

MINISTRY OF INDUSTRY AND TRADE
HANOI BEER ALCOHOL AND BEVERAGE
JOINT STOCK CORPORATION

THE SOCIALIST REPUBLIC OF VIETNAM
Independence - Freedom - Happiness

Ha Noi,, 2026

BOARD OF MANAGEMENT'S REPORT ON EVALUATION OF BUSINESS AND PRODUCTION ACTIVITIES IN 2025 AND PLAN FOR 2026

To: The General Meeting of Shareholders of HABECO

I. Business and production performance in 2025

1. General context

In 2025, the global economy was significantly affected by factors such as: The imposition of tariffs by the United States leading to retaliatory measures from many countries worldwide, which increased trade barriers; Global geopolitical instabilities and conflicts... These factors resulted in rising logistics costs and volatile commodity prices.

Domestically, unfavorable weather conditions with numerous storms causing the highest number and scale of damages in recent years; increasingly fierce competition among enterprises in the industry; severe fluctuations in foreign exchange rates (since the beginning of the year, the EUR has increased by 16.3%, and the USD has increased by 3.2%) directly affected HABECO's raw material costs, especially the price of cans in 2025, which is estimated to increase by about 7.7% year-on-year; and the State's policies on restricting the consumption of beer and alcohol continued to be strongly implemented.

Competition remained fierce in the beer industry. The strict enforcement of regulations on blood alcohol content for drivers continued to foster a positive habit among consumers yet simultaneously reduced the industry's consumption volume. To capture market share, many brands actively executed numerous communication initiatives and promotional programs offering high-value prizes targeting consumers, creating a highly competitive market.

2. Results of business and production activities in 2025

2.1. Key business and production indicators:

- Revenue from sales and provision of services (inclusive of Special Consumption Tax): 7,683 billion VND, representing a 4.3% increase year-on-year and a 3% increase compared to the annual plan;

- Total profit after tax: 400.3 billion VND, an increase of 8.5% year-on-year and 74.9% higher compared to the annual plan.

2.2. Financial ratios in 2025:

- The current ratio and quick ratio remained at a safe and stable level (>1);
- Return on charter capital after tax was 17.3%;
- Return on equity (ROE) was 9.2%;
- Return on total assets (ROA) was 6.5%.
- The debt-to-equity ratio remained low at 0.41.

These ratios indicate that HABECO's results were on par with the industry average which ensured effective business and production performance, financial safety, and a high self-financing capacity while safeguarding and growing its capital.

3. Solutions implemented in 2025

3.1. Market activities:

In 2025, HABECO implemented various strategic initiatives to enhance sales activities, specifically:

- Brand positioning and product development strategy: conducted research and improved product quality, launched new product lines with different volumes to meet consumer demands and enhance competitive advantages. Upgraded packaging, labeling, and brand identity to align with consumer preferences, mainly targeting the younger demographic. Notably, the new product - Hanoi Draft Beer 1L Keg, which was researched, produced, and launched in early 2025, has been receiving positive feedback from customers.

- Branding and development strategy: reinforced its position and differentiation from industry competitors by portraying a "National Brand" representing Vietnamese identity and culture. Enhanced brand communication quality through premium, emotionally resonant materials and imagery, expanded advertising reach across traditional and modern channels, and developed consumer brand engagement activities via direct promotional campaigns to foster multi-dimensional connections with consumers.

- Trade promotion strategy: designed consumer promotion programs adapted to market fluctuations to strengthen brand competitiveness, increase consumer engagement, and support HABECO's distribution and sales activities, thereby protecting and expanding market share. Implemented new promotional methods to enhance convenience for customers and consumers.

- Distribution and market development strategy: adopted a focused and specific approach aligned with market characteristics, competitive landscape, and HABECO's resources in the Northern, Central, and Southern regions. Gradually developed strategic volumes in each region nationwide. Strengthened control over the distribution system and sales points and diversified distribution models through e-commerce and modern sales channels.

- Strengthened coordination among member units ensured synchronized implementation of market strategies to maximize investment efficiency. Deployed solutions include opening new distributors and retail points, launching consumer-oriented sales promotion programs, and expanding corporate sales channels, especially during the Lunar New Year.

- Regarding export activities: in 2025, total beer export volume increased by 7% year-on-year, while export revenue rose by 10% compared to the same period. These results reaffirm the position of Hanoi Beer products amid a challenging global economic environment, particularly within the beverage market. At present, Hanoi Beer products are exported to nearly 15 countries, with the strongest growth recorded in the Russian market. This represents a positive signal for the expansion of Hanoi Beer's market share in the international market.

3.2. Financial activities:

Throughout 2025, HABECO closely monitored the business and production situation, balanced cash flows to ensure sufficient capital for business operations at all times, and optimized financial profits; well-controlled the execution of the operational cost plan to ensure the fulfillment of the planned profit targets approved by the General Meeting of Shareholders.

- Besides solutions for balancing production and technical support to ensure productivity and product quality, HABECO continues implementing financial support solutions for Companies within the corporate system facing difficulties to ensure the continuous business activities and improve production and business results of the units' production. Thus, the Corporation contributes to enhancing the production and business efficiency of the entire group.

- Closely controlled and promptly forecasted the implementation of production and business plans to serve operations and ensure the completion of profit targets assigned by the General Meeting of Shareholders.

3.3. Human resource activities:

- Conducted a review of the management staff planning and the process of appointing and re-appointing personnel throughout the HABECO complex for the 2025 - 2030 period.

- Labor was balanced and flexibly allocated across departments to ensure alignment with production and business requirements while optimizing employee capacity.

- The Corporation consistently upheld the implementation of regimes and policies, ensuring that employees receive salaries and bonuses in accordance with their job positions, performance levels, and the Corporation's business results. Additionally, the Corporation ensures that salary and bonus payments are made effectively, reasonably, and competitively in alignment with market standards.



- Organized multiple training courses to enhance work efficiency and improve employee competency.

3.4. Technical, quality management, and ISO activities:

- Implemented technical solutions to diversify the use of raw materials in the production process, applied solutions to optimize the use of chemicals and energy, thereby contributing to environmental protection and enhancing production efficiency

- In 2025, product quality across the entire system was consistently maintained and further improved, while energy consumption was optimized more efficiently compared to 2024.

- Organized advanced sensory training courses and brand/product awareness classes for sales staff of trading companies and member units.

- Implemented the application of information technology in sensory evaluation activities, including the development of online software based on the digitalization of consumer preference tests, as well as the assessment of the capabilities of HABECO's sensory panel and those of its member units.

- Established, maintained, supervised, and evaluated the integrated ISO system between the Corporation and member units according to ISO 9001:2015, ISO 22000:2018, and ISO 14001:2015 standards.

3.5. Scientific research and technology activities:

- Stored and preserved HABECO's yeast strains with absolute safety.
- Analyze and assess beverage market trends to improve product quality and support new product development.

3.6. Investment activities:

Conducted research and prepared plans for the relocation of production facilities, and developed a plan to establish the Hanoi Beer Museum tourist destination at 183 Hoang Hoa Tham, in accordance with the requirements of Decision No. 3952/QĐ-UBND and the policies and orientations of the Hanoi People's Committee.

3.7. Other managements:

- Innovation and improvement initiatives are continuously encouraged. During the year, nearly 200 initiatives of varying scales were proposed and implemented. These initiatives delivered economic benefits and aligned with HABECO's strategic orientation in digital transformation, enhanced system governance, product quality improvement, and production optimization, generating total value gains of nearly 35 billion VND.

Social responsibility activities: maintaining long-term support for 12 Vietnamese Heroic Mothers, providing care for orphans, contributing to central and local social funds, and carrying out various other charitable activities

HABECO's total social charity amount in 2025 is 4.8 billion VND.

In 2025, HABECO won significant awards, demonstrating its prestige, quality, and brand value, including:

- Vietnam Golden Star Award;
- National Brand Award;

II. Production and business plan for 2026:

1. General context

Entering 2026, the global economic landscape remains challenging and unpredictable. From the early months of the year, global supply chains have experienced significant disruptions due to developments in the Middle East. In addition, fluctuations in exchange rates, interest rates, oil prices, and logistics costs have been volatile, exerting considerable pressure on business and production activities.

The year 2026 marks the beginning of the 2026-2030 period and serves as a foundational year for enterprises in the beer industry to adjust their production and business operations in response to the approved roadmap for increases in excise tax (*from 2027 onwards, the excise tax rate is set to increase by 5% annually during the 2027-2031 period*). Meanwhile, the domestic market in 2026 is expected to show limited improvement in purchasing power, with household incomes yet to recover significantly. HABECO continues to face intense competition from large corporations with strong financial capacity, human resources, and sales expertise. Consumer demand is also influenced by a preference for imported beer products.

Therefore, in order to enhance competitiveness, strengthen brand presence, maintain market share, and increase sales volume, HABECO will continue to vigorously implement a range of sales initiatives in 2026.

2. Key production and business targets:

In 2026, HABECO sets the following strategic objectives:

- Continue to reinforce HABECO's leading position in the Northern market, especially in the mainstream beer segment; Develop and expand the market in the Central and Southern regions.
- Improve the competitiveness of products and services. Continue to enhance brand value by improving the quality of brand communication, and increasing the frequency and coverage of advertising on traditional and modern channels.

Based on these objectives, HABECO anticipates the following key production and business targets for 2026:

- *Revenue from sales and provision of services (inclusive of Special Consumption Tax): 7,799.6 billion VND;*

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- **Total profit after tax: 234.4 billion VND;**

- **Dividend payout rate: 8.5%.**

3. Key solutions:

3.1. Market activities:

- Brand positioning strategy: Continue to focus investment on segments, service quality, distribution systems, and communication activities to consolidate the position, helping to increase differentiated consumer experiences and a modern, premium brand image, aiming to elevate the brand in the medium and long term.

- Branding and communication strategy:

Focusing on investing and exploiting the competitive advantages of key product groups by consolidating brand image, improving product quality, enhancing consumer experience, and consistently communicating Vietnamese identity and brand to create distinct values, helping consumers feel proud of national culture and identity when choosing products.

Brand communication efforts are centered on enhancing brand value and diversifying communication channels to effectively engage target audiences across different provinces and local markets.

Enhance direct communication with target customers, implement promotional programs, and strengthen customer appreciation initiatives.

- Distribution strategy:

Distribution strategy by region and product: Planning key products according to the characteristics of each region to optimize distribution resources suitable for the characteristics of each market region.

Channel distribution strategy: Focus on the development of the OFF channel (indirect consumption channel), ON channel (direct consumption channel), MT channel (modern channel), and e-commerce channel. Effectively organize customer care and support activities, attract customers to learn about and use HABECO's new distribution channel.

Distribution system planning strategy: Completing the distribution system, selecting potential distributors with large distribution systems, and replacing weak and poor distributors.

- Strengthen the export of Hanoi Beer to existing markets, especially increasing export volume to the US and European markets, as well as exploiting new export markets. HABECO sets a plan for export volume in 2026 to grow by 10% year-on-year.

3.2. Materials activities:

- Continuously update information and factors directly affecting raw material prices to promptly evaluate fluctuations in international demand and

supply. Analyze and evaluate macroeconomic factors and national policies expected to affect the supply of raw materials domestically and internationally to improve efficiency in goods procurement.

- Develop appropriate raw material procurement plans and solutions for each period of 2026 for HABECO.

3.3. Financial activities:

- Strengthen the management of assets, capital, cash flow, and cost plan implementation to closely monitor and analyze fluctuations in factors affecting production and business results and make timely forecasts to be proactive in operations.

- Continue to review and identify cost plans necessary for production and business, reduce costs that are not urgent to focus on market work, develop product consumption, and ensure effective business operations.

- 2026 is forecasted to be a year with high volatility in exchange rates and interest rates. Therefore, HABECO will intensify its close monitoring of exchange rate fluctuations to purchase imported raw materials and spare parts at the lowest possible cost, save on production costs, and enhance product competitiveness. Additionally, the Corporation will continue to effectively leverage interest rates for term deposits.

3.4. Human resource activities:

- Continue to refine the organizational structure for production management, streamline departmental functions and responsibilities in line with management and operational requirements.

- Enhance workforce training and development, ensuring flexible labor allocation, relocation, and recruitment planning to align with the Corporation's production and business strategy.

- Implement training programs to strengthen and improve managerial competencies in response to an increasingly competitive market and the challenges posed by a rapidly changing natural environment.

3.5. Technical, quality management, and ISO activities:

- Continue applying science and technology in professional and production activities to enhance workers' work ethic, improve labor and production line efficiency, and optimize cost savings across production stages.

- Continue implementing sensory training programs, while strengthening supervision over inventory storage, stock rotation, and product preservation.

3.6. Scientific research and technology activities:

- Continue to improve the quality of products.

- Conduct quarterly periodic analysis and evaluation of certain beverage

products on the market, and synthesize beverage market trends to improve packaging and products.

- Analyze and evaluate high-tech indicators to serve technical and quality management.

3.7. Investment activities :

- Develop a proposal for establishing the Hanoi Beer Museum as a tourist destination and report to the Ministry of Industry and Trade, the Hanoi People's Committee, and relevant departments for consideration and approval. Conduct research on a plan to relocate the production facility at 183 Hoang Hoa Tham.

- Continue studying and implementing projects to upgrade equipment, enhance production efficiency, optimize energy use, and minimize environmental impact, such as rooftop solar power systems, membrane beer filtration systems, and energy-efficient refrigeration system upgrades...

- Improve and enhance the effectiveness of the enterprise resource planning (ERP) system.

The above is the Board of Management's report on the 2025 business and production plan and the proposed 2026 business and production plan.

We respectfully submit this report to the General Meeting of Shareholders for review and feedback to enhance the effectiveness of the Board of Management's operations.

We wish the General Meeting great success!

Sincerely!

GENERAL DIRECTOR

Recipients:

- GMS;
- BoD,
- BoS;
- Archive:AD, KH.

Ngo Que Lam