body of the Company, and has the right on behalf of the Company decide to exercise the rights and obligations of the Company excluded rights of General Meeting of Shareholders.

The BOM performed administration jobs and supervised the operations of the Company as per the provisions and decentralization of the BOM. Accordingly, all the guidelines, key strategies stuck to the resolutions of the General Meeting of Shareholders and abided by provisions stated in the Charter and the working rules of the Company,



specifically, total documents, resolutions/ decisions issued in 2020 are 68, of which 01 resolution/ decision to close the list of shareholders to hold the General Meeting of Shareholders; 03 resolutions/ decisions to buy and sell main materials (scrap, billets.. etc); 25 resolutions/ decisions in association with HR (the change in organizational structure, appointment, dismissal); 10 resolutions/ decisions in association with investment, construction, renovation; 10 resolutions/ decisions to enact internal working rules; 19 resolutions/ decisions and documents related to the operation of the Company within the jurisdiction of the BOM (issues related to administration, salary, authorization.. etc).

❖ **Content and results of Meetings of the Board:**

In 2020, the Board of Management held 05 BOM meetings to review the situation of the implementation of the production and business plan and set the goals and measures as a basis for the Board of Management to manage and implement. The notice, agenda and meeting material sent to the Board members at least 03 working days in advance. At the meetings, the Board of Directors approved the results of production and business activities of each quarter, identified the market, reviewed the strategic plans for the next quarters and approved other issues within its authority of the BOM. Resolutions are only adopted when over 70% of the voting members agree.

✓ **February 06th, 2020 – BOM Meeting in the Fourth Quarter, 2019**

- Chairman at the meeting: Mr. Hiroshi Kunimaru - Chairman of the BOM.
- Members of the BOM, Members of the Inspection Committee and the Secretary of the BOM
- Content of the meeting:
  - + To approval the business production result in the 4th quarter, 2019 & whole year 2019 and report the business production plan in the first quarter, 2020 & whole year 2020.
  - + To approval the schedule of BOM's meeting plan in 2020
  - + Considering situation project of The Thien Huong residential project in Thuy Nguyen District, Hai Phong City.

✓ **May 14th, 2020- Meeting of the BOM in the First Quarter, 2020**

- Chairman at the meeting: Mr. Hiroshi Kunimaru - Chairman of the BOM.
- Members of the BOM, Members of the Inspection Committee and the Secretary of the BOM
- Content of the meeting:
  - + Approving the resignation & appointment managers of the Company.
  - + Adopting the assignment of tasks to members of the Board of Management;



- + Approving the Organization Chart of Vietnam-Italy Steel Joint Stock Company.
- + Approval on the Company's business results for the first quarter of 2020 and the business plan for the second quarter of 2020.
- + Approval buying the Shimadzu testing machine with price 3.645.600.000 (155.000 USD)
- + Approval reduce the BOD' Salary
- ✓ **Juy 17th, 2020 - the BOM meeting in the Second Quarter, 2020**
  - Chairman at the meeting: Mr. Hiroshi Kunimaru - Chairman of the BOM.
  - Members of the BOM, Members of the Inspection Committee and the Secretary of the BOM
    - Content of the meeting:
      - + To approval the business production result in the Second quarter, 2020 and report the business production plan in the Third quarter, 2020.
      - + To approval the internal regulation of the company.
      - + Approval appoiment General Director and Hai Phong Brach Director for Mr. Yasuhiro Yonemura.
      - + Approval appoiment Chairman of the BOM for Mr. Yoichi Hoshino,
      - + Resignation of the position of Deputy General Director of Mr. Yasuo Arata from July 31st, 2020.
      - + Approval a new organization Chart of the Company.
      - + Approval assignment of tasks of the BOM of the Company.
      - + Approve of the settlement of item: "Stand No 14 & Diverter No2 &3 fiber optical cable upgrading at Hung Yen Rolling Factory".
      - + Approving the technical method, estimates cost and the contractor implementation the construction of the item: "Supply and installation of automatic emission monitoring system at Hung Yen Steel Rolling Factory."
- ✓ **September 01st, 2020 - Extraordinary meeting of the BOM**
  - Chairman of the meeting: Yoichi Hoshino - Chairman of the BOM.
  - Members of the BOM, Members of the Inspection Committee and the Secretary of the BOM
    - Content of the meeting:
      - + Approval of the settlement of item: "Stand No 14 & Diverter No2 &3 fiber optical cable upgrading at Hung Yen Rolling Factory".



+ Approval on estimate value of item: Renovating the laboratory at Hung Yen Steel Rolling Factory.

+ Approval on running new salary system of the Company.

**c) Activities of independent members of the Board of Mangement**

- To participate in the management activities of the Company in accordance with prevailing laws and the Charter of the Company.

- To participate in research and formulations of production and business plan of the Company in accordance with prevailing laws and Charter.

- To participate in director and supervision of manufacture, and equipment and technology activities including the following matters:

+ Manufacture activities of the factories in Hung Yen and in Hai Phong;

+ Investment for development of technology, science and technique serving manufacture of the Company;

- Purchase, manage and effective use of equipment and machineries serving manufacture;

- Formulation of labor norm/rate, salary unit, and implementation work;

- Policies and regimes applicable to employees (recruitment, retrenchment, dismissal, disciplines, salaries, bonus, allowances, insurances, benefits, etc.);

- Safety and hygiene in manufacture, ISO and 5S in the Company;

- Research and development of products; and

- Investment in construction.

**e) Activities of the committees of the Board of Management: None**

**f) List of members of the BOM participating in corporate governance training programs in the year: None**

**2. Inspection Committee**

**a) Members and structure of the Inspection Committee**

TT	Full Name	Position	Number of Shares owned at the end of the period	Note
1.	Mr. Vu Van Huy	Leader of the Inspection Committee	0	Appoitment from April 19 <sup>th</sup> , 2019



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2.	Ms. Le Van Chi	Member of the Inspection Committee	0	Appoitment from July 10 <sup>th</sup> , 2018
3.	Mr. Ha Huy Thuyet	Member of the Inspection Committee	0	Appoitment from March 21 <sup>st</sup> , 2017

**b. List of members of the Inspection Committee**

❖ **Mr. Vu Van Huy**

- Male/Female: Male

- Date of birth: July 20<sup>th</sup>, 1979

- Nationality: Vietnamese

- Permanent address: TDP 3, Xuan Phuong Ward, Nam Tu Liem District, Hanoi

- Education: Master of Economics majoring in accounting

- **Career Timeline**

+ 11/2001 – 4/2003: In charge of accounting at Van Chan Paper Factory - Yen Bai Food Processing Forest Products Company.

+ 5/2003- 3/2004: Chief Accountant of Management Board of Song Da Steel Pipe Factory - Song Da 11 Company

+ 4/2004 - 6/2006: Chief Accountant of Management Board of White Waterfall Hydroelectric Plant - Song Da Company 11

+ 7/2006 - 6/2010: Chief Accountant of Branch of Song Da 11 Joint Stock Company in the South.

+ 7/2010 - 7/2011: Deputy Chief Accountant of Song Da Joint Stock Company - Hanoi

+ 8/2011 - 1/2013: Chief Accountant of Binh An Investment and Development Joint Stock Company

+ 1/2013 - 10/2013: Chief Accountant of Song Da Joint Stock Company - Hanoi.

+ 10/2013 - 6/2014: Expert of PetroVietnam Construction Joint Stock Corporation.

+ 7/2014 - 7/2015: Chief Accountant of Petroleum Tanker Pipeline Construction Joint Stock Company - PetroVietnam Construction Joint Stock Corporation.

+ 7/2014 - 8/2017: Deputy Head of Financial and Accounting Department of Vietnam Petroleum Construction Joint Stock Corporation.



+ 8/2017 - 4/2019: Leader of Internal Control Department - Biscom PLC Golf and Yacht Investment Joint Stock Company - FLC Group.

+ 04/2019: Leader of the Inspection Committee

Number of stock owing: 0 stock

*Including:*

+ Individual possession: 0 stock

+ Representative of the capital: 0 stock

- Infringements: None.

- Debts to Company: None.

- Relevant benefits with the company: None

❖ **Mr. Ha Huy Thuyet – Member of Inspection Committee**

- Male/Female: Male

- Date of birth: March 19<sup>th</sup>, 1978

- Nationality: Vietnamese

- Permanent address: Group 20 - Gia Sang Ward - TP. Thai Nguyen - Thai Nguyen Province

- Education: Bachelor of Accounting

- **Career Timeline:**

+ 2003-2004: Accountant of Transportation Enterprise - Thai Hung Trading Joint Stock Company.

+ 2004-2005: Accountant of Thai Hung Trading Joint Stock Company in Quang Ninh

+ 2006-2012: Deputy Manager of Finance and Accounting Department of Thai Hung Trading Joint Stock Company.

+ 2012-2017: Expert of Internal Control Board of Thai Hung Trading Joint Stock Company.

+ 2017- up to now: Accountant of Thai Hung Trading Joint Stock Company.

+ 2017- up to now: Member of the Inspection Committee

- Number of stock owing: 0 stock

*Including:*

+ Individual possession: 0 stock

+ Representative of the capital: 0 stock

- Infringements: None.

- Debts to Company: None.

- Relevant benefits with the company: None

❖ **Ms Le Van Chi - Member of the Inspection Committee**



- Male/Female: Female
- Date of birth: 17/07/1983
- Passport number: 001183005866
- Place of birth: Hanoi
- Nationality: Vietnamese
- Residential address: CH 2403, CC Sakura Tower ,47 Vu Trong Phung, Thanh Xuan, Ha Noi.

- Education: Bachelor of Economics - Major in Corporate Finance, Master of Business Administration.

- Career Timeline:
  - + 10/2004 - 10/2012: Senior Audit Manager at KPMG Limited Company.
  - + 11/2012 – up to now: Head of the Department of Human Resources, Head of Finance Department of VSSM General Motors Vietnam Co., Ltd.

- + 6/2014 – up to now: Member of the Inspection Committee of Hanacans JSC

- + 7/2017 - 4/2018: Chief Accountant of CRP International Co., Ltd.

*Including:*

+Individual possession: 0 stock

+Representative of the capital: 0 stock

- Infringements: None.
- Debs to Company: None.
- Relevant benefits with the company: None

#### **b) Activities of the Inspection Committee:**

In 2020, the Inspection Committee has implemented and carried out activities in accordance with the Charter of Vietnam - Italy Steel JSC as well as complying with other provisions of law:

- Supervising the activities of the BOM, supervising the management and administration of production and business activities of the Board of Directors in accordance with the Law on Enterprises and the Charter of the Company;

- Examining the suitability of decisions of the BOM, BOM in the management process;

- Supervising the implementation of the Resolutions of the BOM, BOD;

- Supervise the Executive Board in financial performance; checking and supervising the inventory and making quarterly, 6-month and annual financial statements to ensure the truthfulness and accuracy in recording, updating vouchers and accounting books of the Company; control costs, revenue; appraisal of financial statements on the basis of the independent audit report submitted to the Annual GMS.



Thematic inspection of the contract signing; purchasing goods; Investment and major repairs of the Company.

Review the current management regulations of the company and propose to the BOM to consider adjustments and supplements to suit the actual situation of the Company and current legal regulations. In July 2020, the Company basically amended and issued the management regulations for each field of the Company.

- Supervising the implementation of the Company's information disclosure in accordance with the Law on Securities, reviewing the transparency of the information disclosure process to ensure the interests of shareholders.

❖ ***Meeting of the Inspection Committee***

In 2020, the Inspection Committee held meetings to assessing financial and accounting activities, results of business operations, management and administration of the Company in the first 6 months and the whole year 2020.

Specifically, the Inspection Committee meetings in the year take place as follows:

<b>No.</b>	<b>Meeting content</b>	<b>Meeting results</b>
Feb 06 <sup>th</sup> , 2020	Approved the results of production and business activities, the results of the evaluation of the management and operation of the General Director and the BOM in 2019 and the evaluation results of the Financial Statements of Quarter 4, 2019; Approve the operation plan of the Inspection Committee in 2020	Members of the Inspection Committee passed 100%
March 18 <sup>th</sup> , 2020	Approve the report on the operation of the Inspection committee in 2019 and the work plan for 2020; Statement of selection of auditing firm in 2020; List of nominated members of the Inspection Committee for the term 2020-2025 to submit to the Annual GMS	Members of the Inspection Committee passed 100%
May 13 <sup>th</sup> , 2020	Approve the appraisal report of the financial statements for the first quarter of 2020 and the evaluation of the management and administration of BOM and BOD in the first quarter of 2020 and other contents	Members of the Inspection Committee passed 100%
July 17 <sup>th</sup> , 2020	Approve the evaluation report of financial statements for the second quarter of 2020 and evaluation of the management and administration of BOM and BOD in the second quarter of 2020 and other matters.	Members of the Inspection Committee passed 100%



**VIETNAM-ITALY STEEL JOINT STOCK COMPANY**

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October 17 <sup>th</sup> , 2020	Approve the evaluation report of financial statements for the third quarter of 2020 and evaluation of the management and administration of BOM and BOD in the third quarter of 2020 and other matters.	Members of the Inspection Committee passed 100%
Dec 31 <sup>st</sup> , 2020	Approve the report on assessment of the BOM and BOD implementation of the recommendations of the Inspection Committee in 2020; Approve the operation plan of the Inspection Committee in 2021	Members of the Inspection Committee passed 100%

**3. Transactions, remuneration and benefits of the Board of Management, Board of Directors and Inspection Committee.****❖ Salary, bonuses, remuneration, benefits: ( Unit: VND)**

No.	Họ và tên/ First and last name	Chức vụ/ Position	Lương/ Salary	Thù lao/ Remuneration	Tổng cộng/ Total
1	Yoichi Hoshino	Chairman of the BOM	1,088,449,005	96,300,000	1,184,749,005
2	Hiroshi Kunimaru	Member of the BOM		234,157,500	234,157,500
3	Yasuhiro Yonemura	Member of the BOM cum GD	421,003,329	131,739,130	552,742,459
4	Trịnh Khôi Nguyên	Member of the BOM		219,712,500	219,712,500
5	Nguyễn Duy Luân	Member of the BOM		219,712,500	219,712,500
6	Vũ Văn Huy	Leader of the Inspection Committee	711,916,875		711,916,875
7	Lê Văn Chi	Member of the Inspection Committee		168,446,250	168,446,250
8	Hà Huy Thuyết	Member of the Inspection Committee		168,446,250	168,446,250
9	Satoshi Oda	Deputy General Director	691,322,727	63,560,870	754,883,597
10	Satoshi Sugino	Deputy General Director	602,886,988		602,886,988
11	Yasuo Arata	Deputy General Director	349,262,045		349,262,045
12	Đặng Ngọc Hưng	Deputy General Director	707,944,965		707,944,965
13	Nguyễn Thanh Hà	Deputy General Director	219,008,863		219,008,863
	<b>Total</b>				<b>6,093,869,797</b>

**❖ Transactions between VISCO and related companies**

No.	Content	Bán hàng/ Sales of goods (VND)	Mua hàng và dịch vụ/ Purchase of goods and service (VND)	Phí Bảo lãnh vay vốn/ Loan guarantee fee
	Value	1,018,375,156,112	480,529,706,959	2,583,301,456
1	Kyoei Steel Ltd.		139,233,107	2,583,301,456
2	Thai Hung Trading JSC	508,039,080,620	320,114,385,250	
3	Thai Hung Trading Company Limited	312,368,539,410		
4	Kyoei Steel Vietnam Company Limited	197,967,536,082	120,325,795,450	
5	Viet Trung Mining and Metallurgy Co., Ltd		39,950,293,152	

**❖ Trading stocks of internal and related of internal: None****d) The implementation of regulations on corporate governance:**

- The BOM and the BOD have performed the assigned functions according to the provisions of the Enterprise Law, Securities Law, Accounting Law, Tax Administration Law and Resolution of the General Meeting of Shareholders annual.

- Regarding the resolutions and decisions of the BOM all focused on the implementation of the Resolution of the General Meeting of Shareholders May 14th, 2020, issued in a timely manner, well implementing the management function of the Board treatment, at the same time meet the requirements of operating the business of the Company.

- The decisions of the BOD are issued in accordance with the authority, lawful and timely. Decisions with inappropriate contents are adjusted appropriately after consulting the BOM.

**VI. FINANCIAL REPORT****1. Auditor's opinion:**

- The main auditor: Dam Xuan Lam – Auditors certificate No.086-2018-007-1.
- Independent auditor: KPMG Limited Vietnam.
- Independent auditor's opinion (quoted in audited report):

In our opinion, the financial statements give a true and fair view, in all material respects, of the financial position of Vietnam – Italy Steel Joint Stock Company as at 31 December 2020 and of its results of operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting



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System for enterprises and the relevant statutory requirements applicable to financial reporting.

The financial statements of the Company for the year ended 31 December 2019 were audited by another firm of auditors whose report dated 18 March 2020 expressed an unqualified opinion on those statements.

**2. Audited financial statements (with attached report)**

Or Please show details in the section "Shareholders' news", website address vis.com.vn/.

