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Draft

REPORT

IMPLEMENTING PRODUCTION AND BUSINESS IN 2024

PRODUCTION AND BUSINESS PLAN FOR 2025

I. SITUATION CHARACTERISTICS:

Thuan An Wood Processing Joint Stock Company has focused on implementing the 2024 production and business plan agreed by the Vietnam Rubber Industry Group and the targets assigned by the 2024 Annual General Meeting of Shareholders in the context that wood and wood product export businesses are facing many difficulties when inflation is still high and monetary policy has not yet loosened; The world economy is recovering slowly... causing import demand as well as orders in major markets to decline sharply, making market competition for orders increasingly fierce. The lack of orders persists, greatly affecting the company's production and business plans.

II. SITUATION CHARACTERISTICS

1. Production - Business Activities:

- In 2024, although there is a shortage of orders, the company has strived and brought many solutions to maximize cost savings to achieve the targets: revenue, profit, budget payment and employee income as planned:
 - Total revenue realized in 2024 is 274.74 billion VND, reaching 100.45% of the year's plan and 104.26% compared to 2023.
 - Profit before tax realized in 2024 is 10.74 billion VND, reaching 100.39% of the year plan and reaching 83.03% compared to 2023.
 - Total profit after tax realized in 2024 is 8.56 billion VND, reaching 99.94% of the year plan and reaching 83.04% compared to 2023.
 - The amount paid to the budget in 2024 is 5.31 billion VND, reaching 114.96% of the year's plan and 106.43% compared to 2023.

Some basic indicators:

No	Target	Unit	Plan	Implementation	Percentage
1	Total revenue	Billion vnd	273.50	274,74	100.45
2	Total cost	"	262.80	264.00	100.46
3	Profit before tax	"	10.70	10.74	100.39
4	Profit before tax/Charter capital ratio	%	10.29	10.33	100.39
5	Profit after tax	Billion vnd	8.56	8.56	100.00
6	Dividend ratio	%	5.0	5.0	100.00

2. Financial Work

- Currently, the Company's total share capital is 104 billion VND, equivalent to 10,400,000 shares, the current number of treasury shares is 570,000 shares.
- Some indicators of the Company's assets and capital as of December 31, 2024 are as follows:

No	Target	Unit	December 31, 2023	December 31, 2024	Difference	Percentage
1	Total assets	Billion vnd	338.06	319.68	(18.38)	94.56
	In which: Term deposits	"	232.10	186.25	(45.85)	80.25
	Inventory	"	48.37	66.93	18.56	138.37
2	Equity	"	162.76	161.01	(1.75)	98.92
3	Short-term debt	"	175.29	158.66	(16.63)	90.51
	In which: Short-term loans	"	142.70	126.53	(16.17)	88.67

Compared to December 31, 2023: Short-term investments at the end of the year decreased by 45.85 billion VND; Inventory increased by VND 18.56 billion and cash and cash equivalents decreased, leading to a decrease in total assets at the end of 2024 compared to the same period of VND 18.38 billion.

3. Investment Work:

- In 2024, the company has implemented necessary items to serve production needs equivalent to 73.09% of the approved plan, the remaining items will be implemented in 2025.
- Capital investment in Phu Thinh Rubber Construction Investment Joint Stock Company remains at 2,000,000,000 VND, equivalent to 20,000 shares. Dividends in 2015 and 2016 were divided by shares of 1,040 shares, so the current number of shares held is 21,040 shares. The 2023 dividend paid in cash in 2024 is 1.75% of par value, equivalent to 36,820,000 VND.

4. Labor work - salary:

- The company fully pays social insurance, health insurance, and unemployment insurance according to the new regulations of Social Insurance and Labor Accident Insurance 24/24 for employees working at the company and fully resolves the prescribed regimes for employees.
- Total employees present by the end of 2024: 546 people (Factory: 243 people; Branch: 265 people; Office: 38 people). In 2024: total workforce increases by 189 people (up 675% over the same period), Labor decreases by 172 people (up 15.4% over the same period).
- Average labor force in 2024: 543 people, reaching 90.5% of the plan (Average labor plan in 2024: 600 people).
- Average income in 2024: 9,763,216 VND/person/month; reaching 109.31% of the plan (average customer income in 2024: 8,932,000 VND/person/month) and increase 11.01% over the same period in 2023.

5. Protection - Security and Order - Fire and Explosion Prevention:

- In the work of protecting security and order, the safety of life and property of the company, the self-managed security force has always proactively resolved situations occurring at the unit and at the same time coordinated well with local forces to jointly maintain security and order in the area.

- The on-site fire protection team regularly self-inspects, trains internally, monitors the fire risk situation, and assigns rotational duty to the agency and is on fire protection duty 24/24 hours. Factories have a permanent fire protection team that self-inspects safety and fire protection equipment on site.

- Besides, the Company has coordinated well with the militia of Binh Giao Quarter, Thuan Giao Ward Police, and Thuan An City Police to perform well the work of maintaining security and order at the unit. Implementing prevention work well, in 2024 there will be no complicated incidents of security and order affecting political security and social order and safety in the garrison area.

6. Social Activities

- The company has closely coordinated with the Rubber Trade Union to carry out movements organized by the Rubber Industry Group as well as by localities:

- Visit and give Tet gifts to policy beneficiaries in the ward on annual Tet holidays.

- Support the "Tet of Kindness" movement for Spring At Ty 2025, Support funds to donate social insurance books and health insurance cards to people in difficult circumstances, Support the program "Spring with disadvantaged children" in Binh Duong province for the 18th time in 2025. Support funds for awarding scholarships to students overcoming difficulties and disadvantaged children for the 23rd time in 2024 in Binh Duong province. Support charity Trinh Vuong Shelter. Supporting friendly football to raise charity funds "Spread love" Red Cross Activities Fund of Binh Duong Province.

7. Other Work:

2024 is the 6th consecutive year the company has reached the top 100 sustainable businesses, voted by the Vietnam Business Council for Sustainable Development. This is the common labor result of all employees in the company. The Company's Board of Directors and all employees were very determined to innovate in management and production organization. The company will maintain and promote the achievements it has achieved to achieve greater efficiency in the coming years.

III. PRODUCTION AND BUSINESS PLAN FOR 2025:

- 2025 is expected to continue to be a difficult year for the wood processing industry in general and Thuan An Wood in particular. Although orders show signs of returning and improving compared to previous times, the increase is still low, so the shortage of orders will still continue.

- On the other hand: due to a prolonged lack of orders, businesses compete on product selling prices to get production orders, making the general level of output product selling prices lower, making it difficult for companies to find production orders. Therefore, it affects the employment of workers and the Company's production and business.

- Based on the general situation of the wood processing industry and the order situation at the company, the Company's Board of Directors develops a production and business plan for 2025 as follows:

1. Main indicators of Production and Business:

No	Target	Unit	Perform 2024	2025 Plan	Percentage
1	Total revenue	Billion vnd	274.74	275.09	100.13
2	Total cost	"	264.00	264.27	100.10
3	Profit before tax	"	10.74	10.82	100.73
4	Profit before tax/Charter capital ratio	%	10.33	10.40	100.73
5	Profit after tax	Billion vnd	8.56	8.66	101.17
6	Dividend ratio	%	5.0	5.0	100.00

2. Solutions to implement the 2025 plan

Carry out production and business in 2025 in difficult conditions, especially competition in production orders, selling prices and product quality. The company will strive to best complete the 2025 production and business plan, focusing fiercely on the following specific contents:

Firstly, proactively learn, research, and closely follow market information to serve businesses' production and business decisions, raise social awareness of market relations, and international economic integration.

Second, develop products and designs designed by the company to sell on the market, suitable to consumers' tastes and needs, increasing opportunities to find customers.

Third, strengthen technical management, product quality, ensure on-schedule delivery, along with solutions to control consumption norms of supplies and raw materials, find suppliers with good prices, minimize costs to reduce prices, increase competitiveness, create reputation with customers and increase cooperation opportunities.

Fourth, invest in some new machinery with modern technology to meet the high technical requirements of the product. At the same time, manufacturing a number of auxiliary machine tools, arranging production lines, machinery and equipment in accordance with current product lines, in order to improve efficiency in production and business.

Fifth, Innovate and reorganize the company's organizational structure in a streamlined, efficient and effective manner.

Sixth, take good care of existing customers, especially the stage of developing new models with customers, and continue to seek new customers through many channels such as: participating in exhibitions, e-commerce platforms, the company's website, regularly updating information, designs, new products the company designs on its own in the 3D Showroom to introduce and bring the company's products closer to customers, creating favorable conditions to increase opportunities for cooperation, search and selection of orders, customers effectively.

Seventh, pay attention to labor recruitment to meet production needs, stabilize the labor source, take care of the material and spiritual lives of workers in order to unite the collective of officials and employees in the company, build and develop corporate culture. Regularly organize dialogues to clearly and promptly understand the thoughts of workers in order to take measures to stabilize their psychology to help workers feel secure in production, motivate and encourage workers to actively participate in innovation and creativity in production, and strive together to overcome difficult times.

Eighth, maintain the implementation of the ISO 9001-2015 quality management system, while maintaining and promoting the performance of the Score project with the research topics "Lean Production", "Eliminating waste in the wood industry", complying with the BSCI code of conduct to meet the requirements of the law on social responsibility, establishing a safe and healthy working environment, ensuring transparency, minimizing possible risks to the supply chain, Improving labor productivity and product quality, enhancing brand reputation to facilitate exporting products to demanding markets, is a premise for increasing cooperation and attracting new customers to the company.

Ninth, continue to maintain and implement sustainable enterprise development in terms of implementing targets in three areas of Economy - Society - Environment. In 2025, the entire company's employees and the company's Board of Directors are united and determined to be a synergistic force that creates a strong driving force to help the Company overcome all difficulties to complete the planned targets assigned by the General Meeting of Shareholders.

Best regards!

GENERAL DIRECTOR

(signed)

Place of receipt:

- As above
- Shareholders
- Board of Directors, Board of Supervisors, Board of General Directors
- Posted on Company Website
- Filed: Literature.

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