

**REPORT OF THE SUPERVISORY BOARD  
AT ANNUAL GENERAL MEETING OF SHAREHOLDERS IN 2022**

**To: The General Meeting of Shareholders of Ha Long Canned Food  
Joint Stock Corporation**

- Pursuant to the Enterprise Law No. 59/2021/QH14,
- Pursuant to the Company charter of Ha Long Canned Food Joint Stock Corporation,
- Pursuant to the audited financial statements for 2021 by PWC Vietnam Co., Ltd.

To perform the functions and duties of the Supervisory Board in accordance with the Enterprise Law and the Charter of Ha Long Canned Food Joint Stock Corporation (hereinafter referred to as the Company/Parent company), the Supervisory Board would like to report at the General Meeting of Shareholders (hereinafter referred to as the AGM) the results of inspection and supervision of activities in 2021 and the SB plan for 2022 are as follows:

***I. Activities of the Supervisory Board in 2021***

- Comply with the provisions of law, the Company Charter and comply with the Operational Regulations of the Supervisory Board honestly and carefully for the benefit of the Company and its shareholders.
- Supervising and inspecting the Board of Management (hereinafter referred to as the BOM) and the Executive Board to implement the Resolution of the AGM in 2021; examine the legitimacy and rationality of business activities in 2021.
- Preparing and submitting the draft of Supervisory Board operating regulations to the AGM's approval.
- Inspect and supervise the issuance of resolutions and decisions of the BOM and the Executive Board.
- Attending fully and contribute comments at regular or extraordinary meetings at the invitation of the BOM of the Company.
- Checking the reasonableness, legality, truthfulness and carefulness in the organization of accounting work and the preparation of financial statements; Appraisal of the Company's financial statements for the first six months of the year and the full year



2021 financial statements, which have been reviewed and audited by an independent auditing firm as PWC Vietnam Co., Ltd.

- Check and supervise the information disclosure of the Company in accordance with the regulations.

- Participating in preparing the draft Internal Audit Regulations.

- The Supervisory Board inspected and reviewed the operation of Ha Long - Da Nang Canned Food One Member Company Limited (hereinafter referred to as the Subsidiary), established an inspection team at the request of the BOM and reported working content. During the working process, the Supervisory Board consulted specialized consultants of specialized departments to report additionally to the Resolution on comprehensive inspection of subsidiaries, including external audit and tax inspection results of Subsidiary.

- In 2021, the Supervisory Board held 06 meetings to implement and complete the above-mentioned work contents.

- Salary and remuneration of the Supervisory Board in 2021 as below:

+ Salary and bonus of Head of Supervisory Board: 263,000,000 VND.

+ Remuneration and bonus of Supervisory Board members: 267,000,000 VND.

(including 02 members of the Supervisory Board whose term ended on June 4, 2021)

## II Results of inspection and supervision activities of the Supervisory Board

### 1. Regarding the implementation of the business plan in 2021

(Unit: Bil VND)

Item	CRITERIA	Unit	Plan FY2021	Actual FY2021	Actual FY2020	Compare (%)	
						Plan 2021	Period 2020
(1)	(2)	(3)	(4)	(5)	(6)	(7)=(5)/(4)	(8)=(5)/(6)
1	Net Revenue	Bil VND	817	864,08	734,34	106%	118%
2	Profit before tax	Bil VND	27	38,22	22,90	142%	167%
3	Profit after tax	Bil VND	22	29,42	18,12	133%	162%
4	PAT /net Rev ratio	%	2,7%	3,4%	2,5%	126%	136%

Item	CRITERIA	Unit	Plan FY2021	Actual FY2021	Actual FY2020	Compare (%)	
						Plan 2021	Period 2020
5	PAT /Charter capital	%	44%	59%	36%	134%	210%

The Company's consolidated net revenue in 2021 is 864.08 billion VND, reaching 106% of the year plan and reaching 118% over the same period in 2020.

Consolidated profit after tax of the whole Company in 2021 reached VND 29.42 billion, an increase of VND 11.32 billion compared to the previous year's profit and reached 133% of the business plan in 2021 and 162% compared to the same period last year 2020.

The implementation of the BOM and the Executive Board has properly, fully and successfully completed the targets and resolutions approved by the AGM in 2021. Specifically, the results of the implementation of the assigned plan are as follows:

#### Production and business status of Ha Long Canned Food JSC (Parent company)

(Unit: Bil VND)

Item	CRITERIA	FY2021	FY2020	Compre 2021 and 2020	
				Difference value	Ratio (%)
(1)	(2)	(3)	(4)	(5) = (3) - (4)	(6) = (5)/(4)
1	Net revenue	539,20	484,04	55,16	11%
2	Profit after CIT	20,55	11,45	9,10	79%

#### Production and business status of Ha Long Canned Food Ltd.,Co (Subsidiary)

(Unit: Bil VND)

Item	CRITERIA	FY2021	FY2020	Compre 2021 and 2020	
				Difference value	Ratio (%)
(1)	(2)	(3)	(4)	(5) = (3) - (4)	(6) = (5)/(4)
1	Net revenue	374,88	302,48	72,40	24%
2	Profit after CIT	11,21	7,73	3,48	45%

## **2. The inspection and supervision of the activities of the BOM and the Executive Board in 2021**

In 2021, the BOM of the Company includes 05 members appointed by the AGM (term of 2021-2026). The members of the BOM held 09 meetings and issued a total of 46 important resolutions for the Company's operations.

Regarding the operating budget and remuneration for the BOM and SB : In 2021, based on the growth rate of the Company and the subsidiary, the BOM and SB continuously improve the governance and administration. and check and control to ensure that all aspects of production and business activities operate and develop well while ensuring the use of operating budget, remuneration of the BOM, the SB does not exceed the regulations in accordance with the Resolution of AGM No. 01/2021/NQ- ĐHĐCĐ approved on June 4, 2021.

Regarding amendments and supplements to the Charter and draft operating regulations of the BOM: The Board of Management has submitted to the AGM to amend and supplement a number of contents of the Company's Charter to suit the actual situation and provisions of relevant laws. At the same time, draft the operation regulation of the BOM. The above amendments, supplements and drafts were approved by the AGM on June 4, 2021.

The Board of Management has made great efforts when organizing the implementation of the Resolution of the AGM, the Resolution and the Decision of the BOM. The Company holds briefings with key staff to check the performance of assigned tasks and implement production and business plans monthly. The year 2021, it was recognized the Board of Management's efforts to develop new products and develop sale channels to adapt to the rapid changes of the market and at the same time try to expand market share in the South. The results of the Company's consolidated revenue and profit both exceeded the target set by the AGM.

## **3. Coordinating activities of the Supervisory Board with the Board of Management, Executive Board and shareholders**

The Supervisory Board operates independently but always coordinates with the Board of Management and the Executive Board in a constructive and cooperative spirit. The Supervisory Board closely followed the issuance of the resolutions of the BOM and the activities of the BOM, ensuring the continuous inspection and supervision but did not affect the operation of the Company.

The Board of Supervisors fully participates in the meetings of the BOM, based on the content of the meetings and documents provided by the BOM, the Supervisory Board has comments within its competence that are close to the actual operation of the Company.

The Supervisory Board received the support and assistance of the Board of Management, the Executive Board, specialized departments and branches in providing documents for the performance of duties.

#### **4. Inspect and supervise the Company's disclosure of information**

Information disclosure is fully implemented, sent and announced on time at the request of regulatory agencies, as well as promptly posted information on the Company's Website.

#### **5. Proposal to choose an independent auditing company**

The Supervisory Board discussed with the independent auditor the nature and scope of the audit before commencing the audit, examining the quarterly financial statements, the six-month financial statements and the appraisal of the previous year's financial statements when the Company submits to the AGM for approval.

### **III. Results of appraisal of financial statements for 2021:**

The Supervisory Board appraised the Company's 2021 financial statements and agreed with the financial statements audited by the independent auditor PwC Vietnam Co., Ltd.

The figures on the Balance Sheet and Income Statement, the cash flows for 2021 have reflected the financial performance, over the material aspects are reasonable, lawful, honest, consistent with applicable regulations on the financial accounting regime as prescribed by law.

The financial statements for 2021 include the Balance Sheet, Income Statement, Statement of Cash Flows and Notes to the financial statements prepared by the Company in accordance with accounting standards and regimes. current accounting of Vietnamese enterprises. The system of accounting vouchers and accounting books is made and recorded according to regulations.

The financial statements for 2021 are audited by PWC Vietnam Co., Ltd., which has been approved by the State Securities Commission to audit public and listed companies.

The auditor's opinion on the Company's 2021 financial statements is as follows: "In our opinion, the consolidated financial statements give a true and fair view, in all material respects, The consolidated financial position of the Group as at 31 December 2021, as well as its consolidated results of operations and its consolidated cash flows for the year then ended, are consistent with Vietnamese Accounting Standards, Vietnamese corporate accounting system and relevant legal regulations relating to the preparation and presentation of the consolidated financial statements".

The consolidated financial position of the Company as of December 31, 2021: According to the Company's financial statements audited by PWC Vietnam Co., Ltd., are as follows:

**Balance sheet**

(Unit: Mil VND)

CRITERIA	Amount as of 31.12.2021	Amount as of 01.01.2021
<b>A- SHORT-TERM ASSETS</b>	<b>390.008</b>	<b>331.314</b>
I. Cash and cash equivalents	11.608	13.574
II. Short-term financial investments	-	-
III. Short-term receivables	92.400	61.953
IV. Inventory	274.147	248.937
V. Other current assets	11.853	6.850
<b>B. LONG-TERM ASSETS</b>	<b>64.785</b>	<b>66.094</b>
I. Long-term receivables	950	650
II. Fixed assets	58.726	55.331
III. Long-term unfinished assets	-	6.617
IV. Other long-term assets	5.109	3.496
<b>TOTAL ASSETS</b>	<b>454.793</b>	<b>397.409</b>
<b>A. LIABILITIES</b>	<b>307.006</b>	<b>267.790</b>
I. Short-term debt	302.099	262.510
II. Long-term liabilities	4.906	5.280
<b>B. OWNER'S CAPITAL</b>	<b>147.787</b>	<b>129.619</b>
I. Equity	147.787	129.619
II. Funding sources and other funds	-	-
<b>TOTAL RESOURCES</b>	<b>454.793</b>	<b>397.409</b>

Some of the basic financial indicators:

Item	CRITERIA	Unit	FY2021	FY2020
1	Asset structure			

Item	CRITERIA	Unit	FY2021	FY2020
	- Long-term assets/Total assets	%	14%	17%
	- Current assets/Total assets		86%	83%
2	Capital structure			
	- Liabilities/Total capital	%	68%	67%
	- Equity/Total capital		32%	33%
3	Profit margin			
	- Profit after tax/Total assets (ROA)		6,5%	4,6%
	- Profit after tax / Net sales (ROS)	%	3,4%	2,5%
	- Profit after tax/Equity ratio (ROE)		19%	14%

#### IV. Operation Plan 2022 of the Supervisory Board

- Continue to perform the inspection and supervision work according to the functions and tasks specified in the Company's Charter and the Operation Regulation of the Supervisory Board.
- Continue to supervise the BOM, the Executive Board to implement the Resolution of the General Meeting of Shareholders and Extraordinary General Meeting (if any) in 2022
- In addition, the Supervisory Board will focus on conducting inspections and internal controls related to production and business activities, inventory management and selling expenses of the Company in 2022.
- Perform other tasks according to the functions and tasks of the Supervisory Board.

#### V. Recommendations of the Supervisory Board

- Proposing the 2022 Annual General Meeting of Shareholders to approve the assignment of the Supervisory Board to actively review and perfect the regulations on the organization and operation of the Supervisory Board in accordance with the provisions of law and in accordance with the law actual situation of the Company.

- Proposing the BOM to consider and request the Executive Board to soon issue processes to concretize the Financial Regulations and the Internal Governance Regulations in the Parent Company. At the same time, the Financial Regulations and Internal Regulations need to be developed and approved by the right authority at the Subsidiary in order to more closely manage and promote the governance of the Board of Management.

- Recommend the BOM to request strengthening of supervisory and executive roles and functions and closer linkages in vertical management between the Parent Company and the Subsidiary in order to increase supervisory activities and capabilities ability to link and support in operating production activities and developing business opportunities.

- Proposing the BOM to consider the operation and corresponding accounting for Ha Long Kindergarten in order to ensure the appropriateness between the nature of operation and the profile documents.

- Request the Subsidiary to proceed soon to have a tax inspection plan for the years 2019-2021 because currently the Subsidiary has the tax finalization for the two years 2017-2018.

The above is the entire report of the Supervisory Board at the AGM 2022, submitted to the General Meeting of Shareholders for consideration and approval.

***Receiving:***

- AGM;
- BOM;
- Filing: SB, Admin.

**ON BE HALF OF THE  
SUPERVISORY BOARD**

**PHAM THI HAI YEN**

