

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 2021

Hung Yen, March 2022



ANNUAL REPORT IN 2021

*(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

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:

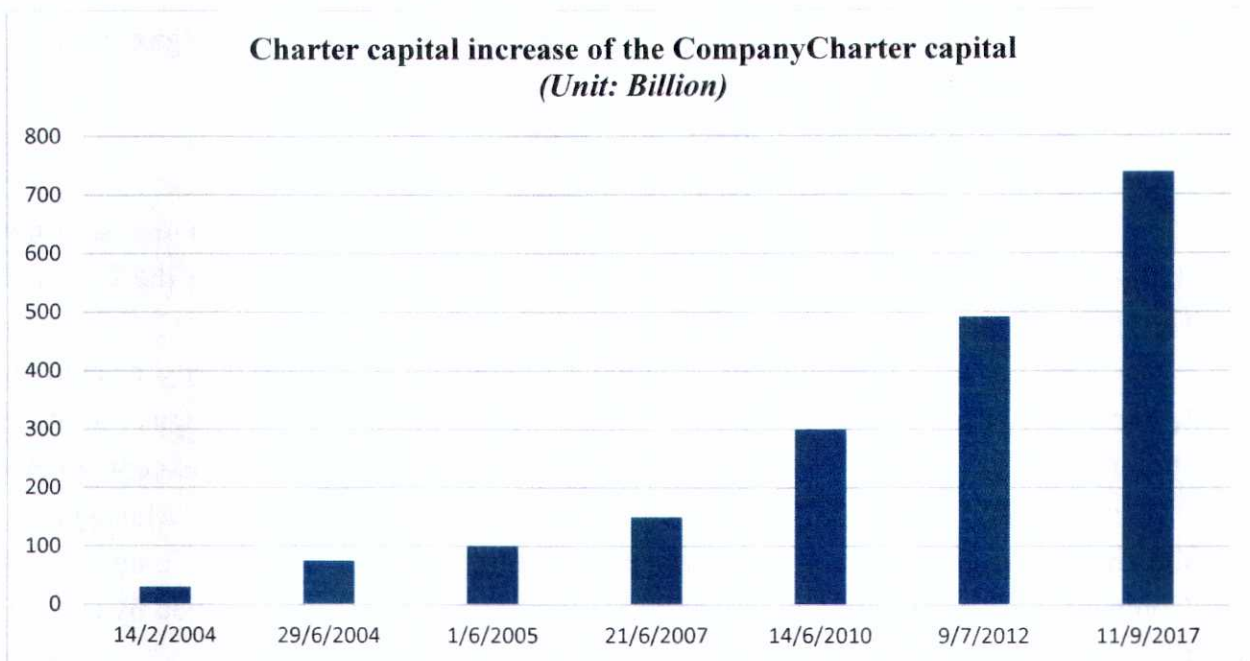
Business lines of Vietnam - Italy Steel Joint Stock Company under the Business
Registration Certificate is:

- ✓ 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

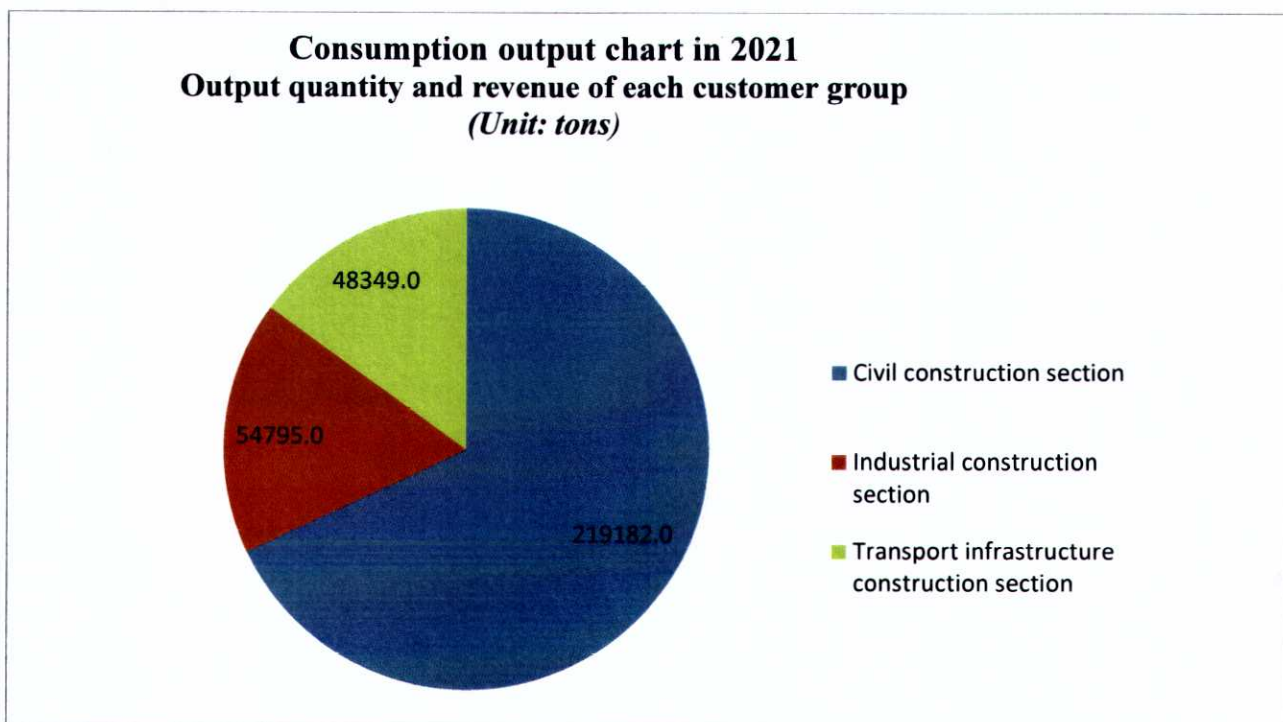
- ❖ December 26th, 2003: Established with namely Vietnam - Italy Steel JSC.
- ❖ February 11th, 2004: The first General Meeting of Shareholders.
- ❖ February 20th, 2004: Department of Planning and Investment of Hung Yen Province issued the business registration certificate for the Company (No.0503000036).
- ❖ 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.

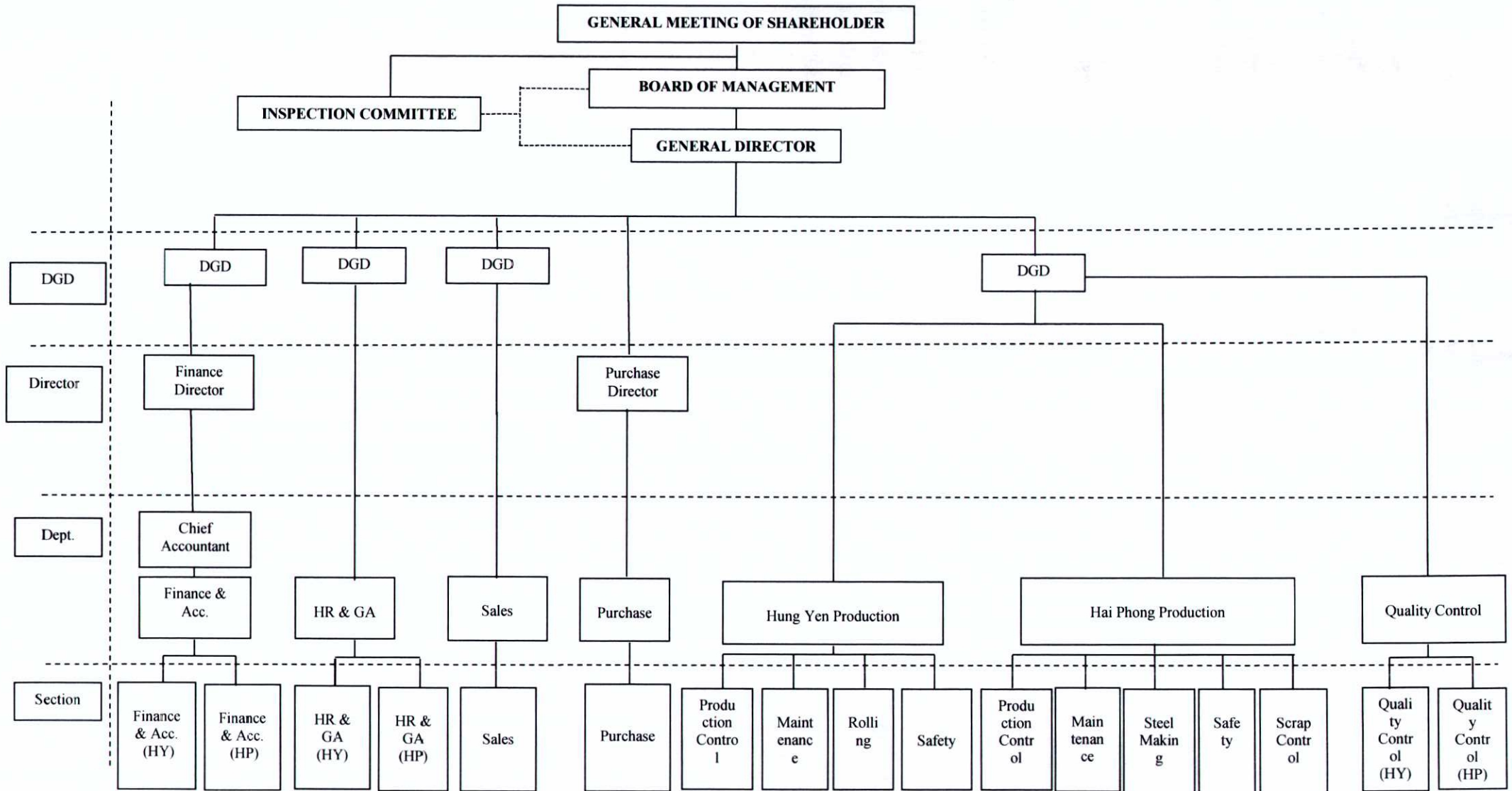
❖ Board of Directors: The General Director is the executive, who decides matters related to the day-to-day operations of the Company, responsible to the Board of Directors for the performance of assigned rights and obligations. The Deputy General Directors assist the General Director and take responsibility 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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VIỆT NAM THẬP VIỆT



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;
- + Build the job performance measurement system.
- + The work of Party Committee, Trade Union.

❖ **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 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.
- + Assessing the domestic and foreign economic situation.

❖ **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



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❖ *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.

+ 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

❖ *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 risks: Payment risks are risks when partners in economic contracts cannot pay on time or cannot deliver assets on time as committed. For the deferred payment policy, the company is applying, the risk that customers do not pay on time, will arise overdue debts, even difficult-to-collect items Claims, bad debts are unable to collect.

The Second, Risks of exchange rates: Scrap steel is the main material of the company mainly imported from abroad, paying to suppliers in foreign currency. In the process from signing a purchase contract until the goods arrive at the port to pay for suppliers, if there are changes in exchange rates in the market, it will significantly affect business results of the company.

The Third, Interest rate risk: With more than 6,300 billion working capital, the company has borrowed at credit institutions in the year, the increase or decrease of interest rates will greatly affect the financial costs of Production company. This directly affects the company's business results.

The Fourth, Competitive risks: With the expansion of increasing capacity of a series of factories in the North. makes the supply of steel market increasing and exceeding demand. Steel mills compete fiercely in terms of market share, customers as well as input materials and finished products. Many steel mills diversify their sales methods, diversify products and maximize technological advantages to reduce costs. Moreover, in many projects they do not put brand name and quality issues on the top, they tend to choose cheap steel, making VIS products very difficult to compete.

The Fifth, Personnel risks: In 2021, the situation of the Covid epidemic was very complicated, so the Company had to have countermeasures. The Company has also organized online work for the group of indirect employees. There was a time when there was a strong outbreak of the epidemic the Company arranged a direct employees stayed at Company to ensure production and business activities.

The Sixth, Economic risks: Macro economic such as GDP, inflation, exchange rate, interest rates... will affect to business activities. High inflation will cause banks to raise interest rates, the government tighten the monetary and fiscal policies; investment will be reduced, input materials price will be increased, makes lost and disadvantage to business.

The Seventh, Government regulatory risks: Enterprises operate under the law and relevant legal documents. The change and addition of legal documents have a direct impact on the operation of the Enterprises. Legal risk at VIS is the risk related to



compliance with the provisions of the law on environmental protection, taxes, fees, import of scrap...

The Eight, Risks of natural conditions, disasters and epidemics: Projects need sunny weather to execute. If during the year the weather is favorable, the project works well, the demand for steel will be stable. On the contrary, unfavorable weather conditions, construction progress of works and projects will be slowed down, demand for steel consumption will be slow. The disease situation of Covid-19 is currently 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 2021

1. Results of business operations in 2021:

Nội dung/ Content	Năm 2021/ Result in 2021			
	KH/ Plan 2021	Result in 2021	Tỉ lệ/ Rate	Result in 2020
1. Sản xuất/ Production (tấn/ton)				
- Phôi/ Billet	377,775	381,335	101%	351,174
+ Sản xuất/ Production	377,775	376,342	100%	342,556
+ Mua ngoài/ Outside buying	-	4,993		8,618
- Thép/ Steel	322,040	333,824	104%	325,072
+ Sản xuất/ Production	322,040	317,783	99%	305,379
+ G.c Thái Trung/ OEM at Thai Trung	-	16,041		19,693
2. Bán hàng/ Sales (tấn/ton)				
- Phôi/ Billet	45,000	51,819	115%	44,318
+ Bán ngoài/ Outside sale	45,000	37,509	83%	25,887
+ Gia công/ OEM	-	14,310		18,431
- Thép/ Steel	322,000	320,588	99.6%	327,667
3. Doanh thu/ Revenue (Tỷ đồng/ Bill dong)	4,588	5,821	127%	4,062
4. Lợi nhuận trước thuế/ Profit before taxes (Tỷ đồng/ Bill dong)	28.17	(132.53)		22.52
5. Đầu tư (tỷ đồng)/ Investment (billion VND)	153.67	40.18	26%	32.84
6. Thu nhập BQ tháng/ Monthly average salary (Triệuđồng/người/ Million vnd/personel)	13.14	13.42	102%	11.93

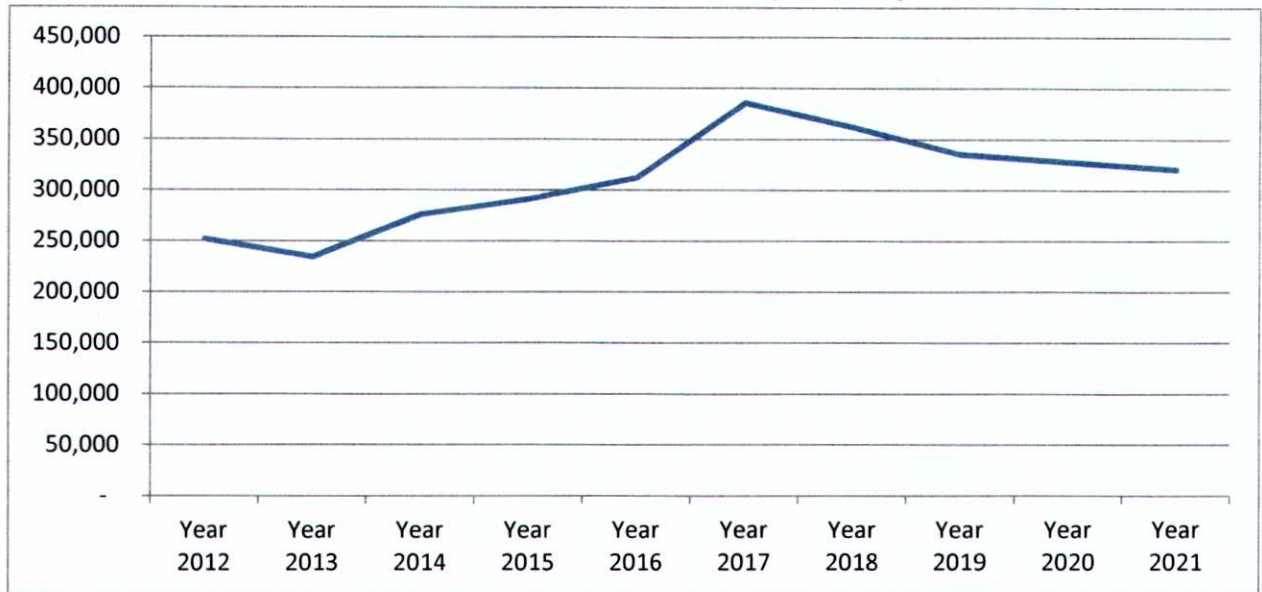


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VIS steel sales from 2012 to 2021 (Unit: Ton)



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%	
2	Satoshi Oda	Deputy General Director	0	0%	
3	Shin Yasuda	Deputy General Director	0	0%	
4	Satoshi Sugino	Deputy General Director	0	0%	
5	Đặng Ngọc Hưng	Deputy General Director	0	0%	
6	Takafumi Hayashi	Deputy General Director	0	0%	
7	Đặng Thị Tuyết Dung	Chief accountant	103	0%	

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 – Kwansai Gakuin University

- **Career timeline**

- + Apr 1985 – June 2003: Hazama Corporation
- + Nov 2003: Kyoee Steel Ltd. Hirakata Division
- + July 2008: Manager Accounting Section, Hirakata Division, Kyoee Steel Ltd.
- + Oct 2008: Manager – General Affair Section, Hirakata Division, Kyoee Steel

Ltd.

- + Jan 2011: Manager – Corporate Planning Department, Kyoee Steel Ltd.

Headquarter

- + Mar 2012: Deputy General Director – Kyoee Steel Vietnam Co., Ltd
- + Mar 2018: General Manager – Sales & Marketing Dept., Kyoee Steel Ltd.
- + June 2019: Deputy General Manager – Hirakata Division – Kyoee Steel Ltd.
- + May, 2020: Member of the BOM of Vietnam – Italy Steel JSC.
- + Current position at Companies/ Organizations: General Director of Vietnam - Italy Steel JSC: 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 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 Kyoee Steel Co.,Ltd.
- + 10/2007: Engineer at Steel rolling parts, Hirakata area.
- + 07/2010: Manager at steel production department, Hirakata area.
- + 03/2015: Deputy General Manager at Production Department, Hirakata area.
- + 06/2016: General Manager at Production Department, Hirakata area.
- + 05/2018: General Manager at Overseas Investment Division.
- Number of stock owing: None



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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: Manager, Kyoei Steel Vietnam Co., Ltd.
 - + Current position at Companies/ Organizations: Deputy General Director of 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



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

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
 - 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



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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

- 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

❖ **Mr . Takafumi Hayashi - Position: Deputy General Director**

- Male/Female: Male

- Date of birth: 28/04/1972

- Nationality: Japan

- Ethnic: Kinh

- Cultural: 12/12

- Education: Bachelor of Engineer

- 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.

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- + 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

2.2. Changes in the Executive Board in 2021:

No.	Number of Decision	Date of appointment	Managers name
1	18 QĐ-HĐQT dated March 26 th , 2021	March 26 th , 2021	Appointment Decision of General Director for Mr. Yasuhiro Yonemura
2	20/ QĐ-HĐQT dated March 26 th , 2021	March 26 th , 2021	Appointment Decision of Deputy General Director for Mr. Satoshi Oda
3	45/ QĐ-HĐQT dated Oct 18 th , 2021	Nov 01 st , 2021	Appointment Decision of Deputy General Director for for Mr. Takafumi Hayashi
4	21/ QĐ-HĐQT dated March 26 th , 2022	March 26 th , 2021	Appointment Decision of Deputy General Director for for Mr. Đặng Ngọc Hưng
5	19/ QĐ-HĐQT dated March 26 th , 2021	March 26 th , 2021	Appointment Decision of Deputy General Director for Mr. Satoshi Sugino
6	17/QĐ-HĐQT dated March 26 th , 2021	March 26 th , 2021	Appointment Decision of Deputy General Director for Mr. Shin Yasuda

2.3. Number & Qualification of employees until 31/12/2021:

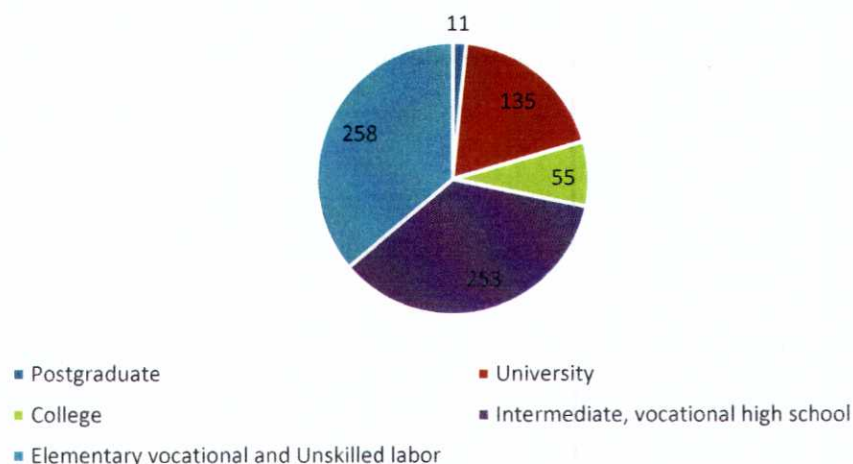


VIETNAM-ITALY STEEL JOINT STOCK COMPANY

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Number & qualifications of employees until 31/12/2021 (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.

✚ Average income in 2021 will reach 102% of the year plan. Administrative work: Completing the work well at the request of the Company.

✚ The training for employees: The year 2021 is mainly self-training, on-the-job mentoring and periodic training in accordance with law such as training on OSH, food safety and hygiene.

3. Financial situation

Unit: million Vietnam dong

Chỉ tiêu/ Content	Năm 2021	Năm 2020	Tăng (giảm)
Nợ ngắn hạn/ <i>Short-term liabilities</i>	2.596,8	2.342,0	254,8
+ Phải trả người bán ngắn hạn <i>Short-term trade payables</i>	243,3	169,9	73,4
+ Người mua trả tiền trước ngắn hạn <i>Short-term prepayments from customers</i>	0,3	7,4	(7,1)
+ Thuế và các khoản phải nộp NN <i>Taxes and other payables to government budget</i>	0,3	0,6	0,3
+ Phải trả cho người lao động <i>Payables to employees</i>	17,9	20,7	(2,8)
+ Doanh thu chưa thực hiện ngắn hạn/ <i>Short-term unearned revenues</i>	-	-	-
+ Phải trả ngắn hạn khác <i>Other short-term payments</i>	191,4	6,4	185
+ Vay và nợ thuê tài chính ngắn hạn	2.114,5	2.078,9	35,6



<i>Short-term borrowings and finance lease liabilities</i>			
+ Quỹ khen thưởng phúc lợi <i>Bonus and welfare fund</i>	1,4	2,1	(0,7)
Nợ dài hạn/ Long-term liabilities	5,1	3,9	1,2
+ Dự phòng phải trả dài hạn <i>Long-term provisions</i>	5,1	3,9	1,2
Tổng nợ phải trả / LIABILITIES	2.602	2.345	257

4. 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
- 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 December 27th, 2021)

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%
	Total	73.830.393	100,000%

c. Situation of changes in owners' investment capital: (not arising)

d. Transaction of treasury stocks: (not arising)

e. Other securities: (Not arising)

5. Environment-Social-Governance (ESG) Report of the Company

❖ Hung Yen factory

- Calculation results of CO2 emissions in 2021:

TT	Giá trị phát thải CO2 trong năm 2021 (đơn vị: KgCO2)	
1	Emission due to electricity use.	18.760.528
2	Emission due to use of diesel oil (DO).	63.685
3	Emission due to gas.	900.300
4	Emissions due to employee mobility	46
5	Sewage treatment	25.002

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TT	Giá trị phát thải CO₂ trong năm 2021 (đơn vị: KgCO₂)	
6	Emissions due to domestic waste	268
7	Emissions due to conventional industrial solid waste	34.561
8	Emissions due to hazardous waste	630
Total emissions 2021:		19.785.022

✓ **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 CO₂ 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 CO₂ emissions in 2021:**

No.	CO₂ emission value in 2021 (unit: KgCO₂)	
1	Emission due to electricity use.	112.455.465,9
2	Emission due to use of diesel oil (DO).	1.439.565,55
3	Emission due to gas.	354.253
4	Emissions due to container trucks carrying raw materials.	5.184
5	Emissions due to employee mobility	267.225
6	Sewage treatment	1.266,2
7	Emissions due to domestic waste	1.794,24
8	Emissions due to conventional industrial solid waste	464.027,6
9	emissions due to hazardous waste	187.538,56
Tổng lượng phát thải năm 2021/ Total emissions in 2021 (KgCO₂).		115.176.320

✓ **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 CO₂ absorption, improve the air.
- Implement waste reduction, strengthen the classification of household waste and promote recycling and reuse of waste.
- Limit the amount of emissions from motorbikes of officers and employees within the Branch.



- Propaganda to raise awareness of saving electricity and energy.
- Promote propaganda about environmental protection for all officers and employees in the whole Branch.

❖ **Comply with the law on environmental protection**

In 2021, the factory has strictly complied with the law on environmental protection according to the relevant Decrees and circulars. Prepare a plan for trial operation of the waste treatment facility and the application for inspection and certification of completion of the environmental protection work in accordance with the DTM approval decision of the People's Committee of Hung Yen province No. 1157/QD-UBND.

II. Report and assessment of the Board of Director

1. Business production result in 2021

In 2021 was the second year in a row, the world had to support and struggled with Pandemic Covid-19. Along with the continuous appearance of new strains, Covid-19 pandemic continues to influence all activities of countries around the world.

In Vietnam, the wave of Covid-19 outbreaks from the end of April 4/2021 with a rapid and dangerous spread rate, along with complex movements in many localities, seriously affected life, safe of people and socio-economic development.

For VIS, the first six months of the year achieved very positive results. Most criteria have reached and exceeded the plan. However, in the last 6 months of the year due to the heavy influence of Covid 19, so the whole year 2021 production results did not meet the plan. Accumulated in 2021, revenue is VND 5,821 billion; Loss before tax 132.53 billion VND

1.1. Sales:

➤ Steel Sales:

- In 2021, in the housing market, the demand for construction steel is very low, so almost steel mills focus on selling in the project market, making the competitive pressure in the project market extremely fierce.

- Faced with that situation, the Company actively analyzed and closely followed the market situation, built a sales plan to follow each project. Focusing on sales to key national projects. The policy of product diversification is increasingly focused in order to increase sales volume.

- In 2021, Steel sales volume were 320,588 tons, reaching 99.6% of the year plan.

- During 2021, the company also tried to adjust the proportion of sales among distributors. With the goal of not being too dependent on any one distributor to spread risks, the prolonged overdue debt situation has improved compared to the previous quarters.

- Market share: In 2021, VIS's market share accounting for 7.4% of the Northern market.



❖ **Billet Sales:** In 2021 steel billet market does not have many favorable factors, The volume of billet consumption is very limited, due to the cost of billet production is high so it is unable to compete with billet products in the market. The volume of billet consumption in 2021 reached 37,509 tons; Billet volume provided for steel OEM activities is 14,310 tons.

1.2. Production:

❖ **Billet production:** The production in 2021 achieved 376.342 tons, reached 100% of the plan..

❖ **Steel production:** Total steel production volume in 2021 is 317,783 tons, reaching 99% of the plan, increasing up 4% over in 2020. VIS product quality: Steel production in 2021: Steel production continues to be stable and maintains the growth momentum from previous years. Consumption indicators continued to improve.

1.3. Safety:

➤ **At Hung Yen Rolling factory:**

- From April 1, 2021, strictly implementing non-smoking rules within the factory, the number of filtered cigarettes was discovered after each patrol was reduced, but still appeared scattered in the billet yard cause of drive outside the company to receive goods.

- The operation of the company's safety and hygiene network has come into orderly. Safety and hygiene officer have actively propagated and reminds people in accordance with the company's regulations, providing comments to complete the company's safety and hygiene network.

- Labor hygiene activities 5s in 2021 grades better steps. The consciousness of implementing 5s of employees changes a lot, has a sense of neatly arranging utensils, besides the implementation of 5S status remaining is not effective, people need to improve their work Maintain to make 5S implementation more complete.

❖ **At Hai Phong factory:**

- The patrol and detection of potential hazards has been enhanced.

- The distribution of labor protective equipment has been improved in terms of quality and quantity to meet the needs of workers.

- Carry out large patrols every month. Maintaining monthly Safety and hygiene officer review meetings; December patrol didn't carry out due to covid-19 prevention requirements, the gathering was not conducted.

1.4. Công tác đầu tư: In 2021, the total amount of implemented investment is VND 40.18 billion.

2. Development plans in the future



2.1. Forecast of situation in 2022

❖ **Advantages:**

- World steel prices tend to increase due to high import demand of China and some countries in Europe due to supply shortage and the impact of the Covid-19 pandemic. This makes steel prices forecast to tend to increase next year.

- Many real estate projects that were postponed due to social distancing from the previous year will be quickly redeployed to meet the needs of the schedule committed with customers. At the same time, many large-scale public investment projects will be started, especially the North - South expressways, Long Thanh international airport and ring routes... will help steel consumption recover strongly, during the period of adaptation to the Covid-19 pandemic. Positive signals from public investment and the recovery of the real estate industry across the country will help the steel industry continue to be vibrant in 2022.

❖ **Difficulties:**

- The goal of reducing carbon in the steel industry has made many input costs of steel production increase, which is not a small challenge for enterprises in the steel industry in the coming time.

- Environmental issues are increasingly important to countries, which is also a big difficulty for receiving imported scrap.

- Decree No. 101/2021/ND-CP (effective from December 30, 2021) stipulating a 5% - 10% reduction in MFN import tax for construction steel and galvanized steel forces steel mills face a huge competition from foreign steel brands.

- The competition between domestic steel manufacturers continues to be fierce, and it is forecasted that VIS's business activities in 2022 will be even more difficult.

- The war between Russia and Ukraine affects the price of input materials, leading to high transportation costs. If this is not converted into the selling price, business activities will face many difficulties.

❖ **PRODUCTION AND BUSINESS PLAN IN 2022:**

Hạng mục <i>Content</i>	Kế hoạch 2022 <i>2022 plan</i>
1. Sản xuất/ Production (tấn/ton)	
- Phôi/ Billet	391,275
+ Sản xuất/ Production	391,275
+ Mua ngoài/ Outside buying	
- Thép/ Steel	340,280
+ Sản xuất/ Production	331,280



Hạng mục <i>Content</i>	Kế hoạch 2022 <i>2022 plan</i>
+ <i>Gia công/ OEM at KSVC</i>	9,000
2. Bán hàng/ Sales (tấn/ton)	
- Phôi/ Billet	64,000
+ <i>Phôi bán ngoài/ Billet selling. outside</i>	55,000
+ <i>Phôi OEM/ OEM Billet</i>	9,000
- Thép/ Steel	341,000
+ <i>Tự sản xuất/ VIS Production</i>	332,000
+ <i>Gia công/ OEM</i>	9.000
3. Doanh thu/ Revenue (tỷ đồng/ billion VND)	6,860
4. Lợi nhuận trước thuế/ Profit before taxes (tỷ đồng/ billion VND)	3.15
5. Lương bq(trồng/người/tháng)/Average salary(vnd mil/person/month)	12.5
6. Đầu tư/ Invesment (tỷ đồng/ billion VND)	166

4. Explanation of the Board of Directors for auditor's opinions (None)

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:*

No.	Full name	Position	Number of shares owned at the end of the period	Ghi chú
1	Mr. Hiroshi Kunimaru	Members of the BOM	0	Appointment from March 26 th , 2021
2	Mr. Yasuhiro Yonemura	Member of the BOM	0	Appointment from May 14 th , 2020
3	Mr. Shin Yasuda	Members of the BOM	0	Appointment from March 26 th , 2021
4	Mr. Đinh Quốc Thái	Members of the BOM	0	Appointment from March 26 th , 2021
5	Mr. Lê Thành Thực	Members of the BOM	0	Appointment from March 26 th , 2021
6	Mr. Yoichi Hoshino	Chairman of the BOM	0	Dismissal from March 26 th , 2021
7	Mr. Nguyen Duy Luan	Members of the BOM	0	Dismissal from March 26 th , 2021

• Profile of members of the BOM

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

- Male/Female: Male
- Date of birth: 24/11/1948.
- Passport number: TZ0760487.
- Place of birth: Japan



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- 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).
- + July, 1994: Engineer at Florida Steel Corp (USA).
- + Mar, 1997: Engineer at Ameli Steel Corp (USA).
- + April, 2003: Deputy General Manager of Production Department at Hirakata Plant.

- + Oct, 2007: Deputy General Director at Vina Kyoei Steel Co., Ltd (Viet Nam).
- + Mar, 2012: Deputy General Director at Kyoei Steel Vietnam Co., Ltd.
- + April, 2016: General Director at Kyoei 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 21st, 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, Limied (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 Kyoei Steel., Ltd
- + June 2016: Board Manager of Kyoei industrial Co., Ltd
- + June 2017: Executive Officer of Kyoei Steel., Ltd
- + June 2018: Senior Executive Officer of Kyoei Steel., Ltd
- + April, 2019: Member of the BOM, Vietnam – Italy Steel., JSC
- 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

❖ **Yasuhiro Yonemura – Member of the BOM cum General Director**
(*Curriculum vitae at the BOD*).

❖ **Mr. Shin Yasuda – 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.



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+ 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. Dinh Quoc Thai**

Male/Female: Male

- Date of birth: April 29th, 1963

- Nationality: Vietnam

- Ethnic: Kinh

+ March 26, 2021: 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

❖ **Mr. Le Thanh Thuc**

Male/Female: Male

- Date of birth: August 15th, 1978

- Nationality: Vietnam

- Ethnic: Kinh

+ March 26, 2021: 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 Management: 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

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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.

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

In 2021, the Board of Management held 04 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 80% of the voting members agree.

✓ **January 25th, 2021 – BOM Meeting in the Fourth Quarter, 2020**

- Chairman at the meeting: Mr. 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:
 - + Approving the production and business results of the fourth quarter of 2020 & whole 2020 and the report on the business plan for the first quarter of 2021 & whole 2021.
 - + Approve loan limit at banks in 2021.
 - + Approve the plan to pay salary for the 13th month of 2020 for the Chief Accountant, Supervisory Board, BOD and BOM.
 - + Approving the last registration date to hold the 2021 Annual General Meeting of Shareholders.
 - + Report of the Inspection Committee on the appraisal of financial statements in 2020 and the management and administration of the BOM, BOD.

✓ **March 26th, 2021 - Meeting of the BOM in the First Quarter, 2021**

- 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:
 - + Assignment on tasks to members of the BOM of the Company.
 - + Appointment on members of the Board of Directors.



- + Expected report on the business production result in the first quarter, 2021 & plan on business production in the second quarter, 2021.
- + Amending of Regulation on purchasing and selection contractor, supplier.
- + Amending of Regulations on classification of management of investment projects.
- + Report on internal audit of the Company.
- + Approval the salary of the BOD, Chief Accountant of the Company.
- + Authorize the General Director to approve transactions of related parties.
- + Report of the Inspection Committee on the appraisal of financial statements of the First Quarter of 2021 and the management and administration of the BOM, BOD.
- ✓ **July 21st, 2021 - The BOM meeting in the Second Quarter, 2021**
 - 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, 2021 and business production plan in the Third quarter, 2021.
 - + Changes to some contents in the Salary Regulations.
 - + Approval policy on investment New Rolling Mill in Hai Phong Branch.
 - + Report of the Inspection Committee on the appraisal of financial statements of the second quarter of 2021 and the management and administration of the BOM, BOD.
 - + Report on submission of additional budget estimate of buying transformer & OLTC for EAF.
- ✓ **October 19th, 2021 - The BOM meeting in the Third Quarter, 2021**
 - Chairman of the meeting: 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 Third quarter, 2021 and business production plan in the Fourth quarter, 2021.
 - + Approval appointment Chief Accountant from November 01st, 2021.
 - + Report of the Inspection Committee on the appraisal of financial statements of the Third quarter of 2021 and the management and administration of the BOM, BOD.
 - + Report on changing working form of Mr. Vu Van Huy – Leader of Inspection Committee from full time to part time

d) Activities of independent members of the Board of Management



In 2021, the BOM has 05 members. The BOM actively participated in planning, compliance control and strategic review activities and ensured the provisions of the Law and the Company's Charter.

❖ **Regarding the organization of the BOM meeting**

- Meetings of the the BOM were convened and carried out as planned, in compliance with the provisions of the Law and the Company's Charter.

- Issues related to the development of production and business plans were discussed and strictly controlled between the BOM and the BOD. The Company's operation is carried out according to clear decentralization, always evaluated, analyzed, and identified risks in a timely manner to ensure stability, safety, and compliance with the Company's Charter legislation as well as achieving the plan by the BOM and the Annual General Meeting of Shareholders.

❖ **Regarding the supervision of the General Director and other members of the BOD**

- In general, the BOM has carried out supervision over the BOD, ensuring the operation of the Company.

- Members of the BOM wese positions in the BOD have regularly attended regular and extraordinary meetings of the BOD. Thereby, the BOM always understands the operation situation of the Company.

- Members of the BOM actively identify roles and responsibilities to support the BOD.

- The BOD pays special attention to risk management solutions, in order to assist the BOD in early identification of problems and to help the company maintain its stability and stability in operations, and protect the rights and interests of the Company Investors.

❖ **The activities of the Board of Management**

- According to the operation plan of the BOM, the work of the BOM carried out in 2021 is concentrated in accordance with the Resolution of the General Meeting of Shareholders and in compliance with the Charter, the Regulations of the BOD.

- All members of the BOM have a high sense of responsibility, have high professionalism, are clear about their assigned responsibilities in protecting the interests of the Company and are careful in performing their roles.

- Quarterly, the Board of Management issued a Resolution on the results of production and business activities and the management and administration of the Company.

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 th , 2019
2.	Ms. Le Van Chi	Member of the Inspection Committee	0	Appoitment from July 10 th , 2018
3.	Mr. Ha Huy Thuyet	Member of the Inspection Committee	0	Appoitment from March 21 st , 2017

b. List of members of the Inspection Committee

❖ **Mr. Vu Van Huy**

- Male/Female: Male
- Date of birth: July 20th, 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 19th, 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 2021, the Inspection Committee has performed the tasks as prescribed in the Company Charter and other provisions of law, as follows:

- Supervising the activities of the BOM, supervising the management and administration of production and business activities of the BOD in accordance with the Enterprise Law and the Company's Charter;
 - Consider the appropriateness in the decisions of the BOM, BOD in the management process;
 - Supervising the implementation of the resolutions of the BOM, BOD;
 - Supervising the Executive Board in the implementation of financial work;
- inspect and supervise the inventory and prepare quarterly and 6-month financial



statements to ensure the truthfulness and accuracy in recording and updating the Company's accounting documents and books; control costs, revenue; appraise financial statements on the basis of independent audit reports submitted to the Annual GMS.

- Inspection of the contract signing content; Purchasing content; Investment and major repair content of the Company.

- Performing supervisory duties, the Inspection Committee attended all BOD meetings. During the meetings, the Inspection Committee contributed opinions on the contents of production and business activities, investment activities and some other work of the Company.

- Review the current management regulations of the company and propose the BOM to consider adjusting and supplementing to suit the actual situation of the Company and current regulations. In May 2021, the Company issued the remaining 02 regulations, which are the Regulation on purchasing and selecting contractors; Regulations on decentralization of investment management.

- Monitor the implementation of the company information disclosure in accordance with the provisions of the Securities Law, consider the transparency of the information disclosure process to ensure the interests of shareholders.

❖ **The coordination among the Inspection Committee the BOM, BOD and other managers:**

- In general, in the process of performing its duties, the Inspection Committee always receives attention and creates favorable conditions from the BOM, BOD and managers in the Company so that the Inspection Committee can complete the tasks assigned by the General Meeting of Shareholders.

- The meetings of the BOM and BOD, the Inspection Committee are invited to attend and contribute ideas to build the organization, management, operation of production and business and strategy and development plan of the Company.

❖ **Other activities of the Inspection Committee**

Meeting of the Inspection Committee to agree on the contents related to the functions and duties of the Inspection Committee in accordance with the provisions of the company's charter, specifically, the meetings of the Inspection Committee as follows:

- January 18th, 2021: Approving the report on appraisal of the financial statements of the fourth quarter of 2020 and evaluating the management and administration of the BOM, BOD and the draft operating regulations of the Supervisory Board to submit to the General Meeting of Shareholders. The members of the Inspection Committee approved 100%.



VIETNAM-ITALY STEEL JOINT STOCK COMPANY

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

- March 26th, 2021: Approving the report on the operation of the Inspection Committee in 2020 and the operation plan for 2021; Report on selection of audit unit in 2020. Members of the Inspection Committee approved 100%.

- April 28th, 2021: Approving the appraisal report of the financial statements of the first quarter of 2021 and evaluating the management and administration of BOM and BOD in the first quarter of 2021 and other contents. The members of the Inspection Committee approved 100%.

- July 17th, 2021: Approving the appraisal report of the financial statements of the second quarter of 2021 and evaluating the management and administration of BOM and BOD in the second quarter of 2021 and other contents. The members of the Supervisory Board approved 100%.

- October 17th, 2021: Approving the appraisal report of the third quarter of 2021 financial statements and evaluating the management and administration of BOM and BOD in the third quarter of 2021 and other contents. The members of the Supervisory Board approved 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	Ghi chú/ Remark
1	Hiroshi Kunimaru	Chairman of the BOM		199.693.333	
2	Yoichi Hoshino	Chairman of the BOM		274.833.333	
3	Yasuhiro Yonemura	Member of the BOM cum General Director	950.625.000	181.350.000	
4	Shin Yasuda	Member of the BOM	711.750.000	137.575.00	
5	Đình Quốc Thái	Member of the BOM		149.039.583	
6	Lê Thành Thực	Member of the BOM		149.039.583	
7	Nguyễn Duy Luân	TV HĐQT		43.775.000	
8	Vũ Văn Huy	Leader of Inspection Committee	568.500.000		
9	Lê Văn Chi	Member of the Inspection Committee		149.500.000	
10	Hà Huy Thuyết	Member of the Inspection Committee		149.500.000	



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No.	Họ và tên/ First and last name	Chức vụ/ Position	Lương/ Salary	Thù lao/ Remuneration	Ghi chú/ Remark
11	Satoshi Oda	Deputy General Director	589.434.783	63.560.870	
12	Satoshi Sugino	Deputy General Director	355.875.000		
13	Đặng Ngọc Hưng	Deputy General Director	714.500.000		
14	Takafumi Hayashi	Deputy General Director	74.402.174		

❖ **Transactions between VISCO and related companies**

TT	Company Name	Selling (VND)	Purchasing and Service (VND)	Capital guarantee fee (VND)
1	Thai Hung Trading JSC	475.513.884.527	366.839.103.430	
2	Vina Kyohei Steel Ltd.	66.832.646.500	20.000.000	
2	Kyohei Vietnam., LTD	126.476.743.030	119.275.450.378	
3	Thai Hung Trading., LTD	248.696.695.120		
4	Kyohei Steel..LTD		59.538.399	2.918.412.486
	Total	917.519.969.177	486.194.092.207	2.918.412.486

❖ **Trading stocks of internal and related of internal:**

TT	Transaction executor	Relationship with internal persons	Number of share owned at the beginning of the period	Number of shares owned at the end of the period	Reasons for increasing decreasing (Buying, Selling, converting, rewarding, etc.
1	Mr. Lê Thành Thực	Member of the BOM	1.034.040	0	Trade on exchanges or agreement

e) 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 March 26th, 2021, issued in a timely manner, well implementing the management function of the Board



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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 audied report):

In our pinion, 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 2021 and of its results of operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financila reporting.

The financial statements of the Company for the year ended 31 December 2021 were audited by another firm of auditors whose report dated 21 February 2021 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./.

**VIETNAM- ITALY STEEL
JOINT STOCK COMPANY**
CÔNG TY
CỔ PHẦN
THÉP
VIỆT-Ý
HUYEN MY HUNG YEN

Yasubiro Yonemura

Yasubiro Yonemura