

**VIET TRUNG QUANG BINH JOINT STOCK COMPANY**



**Quang Binh, April 2025**



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## I. GENERAL INFORMATION

### 1. Overview

<b>Trading name</b>	: Viet Trung Quang Binh Joint Stock Company
<b>Business registration certificate number</b>	: No. 3100114493 issued by the Department of Planning and Investment of Quang Binh Province for the first time on 02/07/2010, registered for the 8th change on 19/11/2022 by the Business Registration Office of the Department of Planning and Investment of Quang Binh Province
<b>Charter capital according to business registration</b>	: 170,817,910,000 VND
<b>Actual contributed charter capital</b>	: 170,817,910,000 VND
<b>Address</b>	: Group 3, Vietnam Trung Town, Bo Trach District, Quang Binh Province
<b>Phone number</b>	: 02323.796.003
<b>Fax number</b>	: 02323.796.060
<b>Website</b>	: <a href="http://www.viettrungqb.com.vn">www.viettrungqb.com.vn</a>
<b>Stock code</b>	: VTQ

### 2. The formation and development process of the Company

Time	Description
<b>1961</b>	The Vietnam Trung Quang Binh Joint Stock Company, formerly the Vietnam Trung State Farm, was established on January 1, 1961, based on the merger of three economic entities: Phu Quy State Farm, Sen Bang Farm, and Thuan Duc Livestock Facility, with the main activities being the cultivation, care, harvesting, processing of rubber and pepper plants.
<b>1998</b>	On April 10, 1998, the People's Committee of Quang Binh Province issued Decision No: 06/1998/QD-UBND to establish the Vietnam Trung Rubber Company based on the Vietnam Trung State Farm, with its main functions being: organizing the production and trading of rubber, providing seedlings, techniques, replanting, purchasing, processing, consuming rubber latex products, and implementing new crop projects such as coffee, pepper, and peanuts, expanding activities towards a comprehensive business model, exploiting the land and labor potential under the management of the company according to approved planning and schemes.



<b>2010</b>	On June 30, 2010, the People's Committee of Quang Binh Province issued Decision No 1478/QD-UBND regarding the transformation of the Vietnam Trung Rubber Company into a one-member limited liability company named Vietnam Trung, with the People's Committee owning 100% of the state capital. Consequently, from July 1, 2010, the company transformed into Vietnam Trung One Member LLC operating under the Enterprise Law.
<b>2017</b>	On April 19, 2017, the People's Committee of Quang Binh Province issued Decision No 1293/QD-UBND approving the plan for equitization and transforming Vietnam Trung One Member LLC into a joint stock company. On September 22, 2017, the company held a shareholders' meeting for the establishment of the joint stock company. On October 1, 2017, Vietnam Trung One Member LLC was converted into Vietnam Trung Quang Binh Joint Stock Company according to the business registration certificate No 3100114493, the fifth change issued by the Department of Planning and Investment of Quang Binh Province, with a charter capital of 185,723,720,000 VND (In words: One hundred eighty-five billion seven hundred twenty-three million seven hundred twenty thousand VND).
<b>2018</b>	On August 24, 2018, the People's Committee of Quang Binh Province issued Decision No 2814/QD-UBND approving the adjustment of the value of the enterprise during the equitization of Vietnam Trung One Member LLC and Decision No 2815/QD-UBND approving the adjustment of the value of the state capital at the time Vietnam Trung One Member LLC transitioned to a joint stock company. Accordingly, the actual value of the state capital for equitization was 170,817,913,062 VND, and the adjusted charter capital was 170,817,910,000 VND. On October 3, 2018, the Vietnam Trung Quang Binh Joint Stock Company was approved by the State Securities Commission (SSC) for its public company registration.
<b>2019</b>	On January 5, 2019, the People's Committee of Quang Binh Province issued Decisions No 31/QD-UBND and No 32/QD-UBND to annul Decisions No 2814/QD-UBND and No 2815/QD-UBND for consultation with the Prime Minister.
<b>2020</b>	On June 3, 2020, the government issued Resolution No 86/NQ-CP regarding the handling of difficulties in the equitization of Vietnam Trung One Member LLC and Le Ninh Quang Binh LLC belonging to the



	People's Committee of Quang Binh Province. Accordingly, the People's Committee of Quang Binh Province issued Decision No 3574/QD-UBND on September 29, 2020, officially adjusting the charter capital of Vietnam Trung Quang Binh Joint Stock Company after equitization to 170,817,910,000 VND.
<b>2022</b>	On January 4, 2022, the company was granted securities registration certificate No 01/2022/GCNCP-VSD by the Vietnam Securities Depository Center with an initial registered number of 17,081,791 shares.

### 3. The main industry and business area of the Company

#### *Main business activities::*

- + Cultivation, care, and processing of natural rubber latex; Production of rubber seedlings - Industry code: 01250;
- + Processing of raw wood, finished wood from planted forest materials, importing wood processing equipment, rubber, and other equipment serving production and business - Industry code: 16291;
- + Cultivation of short-term crops; trading and processing of short-term crop products - Industry code: 01190.

*Business area:* Nationwide

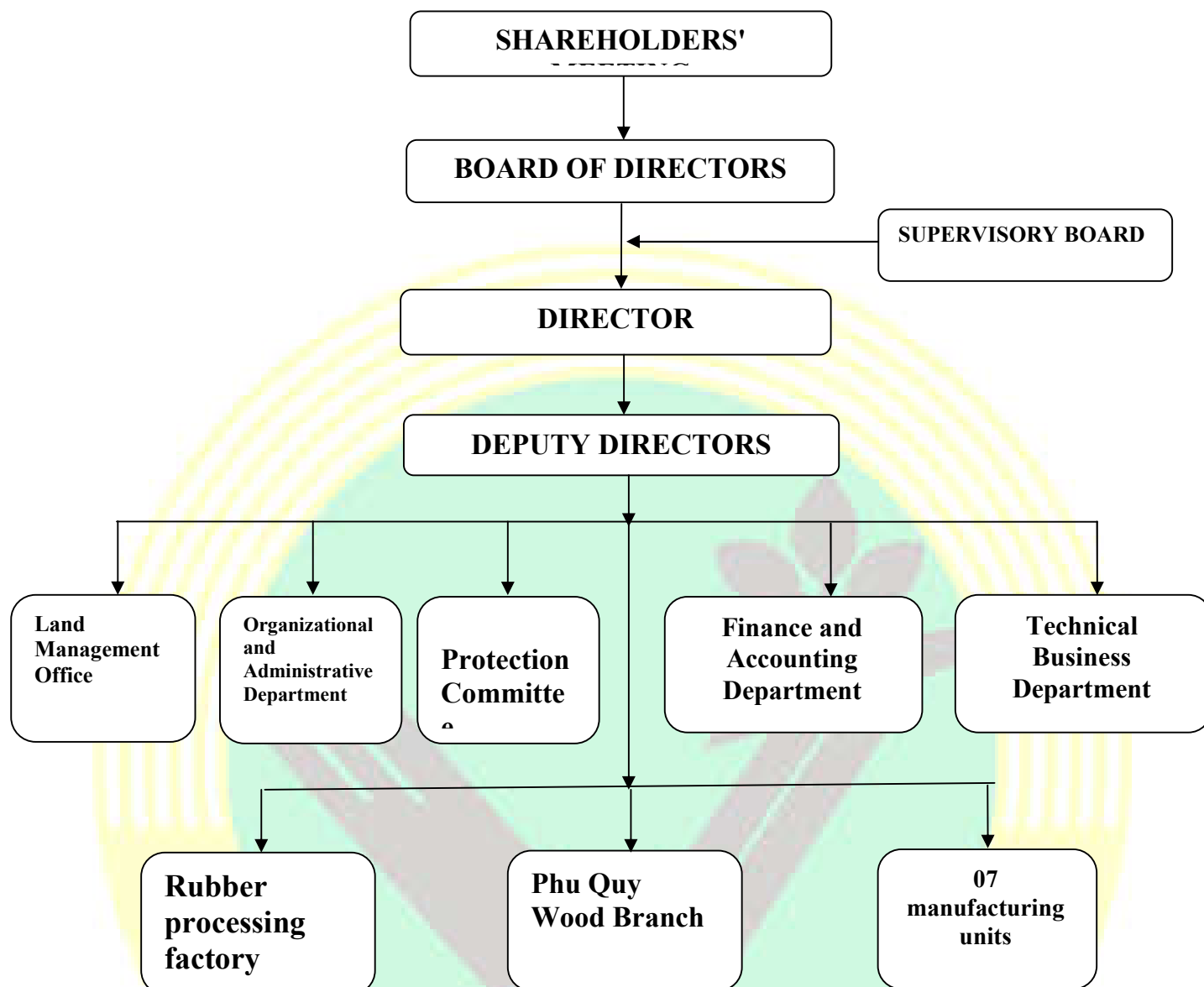
### 4. Information about the governance model, business organization, and management structure

#### Governance model

Currently, Vietnam Trung Quang Binh Joint Stock Company is applying the organizational model of a joint stock company. The management structure of the company is built based on the development goals, business strategy of the company, while also complying with the provisions of the Enterprise Law and the company's charter, including: Shareholders' Meeting, Board of Directors, Supervisory Board, and Management Board.



Diagram 1: Structure of the management apparatus of the company



*(Source: Viet Trung Quang Binh Joint Stock Company)*

To ensure effective business operations, the Company has organized its functional apparatus with responsibilities and authorities as follows:

❖ **The General Meeting of Shareholders:** Composed of all shareholders with voting rights, this is the highest authority of the Company, deciding on issues as regulated by law and the Company's charter. In particular, shareholders will approve the Company's annual financial statements and the financial budget for the following year.

❖ **The Board of Directors:** The Board of Directors is the governing body of the Company, having full authority on behalf of the Company to decide all matters related to the objectives and interests of the Company, except for issues within the jurisdiction of the General Meeting of Shareholders. The Board of Directors is responsible for



supervising the CEO and other managers. The rights and obligations of the Board of Directors are determined by law, the Company's charter, the internal regulations of the Company, and the resolutions of the General Meeting of Shareholders. The Board of Directors consists of 07 members. The Board of Directors elects one member as Chairman.

❖ **The Supervisory Board:** The Supervisory Board is an agency under the General Meeting of Shareholders, elected by the General Meeting of Shareholders. The Supervisory Board has 03 members. The Supervisory Board is responsible for examining the legality and appropriateness in the management of business operations and the Company's financial reports. The Supervisory Board operates independently from the Board of Directors and the Management Board.

❖ **The Management Board:**

The Director is the person in charge of day-to-day operations, making decisions on issues related to the daily activities of the Company, and is responsible to the General Meeting of Shareholders, the Board of Directors, and the law for their decisions and the results of production and business activities. They define the organizational structure, responsibilities, and powers of subordinate units and management levels within the company, develop long-term and annual production plans, business plans, and new investment projects, and present them to the Board of Directors and the General Meeting of Shareholders for approval.

The Deputy Directors assist and advise the Director in the Company's operational areas as assigned by the Board of Directors and the Director. They are responsible to the Board of Directors, the Director, and the law for the assigned tasks.

**The Departments and Subordinate Units:.**

The departments, branches, and subordinate units advise and assist the Management Board in their specialized tasks as assigned, specifically:

❖ **The Organization - Administration Department:** This department has the function of advising and assisting the Chairman of the Board of Directors and the Management Board according to the decentralization in the area of organizational apparatus, payroll, employee training; competition rewards; labor, wages; employment, vocational training for workers; social insurance, health insurance, unemployment insurance; safety and hygiene at work; administrative management, reception, secretarial - summarizing, document archiving, information technology as regulated by law.

❖ **The Finance - Accounting Department:**

- Has the function of advising and assisting the Board of Directors and the Management Board of the Company regarding its financial - accounting activities.



Develops long-term, medium-term, and annual financial plans for Company leadership's approval and organizes the implementation;

Organizes accounting for the Company's production and business activities according to the Accounting Law, financial regulations, and other relevant legal documents of the State and the Company;

- Prepares complete and timely financial reports according to regulations. Develops monthly, quarterly, and annual financial revenue and expenditure plans to promptly balance resources to meet the Company's immediate and long-term production and business needs;

- Takes the lead in organizing the implementation of capital, tools, materials, and asset inventories on a periodic annual basis. Promptly reflects the inventory results while suggesting appropriate processing measures;

- Organizes the dissemination and timely guidance of the financial and accounting regimes and taxes issued by the State to accounting staff and accountants of member units of the Company;

- Participates in the development of the Company's policies related to financial accounting; manages and monitors the implementation of financial instruments in the Company;

- Summarizes the results of production and business activities, Preparing accounting reports, statistics, and analyzing production - business and financial activities to serve the inspection of the Company's plan implementation;

- Recording, accurately reflecting, promptly and systematically the developments of loan sources; managing capital types, serving the investment in production development, mobilizing supplies, materials, and goods in the Company's production - business;

- Monitoring the Company's debts, reflecting and proposing plans for cash collection, spending, and other payment forms;

- Coordinating with related departments: Business Department, Technical Department, Organization - Administration Department, verifying monitoring, checking, and accepting finalizations of construction investment projects, repairs, fixed asset procurement, construction orchards, production and business orchards,...

- Taking the lead in coordinating with relevant departments to review and approve the annual cost plan and finalize, evaluate production and business results periodically for affiliated units;

- Participating in building, amending, and supplementing the Company's Charter and Financial Regulations;

- Advising the Company's Leadership to direct units to implement financial



management and monetary regulations;

- Together with the Business Department, advising the Company's Leadership in signing contracts for the sale of produced products by type;
- Implementing periodic and extraordinary reporting duties for relevant agencies and the Company's Leadership upon request;
- Carrying out other tasks assigned by the Chairman of the Board of Directors and the CEO.

❖ **Business - Technical Department:**

- Has the function of advising and assisting the Board of Directors, the Executive Board on planning, business, quality management of products, investment, and basic construction; in the field of agricultural techniques and other related sectors of the Company's production industries; is the focal point for organizing the research and application of scientific and technical advances, technology transfer in the above fields;
- Developing planning, strategic development orientation, long-term, medium-term, and annual plans (production, consumption, cost; supplying materials and equipment,...) of the Company. Monitoring, checking, and proposing measures to promote the implementation of programs and plans established by the Company;
- Annually, together with the Company's functional departments and affiliated units, synchronizing the development of various plans: material plans, production plans, basic construction plans, salary plans, product consumption plans,...;
- Advising the Board of Directors and the Company's Executive Board to assign plans and review the level of plan completion of affiliated units. Assisting the Company's Leadership in checking and synthesizing the situation during the plan implementation, identifying issues, and proposing solutions;
- Establishing and managing economic contracts related to the purchase, sale of materials, machinery, equipment, and rubber latex products, rubber trees,...; land lease contracts for short-term crop cultivation,...;
- Managing and monitoring the import - export of materials and goods; carrying out reports on produced rubber products, consumption, and inventory regularly: daily, weekly, monthly, quarterly, annually, and urgently when required;
- Participating in assessing the current status, developing maintenance, repair, and upkeep plans for various types of machinery, equipment, and production lines;
- Advising the Company's Leadership on decisions regarding investment in constructing, repairing basic construction projects as well as machinery and equipment serving production and the lives of staff and workers;
- Taking the lead in presenting to the Company's leadership for approval of the



new planting plan, liquidation plan, and long-term, medium-term, and annual replanting plans consistent with the Company's production and business strategy;

- Developing investment projects, receiving documents and submitting them to the Company's Leadership for decisions on investment policies, investment projects of the Company, and appraising, inspecting the implementation process of investment projects;

- Coordinating with departments: Finance - Accounting and Organization Administration to build, guide, and check the implementation of price lists and technical economic norms of materials and tools allocated.

- Summarize the implementation situation of the monthly, quarterly, 6-month, and yearly plans to organize preliminary and final conference meetings as directed by the Company's leadership;

- Implement periodic and unexpected reporting for relevant agencies, departments, and the Company's leadership upon request;

- Perform other tasks assigned by the Chairman of the Board of Directors and the Director.

- Based on the technical procedures of the Vietnam Rubber Industry Group, advise the Company Leadership to issue procedures for replanting, new planting, caring for newly planted rubber tree gardens, tapping rubber latex, and caring for business rubber tree gardens;

- Advise on investments in science and technology, applying measures to increase productivity;

- Develop projects and plans to apply advanced scientific and technical advancements to enhance productivity and quality of the gardens;

- Deploy, update, and apply new high-yield quality varieties;

- Organize periodic and unexpected inspections regarding planting techniques, care, and latex extraction; summarize practical production in agriculture and other areas related to natural rubber production; organize the construction of pilot models and implement them widely in production;

- Collaborate with relevant specialized departments to conduct annual rubber tree inventories, analyze and evaluate related data to advise the Company's leadership in approving and assigning plans for new planting, replanting, caring for, and latex extraction for the subordinate production teams;

- Advise on organizing annual training courses and skill exam preparation for workers;

- Advise on the selection of consulting contractors, construction contractors; manage the quality of projects; supervise the construction of construction investment



projects and participate in acceptance, proposing payment for items as well as the entire project upon completion; Participate in managing the phases of project implementation for investment construction projects funded by the Company;

- Implement periodic and unexpected reporting for relevant agencies and the Company's leadership upon request;

- Propose measures for effective use of land, technical infrastructure, and other resources within the Company.

- Perform other tasks assigned by the Chairman of the Board of Directors and the Director.

❖ **Land Management – Construction:**

- Advise the Company's Board of Directors on the management, utilization, and preservation of the Company's land; programs, plans, and projects related to land planning of the provincial People's Committee. Advise the Company's Board of Directors in managing, using, and preserving the land capital, assets on land, and resources beneath the land of the Company;

- Preserve records and documents related to the Company's land management. Documents related to the management, use, and preservation of the capital regarding land, assets on land, and resources beneath the land assigned by the Company's Director; manage the situation of exploitation, collect statistics, and report on the usage of land resources by the units under the Company to report to the Company's Board of Directors periodically or unexpectedly;

- Research and propose measures for managing, utilizing, and preserving the capital regarding land, assets on land, and resources beneath the land of the Company to ensure sustainable development of resources according to legal regulations that are integrated into programs, plans, schemes, and projects related to land;

- Build and store a database on land management and utilization; land planning and usage plans; investigate and assess the Environmental Resources of the Company's land;

- Perform consulting and technical support tasks for the units under the Company within the scope of functions and duties;

- Coordinate with the units under to survey and map the lot layout and set up land lease files as assigned by the Company's Board of Directors.

❖ **Company security:**

- It has the function of advising the Board of Directors and the Executive Board on legal matters; security work, national defense, fire prevention and fighting, and protecting the property and products of the Company;

- Develop protection programs, military tasks, handle complaints, accusations,



and receive citizens according to the Company's authority;

- Protect property, products, coordinate with local authorities to maintain order and security within the Company;

- Advise the Company's Leadership on issues related to fire prevention and fighting, managing and using fire prevention tools and equipment (FPF) within the Company; Managing weapons and support tools;

- Participate in inspection teams for labor safety and hygiene and fire prevention and fighting periodically (every 6 months), as well as organize sudden inspections of fire prevention and fighting work when requested;

- Receive, verify, and recommend solutions for complaints and accusations forwarded by the Company's Leadership;

- Advise the Company's Leadership and the Company's military command to effectively implement the militia law;

- Advise on building plans and measures for disaster prevention and mitigation to reduce damage and conduct annual rescue operations;

- Build plans and launch mass movements to protect national security;

- Develop training and annual training plans for the security force;

- Implement periodic and unexpected reporting duties to relevant agencies and departments and the Company's Leadership when requested;

- Perform other tasks assigned by the Chairman of the Board of Directors and the Director.

Manage, operate, maintain, repair, and service the public lighting system of Dong Hoi city.

❖ **The affiliated units:**

- ***Phu Quy Wood Branch***

- + Address: Tây Bắc Industrial Zone, Dong Hoi City, Quang Binh Province

- + Main business activities: Wood processing.

✚ **Subsidiaries, affiliate companies:**

❖ ***Subsidiary***

There is none.

❖ ***Affiliate company***

**HOA PHAT QUANG BINH LIVESTOCK COMPANY LIMITED**

- Address: Huu Nghi, Viet Trung Agricultural Town, Bo Trach District, Quang Binh Province

- Tax code: 3101013184

- Phone: 02323 826799

- Charter capital: 300,000,000,000 VND (In words: Three hundred billion VND).



- Certificate of business registration for limited liability company with two or more members issued by the Quang Binh Department of Planning and Investment on January 20, 2016.

- Main business activity: Cattle farming.

- The capital contributed by the company registered for transactions at Hoa Phat Quang Binh Livestock Company on December 30, 2020 is: 81,840,000,000 VND, accounting for 27.28% of the charter capital.

According to the audited financial report of Hoa Phat Quang Binh Livestock Company, the profit after tax for the year 2024 is: -35 billion VND

## **5. Strategy and Development Orientation**

### **5.1 Main Objectives of the Company:**

The company was established to mobilize and effectively utilize capital in the development of business activities and services aimed at socio-economic development, generating profit; creating stable jobs, improving working conditions, and enhancing the lives of employees in the Company; ensuring benefits for shareholders and fulfilling obligations to the State; ensuring the production and supply of quality products and services reliably and consistently.

### **5.2 Medium and Long-Term Development Strategy:**

- Build the Viet Trung Quang Binh Joint Stock Company to be stronger, more effective based on the rational use of human resources; enhance corporate governance capacity, with higher integration in finance, technology, and markets;

- Build and develop good products and services with higher competitiveness.

- Build a team of skilled management, business, and experts. Deeply innovate corporate governance, establish and develop the brand, and corporate culture.

- Improve production capacity to best meet the ordering needs of partners. Enhance management capabilities through investment cooperation, change production technology.

- Focus on high-quality labor forces, reorganize and streamline the organizational structure, and train new and retrain the labor force. Apply information technology in management and reasonable operation to improve the working environment to increase labor productivity.

- Apply scientific and technological advancements in business production and encourage innovative activities to enhance product quality, aiming to elevate the company's position to a higher level, meeting the conditions for regional economic integration and international economy.

### **Brand Development**

Focus on leveraging investment resources into new, advanced technologies



applied in Vietnam to create a unique direction in core industries while affirming the company's brand.

Promote the Company's image through cooperation with media agencies, press, social organizations... raising awareness and responsibility among all employees of the company in building and protecting the image and brand of Viet Trung Quang Binh.

### 5.3 *Sustainable Development Objectives*

Expand new business production sectors based on the existing advantages of the company, aiming to generate revenue and profit for the enterprise and create additional job opportunities, increasing stable incomes for workers.

## 6. **Risks**

### **Economic risks**

The Company's operations are influenced by fluctuations in the global and Vietnamese economy, as well as by the operations of financial and monetary markets. Adverse developments may lead to economic recession, inflation, currency volatility, credit tightening, and rising prices of raw materials.

In 2024, the global situation continues to be complex and unpredictable with many risk factors and uncertainties. Military conflicts continue to escalate, strategic competition among major countries is becoming increasingly fierce, many nations are tightening trade protection policies, public debt and budget deficits are rising, the decline of some large economies, and local disruptions in global supply chains have impacted peace, stability, and global economic growth.

### **Legal risks**

As a publicly traded corporation registered on the Upcom Trading System, in addition to being subject to the regulations of the Enterprise Law, it is also regulated by the Securities Law along with the general legal framework. Additionally, changes in laws and policies related to raw materials, technology, etc., in the road and transportation sectors will directly affect the Company.

Although in recent years, Vietnam has made efforts to build a relatively stable legal environment and the legal framework for the specific operations of the industry as well as regulations on the securities market has been increasingly refined, there are still many shortcomings that are being adjusted, requiring the Company to continuously monitor and update to timely apply new regulations and ensure legal compliance.

### **Industry-specific risks**

According to the Vietnam Rubber Association, the rubber industry in Vietnam has a complex supply chain due to the lack of strict state management over stakeholders, especially smallholder households. Currently, more than 60% of the



natural rubber supply comes from over 260,000 smallholder households across the country. Therefore, alongside production enterprises, smallholder households are the most heavily impacted when regulations regarding deforestation prevention and sustainability in Europe are applied due to the assessment process requiring many related documents and being costly. This significantly affects the Company's business performance.

#### Other risks

In addition to the risks mentioned above during its operations, the Company is also affected by objective factors such as natural disasters, fires, severe climate changes, and political issues, which can cause damage to people and property. Therefore, the Company has proactively developed preventive measures in case damages occur due to the above causes.

## II. SITUATION OF ACTIVITIES IN THE YEAR

### 1. Production and Business Activities

In the context of the Vietnamese economy being affected by the general difficulties of the global economy, the production and business situation in 2025 achieved the targets compared to the plan. The after-tax profit of the company in 2024 increased compared to 2023, mainly in the key production sectors and financial investment activities. The key production sectors include latex rubber processing, wood processing, and the cultivation of short-term crops. Financial investment activities include capital investment in Hoa Phat Quang Binh Livestock Co., Ltd. in the field of beef cattle farming.

**Table 1: Some business performance indicators**

No	Target	2023 (million VND)	2024 (million VND)	Increase/decrease in 2024 compared to 2023
1	Tổng doanh thu	64.832	122.656	89,2
-	Doanh thu thuần	62.497	121.995	95,2
-	Doanh thu tài chính	53	75	41,5
-	Thu nhập khác	2.282	586	-74,3
2	Lợi nhuận trước thuế	-41.428	3.967	-
3	Thuế TNDN	-	-	-
4	Lợi nhuận sau thuế	-41.428	3.967	-

(Source: 2024 audited financial report of the Company)



**Table 2: Structure of Net Revenue**

No	Structure of Net Revenue	2023		2024	
		Value (million VND)	Proportion/ Total revenue (%)	Value (million VND)	Proportion/ Total revenue (%)
1	Rubber business activities	44.607	68,8	69.038	56,3
2	Timber business activities	12.541	19,3	19.810	16,2
3	Financial activities, Other income	7.684	11,9	33.808	27,5
<b>Net revenue</b>		<b>64.832</b>	<b>100</b>	<b>122.656</b>	<b>100</b>

(Source: 2024 audited financial report of the Company)

**Table 3: Cost Structure**

No	Cost Structure	2023		2024	
		Value (million VND)	Proportion (%)	Value (million VND)	Proportion (%)
1	Cost of goods sold	50.468	47,49	91.194	79,51
2	Financial expenses	43.962	41,37	12.709	11,08
3	Selling expenses	154	0,14	295	0,26
4	Administrative expenses	11.303	10,64	10.469	9,13
5	Other expenses	373	0,35	21	0,02
<b>Total</b>		<b>106.260</b>	<b>100</b>	<b>114.688</b>	<b>100</b>

(Source: 2024 audited financial report of the Company)

## 2. Organization and Personnel

### Executive Board List

**Table 4: List of Directors and Management Officers**

No	Full name	Position	Note
1	Mr. Duong Chi Binh	Director	
2	Mr. Pham Xuan Thanh	Deputy Director	
3	Mr. Nguyen Hai Thanh	Deputy Director	
4	Mr. Phan Huu Bang	Chief Accountant	



**Curriculum vitae of the Director and other management staff:**

**1. Full name** : **Mr. Duong Chi Binh**  
044069000178 Issued on 22/08/2016

**ID number** : Issuing authority: Department of Police  
for Residence Registration

**Gender** : Male

**Date of birth** : September 12, 1969

**Nationality** : Viet Nam

**Ethnicity** : Kinh

**Current residence** : Huu Nghi neighborhood, Viet Trung  
town, Bo Trach, Quang Binh

**Professional qualifications** : Master of Horticulture

**Current position at the company** : Member of the Board of Directors and  
General Director

**Position held at another organization** : None

**Number of representative shares owned** : 0 shares

**Number of personal shares owned** : 3,400 shares, representing 0.02% of  
charter capital

**Number of shares held by related persons** : None

Full name	Relationship	ID number	Number of shares	Holding ratio
Mr. Duong Chi Nam	Young brother	044075000331 Issued on 17/10/2016 Issuing authority: Department of Police for Residence Registration	600	0,0035%

**Conflicts of interest with the Company's benefits** : None

**Debts owed to the Company** : None

**Related interests concerning the Company** : None

**Work process:**

Time	Work process
10/1992 - 02/1993	Engineer at Lộc Nam Silk Factory, Bao Loc, Lam Dong
03/1993 - 07/1994	Manager of the Tan Ha Silk Team – Lam Ha, part of Loc Nam



	Silk Factory, Bao Loc, Lam Dong
07/1994 - 07/1997	Technician at Huu Nghi Unit, Viet Trung Farm
08/1997 - 12/2000	Technician at Sao Vang Unit - Viet Trung Rubber Company
01/2001 - 03/2005	Captain of the Doc Lap Team - Viet Trung Rubber Company
04/2005 - 03/2010	Captain of the Quyet Thang Team - Viet Trung Rubber Company
04/2010 - 03/2011	Vice Head of the Technical Department - Viet Trung One Member Limited Liability Company
04/2011 - 02/2016	Director of the Rubber Processing Plant - Viet Trung One Member Limited Liability Company
03/2016 - 09/201	Vice Director of Viet Trung One Member Limited Liability Company
10/2017 - 5/2020	Board Member, Vice Director of Viet Trung Quang Binh Joint Stock Company
5/2020 - now	Board Member, Director of Viet Trung Quang Binh Joint Stock Company

**2. Full name** : **Mr. Pham Xuan Thanh**

**ID number** : 044064000169 Issued on 22/08/2016

**Gender** : Male

**Date of birth** : February 12, 1964

**Nationality** : Viet Nam

**Ethnicity** : Kinh

**Current residence** : Group 3, Vietnam Trung Town, Bo Trach District, Quang Binh Province

**Professional qualifications** : Bachelor of Economics

**Current position at the company** : Member of the Board of Directors and Deputy Director

**Position held at another organization** : None

**Number of representative shares owned** : 0 shares

**Number of personal shares owned** : 3,200 shares, representing 0.019% of charter capital

**Number of shares held by related** : None



persons

**Conflicts of interest with the Company's** : None

**benefits**

**Debts owed to the Company** : None

**Related interests concerning the** : None

**Company**

**Work process:**

<b>Time</b>	<b>Work process:</b>
02/1982 - 02/1983	Student of the Army Engineering School
03/1983 - 02/1985	Assistant Teacher of Construction Machinery at the Army Engineering School
03/1985 - 05/1985	Soldier of Battalion 1, Brigade 289 of the Army Engineering Command
07/1985 - 12/1993	Worker of the Thong Nhat Unit, Viet Trung Farm
01/1994 - 12/1997	Team Leader of the Thong Nhat Unit, Viet Trung Farm
01/1998 - 12/1998	Team Leader of the Quyet Thang Unit, Viet Trung Rubber Company
01/1999 - 07/2000	Deputy Head of the Organization - Administration Department, Viet Trung Rubber Company
08/2000 - 02/2001	Acting Head of the Viet Trung Rubber Company
03/2004 - 12/2004	Director of Phu Quy Hotel - Viet Trung Rubber Company
01/2005 - 06/2012	Head of the Organization - Administration Department, Viet Trung Rubber Company (Renamed to Viet Trung One Member Limited Liability Company since July 2010)
07/2012 - 09/2017	Deputy Director, Deputy Chairman of the Trade Union of Viet Trung One Member Limited Liability Company
10/2017 - now	Member of the Board of Directors, Deputy Director, Chairman of the Trade Union of Viet Trung Quang Binh Joint Stock Company

**3. Full name** : **Mr. Nguyen Hai Thanh**  
044066000132 Issued on 22/08/2016

**ID number** : Issuing authority: Department of Police for Residence Registration

**Gender** : Male

**Date of birth** : July 14, 1966

**Nationality** : Viet Nam

**Ethnicity** : Kinh

**Current residence** : Ward 1, Bac Nghia, Dong Hoi City, Quang Binh

**Professional qualifications** : Master of Economics



**Current position at the company** : Member of the Board of Directors and Deputy Director

**Position held at another organization** : None

**Number of representative shares owned** : 0 shares

**Number of personal shares owned** : 2,500 shares, representing 0.015% of charter capital

**Number of shares held by related persons** :

Full name	Relationship	ID number	Number of shares	Holding ratio
Mrs. Phan Thi Kim Anh	Wife	191042830 Issued on 23/6/2010 Issuing authority: Quang Binh Province Police	600	0,0035%

**Conflicts of interest with the Company's benefits** : None

**Debts owed to the Company** : None

**Related interests concerning the Company** : None

**Work process:**

Time	Work process
06/1992 - 03/1998	Staff of the Planning Department of Viet Trung Agricultural Farm
04/1998 - 12/1998	Head of the Accounting Department - Smallholder Rubber Center, Viet Trung Rubber Company
01/1999 - 03/2003	General Accountant of the Finance - Accounting Department, Viet Trung Rubber Company
04/2003 - 10/2011	Deputy Head of the Finance - Accounting Department - Viet Trung Rubber Company
11/2011 - 09/2017	Chief Accountant of Viet Trung Single Member Limited Liability Company
10/2017 – 5/2020	Board Member, Chief Accountant of Viet Trung Quang Binh Joint Stock Company
5/2020 - now	Board Member, Deputy Director of Viet Trung Quang Binh Joint Stock Company

**4. Full name** : **Mr. Phan Huu Bang**

: 194456660 Issued on 28/11/2007

**ID number** : Issuing authority: Quang Binh Province Police

**Gender** : Male



**Date of birth** : June 16, 1991  
**Nationality** : Viet Nam  
**Ethnicity** : Kinh  
**Current residence** : Phu Quy neighborhood, Viet Trung town, Bo Trach, Quang Binh  
**Professional qualifications** : Bachelor of Economics  
**Current position at the company** : Board Member and Chief Accountant  
**Position held at another organization** : None  
**Number of representative shares owned** : 0 shares  
**Number of personal shares owned** : 300 shares, representing 0.002% of charter capital  
**Number of shares held by related persons** : None  
**Conflicts of interest with the Company's benefits** : None  
**Debts owed to the Company** : None  
**Related interests concerning the Company** : None  
**Work process:**

Time	Work process:
01/8/2013-31/12/2015	Accounting staff of Vietnam Trung One Member Limited Liability Company
01/01/2016-30/9/2017	General accountant of Vietnam Trung One Member Limited Liability Company
01/10/2017-31/12/2017	General accountant of Vietnam Trung Quang Binh Joint Stock Company
01/01/2018-07/05/2020	Deputy head of department of Vietnam Trung Quang Binh Joint Stock Company
08/5/2020-26/06/2020	Chief accountant of Vietnam Trung Quang Binh Joint Stock Company
26/06/2020 - now	Member of the Board of Directors concurrently serving as Chief Accountant of Vietnam Trung Quang Binh Joint Stock Company

✚ **Changes in the Executive Board: None**

✚ **Number of staff members**



Table 5: Labor Structure as of 31/12/2024

Criteria	Quantity (people)	Rate (%)
<b>1. Classification by education level</b>	<b>476</b>	<b>100</b>
- Postgraduate	6	1,26
- University, College	63	13,23
- Intermediate vocational	12	2,52
- Skilled workers and unskilled labor	395	82,99
+ Rubber latex tapping	283	59,46
+ Care for newly planted rubber trees	1	0,21
+ Wood processing - machinery	69	14,5
+ Rubber latex processing	16	3,36
+ Protection	18	3,78
+ Service (Electricians, drivers, latex collection)	8	1,68
<b>2. Classification by gender</b>	<b>476</b>	<b>100</b>
- Male	152	31,93
- Female	324	68,07

(Source: Viet Trung Quang Binh Joint Stock Company)

Identifying human resources is the foundation for development, the Company has established and developed reasonable incentive policies for employees, specifically as follows::

❖ **Training and recruitment policies**

In general, management labor from leaders to staff, the majority are trained with degrees from universities, colleges or higher; direct production labor is trained by the Company to acquire production skills. Annually, the Company coordinates with Hue University to train and provide additional knowledge for management labor.

For direct labor, the Company still maintains the opening of advanced training classes in rubber tapping and wood processing for workers, in which the Company's technical staff directly teaches. At the same time, every year the Company organizes training to improve skills in caring for and harvesting rubber trees, etc. Labor is reasonably allocated by the Company to the right job, right field, and right profession. However, there are still limitations, as management staff, despite having much practical experience, still do not meet the requirements for international economic integration.



❖ ***Regarding the implementation of salary, bonus, and allowance policies; social insurance, unemployment insurance contributions for employees***

Ensuring stable employment for employees in the payroll and contractual labor with the Company. The income and lives of employees are always guaranteed.

Ensuring industrial hygiene, environmental hygiene, and labor safety during the production processing according to state regulations.

The implementation of salary and bonus payment is done through product contracts to each unit, each department of workers to enhance their sense of responsibility in protecting assets, products and self-discipline in production to improve productivity, quality of goods, increasing revenue, and profits for the Company as well as increasing income for employees.

*In particular, in 2024::*

+ Employee salaries: The payment of salaries throughout the year for employees is timely and on schedule.

+ Regarding the implementation of labor policies: Contributions for health insurance and unemployment insurance throughout the year: 10,304 million VND

+ During the year, there were illnesses and maternity leave for 2,687 employees, with a total of 26,600 workdays.

+ The company also conducted salary increases and adjustments during the year for 154 employees.

+ During the year, the company organized regular health check-ups and provided adequate personal protective equipment to all workers as required.

**3. Investment situation, project implementation status**

**3.1. Large investments**

In 2024, the projects invested by the Company continued to yield results, specifically:

- ***For the joint venture project at Hòa Phát Quảng Bình Livestock Company:***

Hoa Phat Quang Binh Livestock Company has resumed operations after a period of suspension due to unprofitable business. The recovery is slow in 2024; however, positive signs have been seen each quarter. The company recorded a loss of nearly 35 billion, and according to regulations, it must set aside provisions for investments, thus in this year, the Company must set aside 9.1 billion for this investment, which is also the main reason for the overall business result of the Company showing a decrease in profit in 2024.

- ***Regarding basic construction investment:***

+ The main focus is on investing in replanting 52.86 hectares of rubber (two-layer leaf variety) and supplementary planting in 2022, 2023 (investment capital of



nearly 4 billion VND).

+ Invest in repairing and replacing the new steam boiler for wood drying at the raw material factory of the Wood Processing Plant (investment capital of 604 million VND); repairing the Thăng Lợi team office (investment capital of 362 million VND), renovating the old latex collection tank Độc Lập, Xung Kịch, and several internal traffic routes serving production (investment capital of over 50 million VND).

+ The joint venture project on wood chip production will start operating from August 2024 (the Company contributes capital and jointly owns assets amounting to 50% of 2.7 billion VND).

+ Specifically, the investment in the rubber latex drying system using a steam boiler, according to the resolution of the Labor Conference and the shareholders' meeting over the past 2 years (but delayed due to fire prevention approval issues). Now, the legal paperwork has been basically completed, and the Company is carrying out the bidding procedures, selecting construction contractors, and supplying equipment.

Overall: the investments this year are on the right track, effective, and implemented according to the resolutions of the Board of Directors. All procedures for implementation are in accordance with legal regulations.

### 3.2. Subsidiaries, affiliate companies

- a. **Subsidiaries:** None
- b. **Affiliate companies:**

#### Financial situation of Hoa Phat Quang Binh Livestock Company

No		Value (million VND)
1	Total revenue	296.715
2	Profit before tax	-33.347
3	Corporate income tax	-
4	Profit after tax	-33.347

(Source: 2024 audited financial statements of Hoa Phat Livestock Company Limited, Quang Binh)

## 4. Financial situation of the Company

### 4.1. Financial situation of the Company in 2023 and 2024

Table 6: Financial situation

No	Target	2023 (million VND)	2024 (million VND)	% increase/decrease compared to 2023
1	Total asset value	194.769	197.939	1,63



2	Net revenue	62.630	121.995	94,79
3	Profit from business operations	-43.337	3.403	-
4	Other profit	1.909	564	-70,46
5	Profit before tax	-41.428	3.967	-
6	Profit after tax	-41.428	3.967	-
7	Basic earnings per share (%)	-	2,32	-

(Source: 2024 audited financial report of the Company)

## 4.2. Main financial indicators

**Table 7: Main financial indicators**

Targets	Unit of measurement	2023	2024
<b>1. Liquidity ratios</b>			
Current ratio (Current Assets/Current Liabilities)	Time	0,31	0,51
Quick ratio (Current Assets - Inventory/Current Liabilities)	Time	0,12	0,31
<b>2. Capital structure ratios</b>			
Debt/Total assets ratio	%	35,6	35,6
Debt/Equity ratio	%	55,28	55,23
<b>3. Operating efficiency ratios</b>			
Inventory turnover (Cost of Goods Sold/Average Inventory)	Time	3,73	7,08
Net sales/Total Assets	Time	0,29	0,62
<b>4. Profitability ratios</b>			
Net profit margin/Net sales ratio	%	-66,29	3,25
Net profit margin/Equity ratio	%	-28,35	3,11
Net profit margin/Total assets ratio	%	-19,12	2,0
Operating profit margin/Net sales ratio	%	-69,34	1,72
Net profit margin/Charter capital ratio	%	-24,25	2,32

(Source: 2024 audited financial report of the Company)

## 5. Shareholder structure, changes in owner investment

### 5.1. Shares

- Total number of shares outstanding: 17,081,791 shares
- Type of shares: Common shares
- Number of freely transferable shares: 17,081,791 shares
- Number of restricted transfer shares: 0 shares

### 5.2. Shareholder Structure

#### Shareholder Structure g



**Table 8: Shareholder structure as of 31/12/2024**

No	Full name	Number of shareholders	Number of shares owned	Percentage/Charter capital (%)
1	Domestic shareholders	567	17.081.791	100
1.1	Organizations	01	10.581.461	61,95
1.2	Individuals	566	6.500.330	38,05
2	Foreign shareholders	00	00	00
2.1	Organizations	00	00	00
2.2	Individuals	00	00	00
3	Treasury stocks	00	00	00
<b>Total</b>		<b>567</b>	<b>17.081.791</b>	<b>100</b>

(Source: List of shareholders of the company as of 28/3/2025)

✚ **The list of shareholders holding over 5% of the Company's capital.**

**Table 9: List of shareholders holding 5% or more as of 31/12/2024**

No	Shareholder Name	Address	Number of shares	Percentage (%)
1	Quang Binh Provincial People's Committee	06 Hung Vuong, Dong Hoi, Quang Binh	10.581.461	61,95
2	Mr. Le Vu Thanh	Nam Ly, Dong Hoi, Quang Binh	3.239.230	18,96
3	Mrs. Nguyen Thi Hai	20 Le Quy Don - Dong My Ward - Dong Hoi City - Quang Binh	1.000.000	5,85
<b>Total</b>			<b>14.820.691</b>	<b>86,76</b>

(Source: List of shareholders of the company as of 28/3/2025)

✚ **Founders' shareholders list:**

The company does not have any founders' shareholders.

### 5.3. Changes in Equity

Viet Trung Quang Binh Joint Stock Company was converted from Viet Trung One Member Limited Liability Company according to Decision No. 1293/QD-UBND dated April 19, 2017, by the Quang Binh Provincial People's Committee regarding the approval of the equitization plan and the conversion of Viet Trung One Member Limited Liability Company into a joint stock company, in which the approved value of state capital is 185,723,720,512 VND. In June 2017, the Company conducted its initial public offering of shares through the Hanoi Stock Exchange and carried out direct agreements for the quantity of shares that remained unsold at the auction.

On September 22, 2017, the Company held a General Meeting of Shareholders to



establish Viet Trung Quang Binh Joint Stock Company and was granted the 5th amendment to the Business Registration Certificate by the Quang Binh Department of Planning and Investment on October 1, 2017, with a charter capital of 185,723,720,000 VND (in words: One hundred eighty-five billion seven hundred twenty-three million seven hundred twenty thousand VND).

However, due to an error during the preparation of documents, the valuation consulting unit confirmed the value of the equitized enterprise issued an explanatory letter No. 123/CV-DATC on November 1, 2017, sent to the Company. Viet Trung Quang Binh Joint Stock Company has submitted a request to the Quang Binh Provincial People's Committee to adjust the value of state capital and the charter capital of the Company.

On August 24, 2018, the Quang Binh Provincial People's Committee issued Decision No. 2814/QD-UBND approving the adjustment of the enterprise value for the equitization of Viet Trung One Member Limited Liability Company and Decision No. 2815/QD-UBND approving the adjustment of the value of state capital at the time Viet Trung One Member Limited Liability Company was transformed into a joint stock company. The actual value of state capital put into equitization is 170,817,913,062 VND, and the adjusted charter capital is 170,817,910,000 VND.

On October 3, 2018, Viet Trung Quang Binh Joint Stock Company received approval from the State Securities Commission for its public company registration documents with a charter capital of 170,817,910,000 VND (in words: One hundred seventy billion eight hundred seventeen million nine hundred ten thousand VND). Immediately after being approved for public company registration, Viet Trung Quang Binh Joint Stock Company completed and submitted the initial securities registration documents to the Vietnam Securities Depository and the trading registration documents on the Upcom exchange to the Hanoi Stock Exchange.

However, on January 5, 2019, the Quang Binh Provincial People's Committee issued Decision No. 31/QD-UBND and Decision No. 32/QD-UBND to cancel Decision No. 2814/QD-UBND and Decision No. 2815/QD-UBND. Therefore, the Company could not continue to complete the initial securities registration documents at the Vietnam Securities Depository and the trading registration documents on the Upcom exchange while waiting for the Provincial People's Committee to seek approval from the Prime Minister for a final decision.

Based on Resolution No. 86/NQ-CP dated June 3, 2020, of the Government on addressing difficulties in implementing the equitization of Viet Trung One Member Limited Liability Company and Le Ninh Quang Binh One Member Limited Liability Company under the Quang Binh Provincial People's Committee. On September 29,



2020, the Quang Binh Provincial People's Committee issued Decision No. 3574/QD-UBND approving the adjustment of the enterprise value, charter capital, and state capital value at Viet Trung Quang Binh Joint Stock Company. Accordingly, for the reason of “Reducing the value of the assets transferred and handed over to local management (the kindergarten system, traffic roads valued at 14,905,807,450 VND)”, the charter capital of Viet Trung Quang Binh Joint Stock Company was adjusted from 185,723,720,000 VND to 170,817,910,000 VND (rounded).

Implementing the Resolution of the Annual General Meeting of Shareholders in 2020 and Decision No. 3574/QD-UBND dated September 29, 2020, of the Quang Binh Provincial People's Committee, on October 19, 2020, the Board of Directors of Viet Trung Quang Binh Joint Stock Company issued Resolution No. 234/NQ-HĐQT approving the adjustment of the enterprise value, charter capital, and state capital value of the Company and amending the Company's Charter. Accordingly, the charter capital of the Company was adjusted to 170,817,910,000 VND, equivalent to the number of shares being 17.081.791 with a face value of 10,000 VND/share.

On November 18, 2020, the company was granted Enterprise Registration Certificate No. 3100114493 by the Planning and Investment Department of Quang Binh Province, registering for the 7th time, with a charter capital of 170,817,910,000 VND (*In words: One hundred seventy billion eight hundred seventeen million nine hundred ten thousand VND*).

**5.4. Stock buyback transactions:** None

**5.5. Other securities:** None

## **6. Report on the environmental and social impact of the Company**

### **6.1. Management of raw material sources**

a) Total amount of raw materials used to provide the Company's main services in the year:

- Total dry rubber produced: 1,680.6 tons
- Total raw wood volume: 1,467.6 m<sup>3</sup>

b) Report the percentage of raw materials recycled for the production of products and services of the organization: None

### **6.2. Energy consumption**

a) Direct and indirect energy consumption

The energy consumed for the business activities of the Company mainly comes from: electricity for production at the rubber processing plant and the wood processing plant; electricity for office living. The total energy consumption in 2024 is: 165,720



Kw with a total cost of 1,203 million VND. The energy consumption level is in accordance with the Company's technical economic norms.

- b) Energy saved through energy efficiency initiatives: None
- c) Report on energy-saving initiatives: None

### 6.3. Water consumption

- a) Water supply source and water usage: 1,307 m<sup>3</sup>
- b) Percentage and total amount of recycled and reused water: None

### 6.4. Compliance with environmental protection laws

- a) Number of times penalized for violations due to non-compliance with laws and regulations on the environment: None
- b) Total amount of penalties for violations due to non-compliance with laws and regulations on the environment: None

### 6.5. Labor-related policies

#### a) *The number of workers, the average salary for workers*

- Number of employees: 476 people
- Average salary for employees:

Content	2023	2024	Increase/decrease (%)
Average salary (million VND/person/month)	5,56	6,93	24,6

(Source: Viet Trung Quang Binh joint stock Company)

#### b) *Training Policy*

In general, Viet Trung Quang Binh Joint Stock Company has a leadership and management team that is formally trained, fundamentally knowledgeable, experienced, and responsive to market mechanisms; the skilled labor force is proficient in operational tasks, disciplined, and capable of assuming specific roles in the production line, generating high productivity to meet exploitation and growth volumes.

Annual training and retraining activities are mainly conducted at the enterprise for the direct simple labor force. Workers who need to enhance their skills when new technology processes arise are sent for specialized training directly at units with suitable technical equipment; this is a prominent policy of the human resource management development strategy of the Company.

#### c) *Salary, Bonus, and Allowance Policy*

The Company fully implements policies and regimes for workers in accordance with legal regulations, ensuring stable employment for workers, improving income, and caring for the material and spiritual lives of employees. The Company has established a reward and welfare fund to timely visit and encourage workers when



they face difficulties in life.

Annually, the Company organizes interim and final reviews, awards, and unexpected bonuses to encourage and motivate workers who have contributed to the Company. The level of reward depends on the production efficiency of the Company and the economic effectiveness of the collective and the workers. Individuals or units that do not fulfill assigned tasks, causing damage to the economy, materials, or the reputation of the Company, will be specifically considered and will face disciplinary measures, fines, and compensation in accordance with the content of the collective labor agreement and the labor regulations issued by the Company.

#### **6.6. Report on Responsibilities to the Local Community**

Although the Company is still facing many difficulties, it always focuses on and actively participates in contributing to charitable, humanitarian, social security activities, and in gratitude, such as the Fund for the Poor; the Fund for Gratitude; the Fund for the Protection of Children and the Disabled; the activities of the Red Cross; the provincial disaster prevention fund; the fund for the removal of temporary and dilapidated houses.... In addition, the Company and the Company Union are currently sponsoring and nurturing 04 orphans (father or mother) who are children of the Company's workers (500,000 VND/month/child).

### **III. REPORT AND ASSESSMENT OF THE BOARD OF DIRECTORS**

#### **1. Evaluation of business production effectiveness**

During the year, the staff of the Company has overcome all difficulties, striving to complete the tasks across all aspects of work.

The task of seeking jobs and employment for workers; expanding the market has been a concern of the company's leadership.

The training work to improve the skills of workers has been actively implemented; the social security measures for workers have been fully and properly executed; the living standards of workers have gradually improved.

#### **❖ Evaluation of business production resultsh**

**Table 10: Report on business operation results for the year 2024**

*Unit: million VND*

<b>Targets</b>	<b>2023</b>	<b>2024</b>
1. Sales revenue and service provision	62.631	121.995
2. Revenue deductions	133	0
3. Net sales revenue and service provision	62.497	121.995
4. Cost of goods sold	50.468	95.193



5. Gross profit from sales and service provision	12.029	26.801
6. Financial operating revenue	53	75.364
7. Financial expenses	43.962	12.709
- Including: Interest expense	4.579	3.521
8. Selling expenses	154	294.636
9. Corporate management expenses	11.303	10.469
10. Net profit from business activities (30=20+(21-22)-(25+26))	-43.337	3.403
11. Other income	2.282	589
12. Other expenses	373	25
13. Other profit (40=31-32)	1.909	564
14. Total accounting profit before tax (50=30+40)	-41.428	3.967
15. Current corporate income tax expenses	-	-
16. Deferred corporate income tax expenses	-	-
17. Profit after corporate income tax (60=50-51-52)	-41.428	3.967
18. Basic earnings per share (*)	-2.425	232
19. Diluted earnings per share	-2.425	232

(Source: 2024 audited financial report of the Company)

## 2. Financial situation

### 2.1. Assets situation

Table 11: Company asset situation as of 31/12/2024

ASSETS	31/12/2023 million VND	31/12/2024 million VND	%2024/2023 (%)
<b>A. CURRENT ASSETS</b>	<b>21.369</b>	<b>35.372</b>	<b>65,53</b>
Cash and cash equivalents	3.736	6.286	68,25
Short-term financial investments	-	-	
Short-term receivables	4.276	15.423	260,69
Inventories	13.271	13.608	2,54
Other current assets	85	54	-36,47
<b>B. LONG-TERM ASSETS</b>	<b>171.517</b>	<b>162.568</b>	<b>-5,22</b>
Fixed assets	118.057	117.445	-0,52



Long-term construction in progress	24.387	25.315	3,81
Long-term financial investments	28.095	18.998	-32,38
Other long-term assets	976	808	-17,21
<b>TOTAL ASSETS</b>	<b>192.886</b>	<b>197.939</b>	<b>2,62</b>

(Source: 2024 audited financial report of the Company)

## 2.2. The status of payables and receivables

**Table 12: The status of payables of the Company in 2023 - 2024**

<b>LIABILITIES</b>	<b>31/12/2023 million VND</b>	<b>31/12/2024 million VND</b>	<b>%2024/2023 (%)</b>
<b>A. LIABILITIES</b>	<b>69.339</b>	<b>70.424</b>	1,56
<b>I. Current liabilities</b>	<b>68.489</b>	<b>69.938</b>	2,12
1. Payables to short-term sellers	4.805	14.643	204,75
2. Advances from short-term buyers	479	237	-50,52
3. Taxes and other payable to the government	344	405	17,73
4. Payables to employees	6.950	8.037	15,64
5. Accrued expenses	194	149	-23,20
6. Unearned revenue	160	161	0,63
7. Other current payables	2.697	2.889	7,12
8. Short-term loans and financial leases	47.757	39.228	-17,86
9. Welfare and bonus fund	5.100	4.187	-17,90
<b>II. Long-term liabilities</b>	<b>849</b>	<b>486</b>	-42,76
1. Other long-term payables	292	292	-
2. Long-term loans and financial leases	577	194	-66,38

(Source: 2024 audited financial report of the Company)

**Table 13: Accounts Receivable Situation of the Company 2023 - 2024**

<b>ACCOUNTS RECEIVABLE</b>	<b>31/12/2023 million VND</b>	<b>31/12/2024 million VND</b>	<b>%2024/2023 (%)</b>
<b>I. Short-term accounts receivable</b>	<b>4.276</b>	<b>15.423</b>	<b>260,69</b>
1. Short-term receivables from customers	13.465	14.952	11,04
2. Prepayments to short-term suppliers	243	479	97,12
3. Other short-term receivables	2.368	11.741	395,82
4. Allowance for doubtful short-term receivables	-11.801	-11.749	-0,44



<b>II. Long-term accounts receivable</b>	-	-	
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(Source: 2024 audited financial report of the Company)

### 2.3. Improvements in Structure and Management Policies

Improvements in organizational structure, policies, and management: The leadership and executive apparatus is streamlined and direct. Under the Board of Directors, there are departments with specific functions and tasks, closely monitored and managed by department heads. The company's policies ensure compliance with the current laws of the Vietnamese state, and the human resources policies aim to promote the company's activities. The salary policy for employees based on working capability and a good benefits system has helped the company recruit truly capable personnel who are committed to working for the company.

Control measures: The company has a Supervisory Board consisting of members who oversee financial activities as well as the management work of the company.

The work of public information disclosure as applied to public companies is strictly implemented by the company's leadership and ensures compliance with legal regulations.

### 2.4. Future Development Plan

**Table 14: Company's Plan for 2025**

*Unit: million VND*

<b>Targets</b>	<b>Implementation in 2024</b>	<b>Plan for 2025</b>
Capital	170.817,9	170.810,9
Total revenue	122.656	128.000
Total expenses	118.689	124.000
Profit before tax	3.967	4.000
Profit after tax	3.967	4.000

(Source: Viet Trung Quang Binh joint stock Company)

**Based on the plan to achieve the outlined objectives:**

- Conduct a review, rearrangement, and reasonable layout of the rubber plantation and labor to ensure employment and income for workers, while minimizing the current labor force based on the arrangement of suitable multitasking labor according to the production situation.

- Survey and continue to cut down and liquidate certain areas of existing rubber with sparse tree density, low efficiency, which have been decided for liquidation by the provincial People's Committee and are included in the crop restructuring plan.

- Continue to maintain and invest in the care of newly planted rubber ensuring adherence to processes and quality; invest in machinery and equipment to mechanize the care process to minimize labor.



- Actively seek other crop varieties suitable for the local climatic conditions, with economic efficiency, linked to the market, ensuring effective use of existing land resources.

- Improve the ideological education of workers. Focus on propagating and encouraging workers to actively engage in production labor, raise their sense of responsibility in work, be productive and efficient, striving to complete the assigned tasks. Always identify the immediate difficulties, if everyone agrees and works together, we can promote the precious traditions of 60 years of building and developing the Company.

- Enhance the responsibility of leaders in units and departments in the assigned tasks, linking completion targets with regular personnel evaluations, and linking the implementation results of units with the salary regime for specific positions. Units must be truly proactive and flexible in their organization and operation within the law and Company regulations in all areas. Promote the capabilities of specialized personnel in departments, scientifically and effectively implementing the assigned operational duties.

- Focus on and seriously implement the "Corporate Culture" lifestyle. Renew the working style and methods of the Company's staff. Strengthen management at the Company and unit levels. Unit leaders must stay close to the unit, stay connected to production, and take advantage of the weather to ensure optimal tapping schedules. Be proactive and flexible in organizing production and operations within the unit. Adhere to the directives of specialized departments. Strengthen management, supervision, and inspection of units' implementation, while also having appropriate measures to help units promptly overcome difficulties and promote production and business.

- Regularly emphasize the effective implementation of democracy regulations at the grassroots level.

- Strengthen national defense and security efforts, ensuring political and economic security, and company safety. Build a strong self-defense and protection force for the Company. Organize effective implementation of fire prevention, natural disaster prevention, and rescue plans, avoiding fire incidents that cause damage to Company assets; strengthen the protection of materials, products, and assets.

- Manage and protect assets, land well, absolutely avoiding loss of assets, products, and encroached land. Focus with local governmental authorities to decisively resolve lingering land encroachment cases.

## **2.5. Explanation of the Board of Directors regarding the audit opinion::**

(None)



## **2.6. Evaluation report related to the environmental and social responsibilities of the Company**

### ***a) Evaluation related to environmental criteria:***

Towards the goal of sustainable development, Viet Trung Quang Binh Joint Stock Company is increasingly focusing on environmental protection in rubber latex exploitation and processing activities. One of the Company's most important objectives is to implement national and international certifications for sustainable rubber forest management. This activity aims to reduce negative impacts on the environment and society, increase economic efficiency combined with biodiversity, and protect forests.

### ***b) Evaluation related to labor issues:***

Workers at Viet Trung Quang Binh Joint Stock Company are ensured an income level appropriate to the general social standards, are provided with fully equipped, modern working devices, and are fully covered by various types of insurance. Annually, the Company still allocates a welfare reward fund, promptly rewarding individuals and groups with outstanding achievements in their work.

### ***c) Evaluation related to corporate responsibility towards the local community:***

The Company is assessed as having a high level of responsibility towards society and the community. During its operations, the group always ensures a harmonious balance of interests between the enterprise and the people in the project area and neighboring regions, creating stable jobs, increasing income, improving life in terms of culture, and building many social welfare works such as roads, electricity, housing for workers, schools, clean water wells, religious structures, and healthcare facilities serving workers and the community...

## **IV. ASSESSMENT OF THE BOARD OF DIRECTORS ON THE COMPANY'S OPERATIONS**

### **1. Assessment of the BOD regarding the Company's operational aspects, including evaluations related to environmental and social responsibilities.**

In 2024, although facing many challenges, all employees of the Company have made efforts to complete the economic and political tasks assigned by the Quang Binh Provincial People's Committee. Economic and financial targets have been achieved and exceeded the planned targets, ensuring stable worker income and harmonizing the interests of workers, the state, and shareholders.

The Board of Directors and the Management Board have always been proactive and responsive in management, making the most of available resources. Thus, the management of production and business operations is always proactive, creating



conditions to expand production areas, generating jobs, and increasing income for workers.

## 2. Assessment of the BOD regarding the activities of the Management Board

### ✚ Achievements

- Have complied with and strictly implemented the legal regulations, the Company's charter, resolutions of the General Meeting of Shareholders, and resolutions from the BOD.

- Always demonstrated high responsibility, closely followed work, provided specific and decisive direction, and timely addressed difficulties and obstacles in production and business activities.

- Have proactively implemented the resolutions and decisions of the BOD in accordance with the approved development orientations.

- Proactively introduced appropriate solutions for each stage and specific conditions. Maximized the potential strength of employees to complete the Company's production and business tasks.

### ✚ Limitations to be addressed

The Company's leadership needs to continue improving training efforts and building a team of management personnel. With the production and business results achieved in 2024, the BOD assesses that the management team under the direction of the Director has fulfilled the tasks assigned by the BOD for 2024.

## 3. Plans and directions of the Board of Directors

With the advantages and difficulties of the rubber industry, in 2024, the Board of Directors will be determined to direct the completion of the production and business plan, concentrating intellect and strength to overcome difficulties, seize opportunities, innovate thinking, restructure the organization, maximize capital sources, boldly invest in equipment, people, and apply advanced technology in production and business; building the Company into a stable and strong developing enterprise.

- **Regarding products:** Develop product diversification. Prioritize the development of traditional products that have established market shares and high-tech, high-engineering products. Research and develop new products, especially those in which the Company has potential and advantages. The main products of the Company before the shareholding were rubber latex; various processed wood products from planted forests; hotel business. After the privatization of the Enterprise, the Company has always focused on testing new crops that have high economic efficiency suitable for local climate conditions and importantly have stable output markets, from which it gradually converts part of the area to diversify product development.



- **Regarding the market:** Strengthen marketing activities to promote the brand and products of the Company in the market. Implement quality policies towards customers to maintain and develop brand and market share. Utilize all resources, enhance foreign relations activities, joint ventures, and collaborations to develop production and business.

- **Regarding science and technology:** Promote the movement of technical improvement initiatives, streamline production to innovate technology in production and business to generate more profits. Regularly update, research, and apply scientific and technological advancements from around the world.

- **Regarding investment:** Continue to invest in modern specialized equipment that is innovative in technology. Through investment, access modern means and equipment in line with the development of advanced scientific and technological trends worldwide while also training a team of technical staff and skilled workers to meet the development requirements of the Company.

- **Regarding finance:** Strictly manage costs to ensure effective use of capital; enhance financial capacity, ensuring continuous, stable, and solid development.

- **Regarding human resources:** Effectively implement policies and regulations for workers; continuously attract talents and have effective talent utilization policies; continue to provide training to enhance professional qualifications, skills, and working abilities for management staff and professional specialists.

## V. COMPANY MANAGEMENT

### 1. Board of Directors

#### a. Members and structure of the Board of Directors

**Table 15: Members and structure of the Board of Directors**

No	Full name	Position	Shareholding ratio
1	Mr. Phan Van Thanh	Chairperson of the Board	+ Number of shares owned personally: 12,400 shares (accounting for 0.073% of charter capital) + Number of shares owned representing the People's Committee of Quang Binh Province: 10,581,461 shares (accounting for 61.90% of charter capital)
2	Mr. Duong Chi Binh	Board Member, Director	+ Number of shares owned personally: 3,400 shares (accounting for 0.02% of charter capital) + Number of shares owned representing: 0 shares
3	Mr. Pham Xuan Thanh	Board Member, Deputy Director	+ Number of shares owned personally: 3,200 shares (accounting for 0.019% of charter capital) + Number of shares owned representing: 0 shares



4	Mr. Nguyen Hai Thanh	Board Member, Deputy Director	+ Number of shares owned personally: 2,500 shares (accounting for 0.015% of charter capital) + Number of shares owned representing: 0 shares
5	Mr. Phan Huu Bang	Board Member, Chief Accountant	+ Number of shares owned personally: 300 shares (accounting for 0.002% of charter capital) + Number of shares owned representing: 0 shares
6	Mr. Le Vu Thanh	Board Member	+ Number of shares owned personally: 3,239,230 shares (accounting for 18.96% of charter capital) + Number of shares owned representing: 0 shares
7	Mrs. Nguyen Thi Hai	Board Member	+ Number of shares owned personally: 1,000,000 shares (accounting for 5.85% of charter capital) + Number of shares owned representing: 0 shares

(Source: Viet Trung Quang Binh joint stock Company)

#### **The changes in the Board of Directors**

- a. *Subcommittees of the Board of Directors:* None
- b. *Activities of the Board of Directors*

#### **Board of Directors meetings in 2024**

The Board of Directors of the Company has 07 members. Most of the current Board members also hold concurrent positions in the Company's Executive Board, which facilitates alignment of will and solidarity in shouldering the common responsibilities of the Company's business operations.

Meetings of the Board of Directors comply with the Company's Charter and legal regulations, issuing resolutions that reflect reality and assigning tasks to the Executive Board for implementation; ensuring tight and comprehensive supervision of the management activities of the Executive Board.

On November 22, 2024, the Company's Board of Directors received 02 resignation letters from Mr. Le Vu Thanh and Ms. Nguyen Thi Hai requesting to cease their membership in the Board of Directors. According to regulations, the upcoming General Shareholders' Meeting will approve this dismissal.

Important resolutions have been approved as follows:



**Table 16: Resolutions of the Board of Directors in 2024**

No	No Resolutions/ decisions	Date	Content	Through rate
1	Decisions no.17	January 24, 2024	Approval issued, on unit salary prices for the Company's production and business sectors in 2024	100%
2	Decisions no.24	January 31, 2024	Assignment of production and business targets in 2024	100%
3	Resolutions no.35	April 4, 2024	Approve the contents submitted for approval at the 2024 Annual General Meeting of Shareholders	100%
4	Decisions no.41	April 9, 2024	Approval of roof repair estimates Room's Ham Luong	100%
5	Decisions no.48	April 16, 2024	Approving the estimate of the renovation and repair of the latex import tank of Quyet Thang Branch	100%
6	Decisions no.74	June 1, 2024	Approve the final settlement of completed works and put assets into use of factory systems, concrete yards, and transformer stations (Woodchip milling project)	100%
7	Decisions no.79	June 19, 2024	Approve the estimate of emergency sewer repair works on the intra-regional route of Sao Vang Branch	100%
8	Decisions no.100	July 24, 2024	Approved the construction estimate for the level expansion of the latex tank of Xung Kich Branch	100%
9	Decisions no.106	August 6, 2024	Establishment of an inventory council for property, inventory of supplies, products and goods	100%
10	Decisions no.128a	October 1, 2024	Approved the final settlement of the completed project and put into use the 12m long 02-axis 02-tube 580A peeling machine (Woodchip milling project)	100%
11	Decisions no.139a	November 1, 2024	Approved the final settlement of completed projects and put into use the renovation project of Thang Loi Branch's working house	100%
12	Decisions no.174	December 23, 2024	Approval of economic and	100%



			technical reports on factory works and fire protection systems at Rubber processing factory	
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(Source: Viet Trung Quang Binh joint stock Company)

All meetings are recorded, and important issues are promptly resolved by the Board of Directors in accordance with the actual situation of the Company.

The Board of Directors has executed, inspected, and closely monitored the activities of the Executive Board. The General Director regularly and proactively reports on production and business situations, as well as difficulties and obstacles in the management process. The Board of Directors has discussed and collaborated with the Executive Board to propose timely and effective solutions.

The function of supervising the Executive Board is unified between the Board of Directors and the Executive Board.

The activities of the Executive Board comply with the legal regulations, the Company's Charter, the Resolutions of the General Meeting of Shareholders, and the Resolutions of the Board of Directors.

**b. Activities of independent board members:** None

**c. List of board members with training certificates in corporate governance. List of board members who participated in corporate governance programs in the year**

None

## 2. Supervisory Board

**a. Members and structure of the Supervisory Board**

**Table 17: Members and structure of the Supervisory Board**

No	Full name	Position	Shareholding ratio
1	Mrs. Hoang Thi Thu Huong	Trưởng Ban kiểm soát	+ Number of shares owned personally: 2,000 shares (accounting for 0.012% of charter capital) + Number of shares owned representing: 0 shares
2	Mrs. Nguyen Thi Phuong	Thành viên Ban kiểm soát	+ Number of shares owned personally: 1,400 shares (accounting for 0.008% of charter capital) + Number of shares owned representing: 0 shares
4	Mr. Tran Duy Ha	Thành viên Ban kiểm soát	+ Number of shares owned personally: 6,000 shares (accounting for 0.035% of charter capital) + Number of shares owned representing: 0 shares

(Source: Viet Trung Quang Binh joint stock Company)



**b. Activity of the Supervisory Board**

In 2024, the Supervisory Board held regular meetings to check and monitor compliance with the provisions of the Enterprise Law, the Charter of the Organization and Operation of the Company in managing and operating the Company's production and business activities, specifically as follows:

- Assessing the appropriateness of the decisions of the Board of Directors and the Management Board in management and operation; controlling the procedures for issuing the Company's documents to ensure compliance with the law and the operational charter of the Company; monitoring the legal compliance of the Company.

- Checking and evaluating the key processes of the Company to identify potential risks or shortcomings in the internal management system, and thereby proposing appropriate recommendations and solutions.

- Representatives of the Supervisory Board attend and provide opinions at the meetings of the Board of Directors, checking and supervising the implementation of the contents of the resolutions of the General Meeting of Shareholders concerning the Board of Directors and the Management Board.

- Monitoring the implementation and disclosure of information by the Company according to the provisions of the Securities Law and related legal documents.

- Reviewing periodic reports prepared by the Management Board: checking quarterly and annual financial reports to assess the honesty and reasonableness of the financial data. At the same time, coordinating with independent auditors to review the impact of significant accounting and auditing errors on the financial statements; supervising the management in executing the recommendations made by the auditors.

**3. Transactions, remuneration, and benefits of the Board of Directors, the Management Board, and the Supervisory Board****3.1 Salary, bonuses, remuneration, and benefits**

All members of the Board of Directors receive remuneration from the Company, the budget for the Board of Directors is determined by the annual regular General Meeting of Shareholders.

**Table 18: Salary and remuneration of members of the Board of Directors and the Supervisory Board**

No	Content	2023 (VND)	2024 (VND)
1	Salary of the Chairman of the Board of Directors; Executive Board; Supervisory Board	1.145.971.200	1.944.768.000
2	Remuneration of the Board of Directors, Executive Board, Supervisory Board	40.800.000	40.800.000
	<b>Total</b>	<b>1.186.771.200</b>	<b>1.985.568.000</b>



(Source: Viet Trung Quang Binh joint stock Company)

### 3.2. Transactions of shares by internal shareholders, related persons of internal personnel, and major shareholders: None

**Table 19: Transactions of shares by internal personnel, related persons of internal personnel**

No	Transaction executor	Position	Number of shares owned before the transaction	Number of shares owned after the transaction	Percentage %	Reason
<b>I – Transactions of related parties of insiders</b>						
1	-					

### 3.3. Contracts or transactions with internal shareholders

None.

### 3.4. Implementation of corporate governance regulations

Throughout the year, all departments have effectively carried out corporate governance tasks in accordance with Decree 155/2020/ND-CP, the charter, and internal regulations on corporate governance.

## VI. FINANCIAL REPORT

### 1. Audit opinion

#### **Our opinion**

In our opinion, the consolidated financial statements fairly and reasonably present, in all material respects, the financial position of the Company as of December 31, 2024, the results of its operations and cash flows for the financial year then ended, in accordance with the accounting standards, the Vietnamese accounting regime, and legal regulations related to the preparation and presentation of the consolidated financial statements.

#### **Emphasis of matter**

We draw attention to Note II - Basis for preparing the financial statements and the financial year. As of December 31, 2024, the Company's current liabilities exceeded its current assets by 34,566,641,101 VND (as of January 1, 2024, it was 47,119,868,938 VND). The Company's accumulated losses as of December 31, 2024, were 51,434,030,126 VND (accumulated losses as of January 1, 2024, were 55,401,699,363 VND). This indicates the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Accordingly, the Company's ability to continue as a going concern depends on its ability to arrange cash flows and achieve profitable operations in the future as well as on the restructuring of its bank debts.



Our audit opinion is not related to this matter.

## 2. Audited financial statements.

The audited financial statements for the year 2024 of the Company include the balance sheet, income statement, cash flow statement, and notes to the financial statements as required by law on accounting and auditing, which have been audited by the International Audit Co., Ltd. The full content of the audited financial statements 2024 is published on the Company's website at: <http://www.viettrungqb.com.vn/>

Quang Binh, April 09, 2025

### Recipient:

- SSC;
- Shareholders;
- Company Website;
- BOD, BOS;
- Archive: Office.

ORGANIZATION REPRESENTATIVE  
CHAIRMAN OF THE BOARD OF DIRECTORS



Phan Van Thanh