



SAFOCO FOODSTUFF JOINT STOCK COMPANY

2024

ANNUAL REPORT



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CONTENTS

01 GENERAL INFORMATION

1. Overview Information
2. Business Lines and Geographic Areas
3. Information on the Governance Model, Business Organization, and Organizational Structure
4. Development Orientation
5. Risks

02 OPERATIONAL PERFORMANCE

1. Production and Business Performance
2. Organization and Human Resources
3. Investment activities, project implementation
4. Financial Position
5. Shareholder Structure and Changes in Owners' Investment Capital
6. Environment - Social - Government Report of the Company

03 BOARD OF MANAGEMENT'S REPORT AND ASSESSMENT

1. Assessment of Production and Business Performance
2. Financial Status
3. Improvements in Organizational Structure, Policies, and Management
4. Future Development Plans
5. Explanation of the General Director Regarding Audit Opinions
6. Assessment Report on the Company's Environmental and Social Responsibilities



04 BOARD OF DIRECTORS' ASSESSMENT OF THE COMPANY'S OPERATIONS

1. Board of Directors' Assessment of the Company's Activities
2. Board of Directors' Assessment of the General Director's Activities
3. Plans and Orientations of the Board of Directors

05 CORPORATE GOVERNANCE

1. Board of Directors
2. Board of Supervisors
3. Transactions, Remuneration, and Benefits of the Board of Directors, Board of Management, and Board of Supervisors

06 FINANCIAL STATEMENTS

1. Audit Opinion
2. Audited Financial Statements



01

GENERAL INFORMATION



» GENERAL INFORMATION



» Trading name

SAFOCO FOODSTUFF
JOINT STOCK COMPANY


» Company Logo




» Contact information

 www.safocofood.com

 safoco@hcm.vnn.vn

 (84-28) 37 245 264

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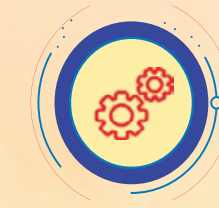
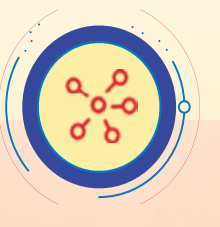
» Abbreviated name	SAFOCO
» Vietnamese name	CÔNG TY CỔ PHẦN LƯƠNG THỰC THỰC PHẨM SAFOCO
» Stock code	SAF
» Charter Capital	120.465.900.000 VND
» Head Quarter	1079 Pham Van Dong, Quarter 1, Linh Tay Ward, Thu Duc City, Ho Chi Minh City, Vietnam
» Business Registration Certificate	No. 0303752249, issued by the Department of Planning and Investment of Ho Chi Minh City for the first time on April 14, 2005, and amended for the 16th time on March 27, 2023

➤ GENERAL INFORMATION



Safoco is a trademark that has been registered for exclusive trademark protection in Vietnam, European, Asian, American countries, and the EU.

The company has a distribution system with over 8,500 points of sale through traditional agents, premium supermarkets, convenience stores, retail outlets, and small stores in 63 provinces nationwide.



Workshops have been upgraded, and new machinery and equipment have been invested in, increasing production capacity to meet the consumption demands of the domestic and export markets.

Experienced human resources, skilled and loyal employees, regularly trained to improve their qualifications and skills.



The company's financial situation is sound, resources are secured, ensuring business operations.

➤ GENERAL INFORMATION

Formation and Development



1999

Foodstuff Store Number 4 (predecessor of Safoco Foodstuff Joint Stock Company) was established under Decision No. 224/STM-QĐ dated April 29, 1995, of the Department of Trade of Ho Chi Minh City.

2005

The enterprise officially transitioned to operating as a joint-stock company from May 1, 2005, under business license number 4103003305 issued by the Department of Planning and Investment of Ho Chi Minh City on April 14, 2005, with a charter capital of 22,000,000,000 VND (In words: Twenty-two billion VND), of which the State held 51.29%.

2010

Charter capital increased to 30,457,770,000 VND (From the issuance of shares to pay dividends in shares and increase charter capital from Owners's equity).

2022

Charter capital increased to 120,465,900,000 VND (From the issuance of shares to pay dividends in shares and increase charter capital from Owners's equity).

Now

1995

Foodstuff Store Number 4 was renamed Safoco Foodstuff Enterprise under Decision No. 033/QĐ-HDQT dated May 10, 1999, of the Southern Food Corporation.

2004

The enterprise underwent equitization and transformed from a state-owned enterprise into a joint-stock company under Decision No. 4451/QĐ/BNN-TCCB dated December 9, 2004, of the Minister of Agriculture and Rural Development.

2006

On December 28, 2006, 2,706,000 shares were officially traded on the Ho Chi Minh City Stock Exchange (HOSE) with the stock code SAF, under Listing Permit No. 95/UBCK-GPNY issued by the State Securities Commission of VietNam on December 5, 2006, increasing the charter capital to 27,060,000,000 VND.

2009

On June 8, 2009, 2,706,000 shares were officially traded on the Hanoi Stock Exchange, under Decision No. 215/QĐ-TTGDHN dated May 26, 2009, of the Hanoi Stock Exchange.

2020

Charter capital increased to 100,557,890,000 VND (From the issuance of shares to pay dividends in shares and increase charter capital from Owners's equity).

2024

OUTSTANDING ACHIEVEMENTS



Labor Order First-Class



Labor Order Second-Class



Labor Order Third-Class



National Brand 2024



Vietnam High Quality Goods 2024



Vietnam High Quality Goods 2024 - Global Integration Standards



Independence Medal Second-Class



Independence Medal Third-Class



The Vietnam old Star Award 2024



Top 5 Global Excellent Brand 2024



Top 10 ASIA Top Brand Award 2024



Excellent Emulation Unit



Excellent Emulation Unit



Excellent Emulation Unit



Top 10 ASEAN Strong Brands 2024



Global Quality Products - Services 2024



Top 10 Leading Brands in Vietnam 2024

➤ GENERAL INFORMATION

Business Lines



Industry code	Industry name
1074 (Main)	Production of macaroni, noodles and similar products
4632	Wholesale of food
4663	Wholesale of other construction materials and equipment
4649	Wholesale of other household goods
5610	Restaurants and mobile food services
6810	Business of real estate, land use rights of owners, users or renters
3290	Other manufacturing not elsewhere classified
4933	Road freight transport (excluding liquefied gas for transport)

GENERAL INFORMATION

Main Products

Safoco focuses on four main product groups: Noodles, Macaroni, Vermicelli, and Rice Paper, ensuring 100% of products meet the announced quality and food safety standards, with the business philosophy **“Prioritizing consumer health benefits”**



Macaroni



Rice Macaroni



Premium Macaroni



Cooked Macaroni Instant



Egg Noodles Premium



Egg Noodles High Quality



Premium Quality Noodles



Vegetable Noodles



Vegetarian Noodles



Rice Vermicelli



Dried Vermicelli



Fresh Vermicelli



Rice Paper (16 cm)



Rice Paper (22 cm)

Business Locations

The company identifies maintaining market share as a top priority in its business development strategy, prioritizing the development and expansion of the domestic market to achieve 70%-80% or more, developing a sales network through distribution channels: traditional agents, premium supermarkets, Coop Food, restaurants, and convenience stores.



Domestic Market

Safoco has built and developed a nationwide distribution network with nearly 8,500 points of sale. The company's distribution system includes traditional agent channels, premium supermarket channels (such as Coop Mart, Big C, Vin Mart, Mega Market, Saigon Satra, Aeon, Lotte Mart), convenience stores (Bach Hoa Xanh, Vissan, Vinafood Mart, G7 Mart, Saigon HD), and independent retail channels such as grocery stores, small retail outlets, and markets. In addition to expanding market coverage nationwide, the company also focuses on exploiting remote and rural areas to directly meet consumer needs.

Export Market

In the context of international integration, Safoco's products are present in 85 countries worldwide, including markets known for their stringent quality, food safety, and environmental protection standards. These include the US, Australia, France, Germany, Canada, Russia, Norway, Sweden, Czech Republic, South Korea, Japan, and ASEAN countries.

GENERAL INFORMATION

Information on the governance model, business organization and management apparatus

Governance model

Safoco Foodstuff Joint Stock Company operates under the governance model in accordance with the current Law on Enterprises, including:



The General Meeting of Shareholders (GMS): The highest decision-making body, deciding on matters within its authority and responsibilities as prescribed by law and the company's charter.



The Board of Directors (BOD): The company's management body, having full authority on behalf of the company to decide all matters related to the company's operating activities, except for matters under the authority of the GMS. The number of BOD members is 05.

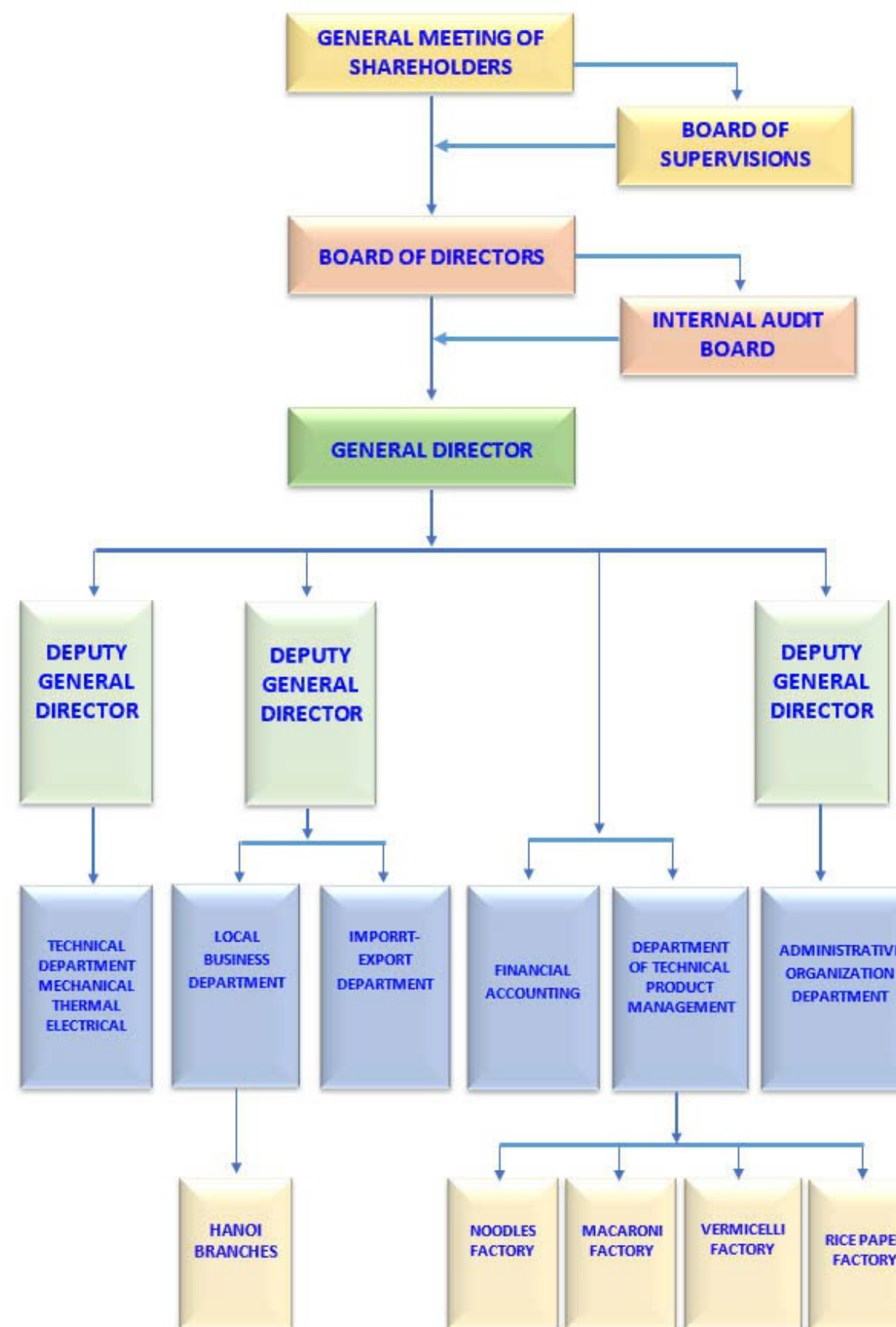


The Board of Supervisors (BOS): Responsible for supervising and evaluating the management and administration of the BOD and the General Director's Board as stipulated in the Charter, Resolutions/Decisions of the GMS, and legal regulations. The number of BOS members is 03.



The Board of Supervisors (BOM): The executive body for the company's daily business activities and is responsible to the BOD for the performance of assigned rights and duties. Currently, the BOM has 04 members, with 01 General Director and 03 Deputy General Directors.

Organizational Structure



» GENERAL INFORMATION

Development orientation



THE COMPANY'S MAIN OBJECTIVES

- » To become one of Vietnam's leading enterprises in dried food processing, providing high-quality and valuable products with the philosophy of "Prioritizing consumer health benefits," ensuring food safety, which is a particularly prioritized objective of Safoco, as it is not only the manufacturer's responsibility but also a decisive factor for the enterprise's survival.
- » To continue maintaining and building a strong distribution system in domestic and foreign markets, strengthening and expanding the consumption network, increasing market share, and maintaining Safoco's brand position in the market.
- » To create a good and safe working environment, build a professional workforce, and apply salary and bonus policies along with other benefits to improve the material and spiritual life of employees.
- » To continue investing in machinery and equipment, applying automation technology to production to increase output, reduce manual stages, reduce costs, and enhance competitiveness in the integration period.
- » To continuously improve and effectively implement social and environmental goals



MEDIUM AND LONG-TERM DEVELOPMENT STRATEGY

- » To build the Safoco brand to be increasingly developed and competitive in the international market.
- » To continuously invest in promoting production activities, improving technical and technological levels to create high-quality and reputable products in the market.
- » To expand the distribution network, increase product diversity, and research and develop products suitable for each customer group.
- » To strengthen trade promotion programs with foreign partners, boost exports, and increase Foreign currency revenue.
- » To improve corporate governance, train successors, and promote the capacity of skilled workers.
- » To continue maintaining a sustainable market development strategy, accelerating growth, maximizing profits, and harmonizing the three benefits of the State - Shareholders - Employees.
- » In its overall development orientation, Safoco aims for sustainable growth. Not only prioritizing profit, Safoco's development always goes hand in hand with responsibility and benefits for society. Therefore, ensuring the Company's activities always comply with legal regulations, social ethics standards, and community interests.



➤ GENERAL INFORMATION

Development Orientation



» Always comply with environmental protection laws in the Company's production activities, recycle and reuse resources, apply advanced production technologies, use energy efficiently, minimize environmental pollution, and exploit natural resources to ensure the health of employees and the local community.



» Ensure that the production process always meets food hygiene and safety standards. For exported products, always comply with the standards of each host country (such as: EU standards, US FDA standards, Korean KFDA standards...).



» Build a team of employees with sufficient experience and business acumen in the context of international competition and integration. Raise awareness among officials and employees in protecting water resources, energy resources, urging everyone to thoroughly implement electricity and water savings, and have a good sense of protecting a green and clean environment.



» Always pay attention to the responsibility and benefits brought to society in addition to the Company's profits. All activities of the Company always comply with legal regulations, social ethics standards, bring benefits to the community, and contribute to the development of the country.

➤ GENERAL INFORMATION

Risks

◀ EXCHANGE RATE RISK

Currently, Safoco products have been exported to major markets: Europe, Asia, America, the EU bloc... therefore, strong fluctuations in exchange rates will directly affect the Company's sales volume and revenue.

◀ RAW MATERIALS PRICE RISKS

Safoco's main products, including pasta, noodles, vermicelli, and rice paper, are heavily dependent on Raw materials, primarily wheat flour and rice flour. However, climate change and supply instability in 2024 caused significant fluctuations in rice and wheat prices, impacting Production cost. According to the National Center for Hydro-Meteorological Forecasting, during the first six months of 2024, the El Nino phenomenon, although weakened, still caused drought and water shortages, reducing agricultural output. By July 2024, the Northern region recorded rainfall 30-55% higher than average, and major storms are forecast for the last months of the year, causing landslides and floods, severely affecting the supply of wheat flour and rice flour. Input Raw materials prices, such as rice, increased by 0.77% in 2024 compared to the previous year (General Statistics Office), leading to increased production costs, directly affecting Safoco's operational efficiency.

Faced with these challenges, Safoco has developed raw material risk management strategies such as diversifying supply sources, stockpiling Raw materials when prices are low, and signing long-term contracts with fixed price terms. Simultaneously, the company invests in a sustainable supply chain, increases the use of domestic Raw materials, and innovates production technology to optimize Raw materials usage, ensuring maintained production efficiency and market competitiveness.

◀ COMPETITIVE RISKS

Vietnam has been and is in the period of deep and wide integration into the world economy, the government has implemented many policies to attract FDI resources from abroad to Vietnam, this leads to fierce competition between domestic enterprises and foreign enterprises in both price and product quality. In addition, the Company also has to compete with imported products, products manufactured by FDI enterprises, private label products of supermarkets, bulk goods (without packaging), low-quality and cheap goods widely sold in markets... these are the regular risks that the Company faces. Therefore, the Company must focus on improving production capacity, creating high-quality products, ensuring food safety but with reasonable prices to be competitive in the market. The Company focuses on investing in clean production technology, advanced quality management systems, and building a transparent supply chain. The quality management system ISO 9001:2015, ISO 22000:2018 and HACCP are maintained and operated effectively. Safoco also develops a closed production model, strictly controlling from Raw materials inputs to finished products, while applying the trend of "greening" products by switching to organic production and minimizing chemicals in the process. These measures not only enhance the ability to meet stringent standards from the EU but also create a sustainable competitive advantage. Thereby, Safoco not only maintains market share in export markets but also affirms its position in the context of increasing demands for quality and sustainability.

◀ LEGAL RISKS

Currently, as Vietnam integrates into the global economy, its legal system is constantly being developed, amended, and perfected to align with Vietnam's commitments in international treaties, aiming towards a more robust legal framework for businesses in Vietnam. Therefore, the company must promptly update itself on changes in Laws, Decrees, and Circulars for proper compliance.

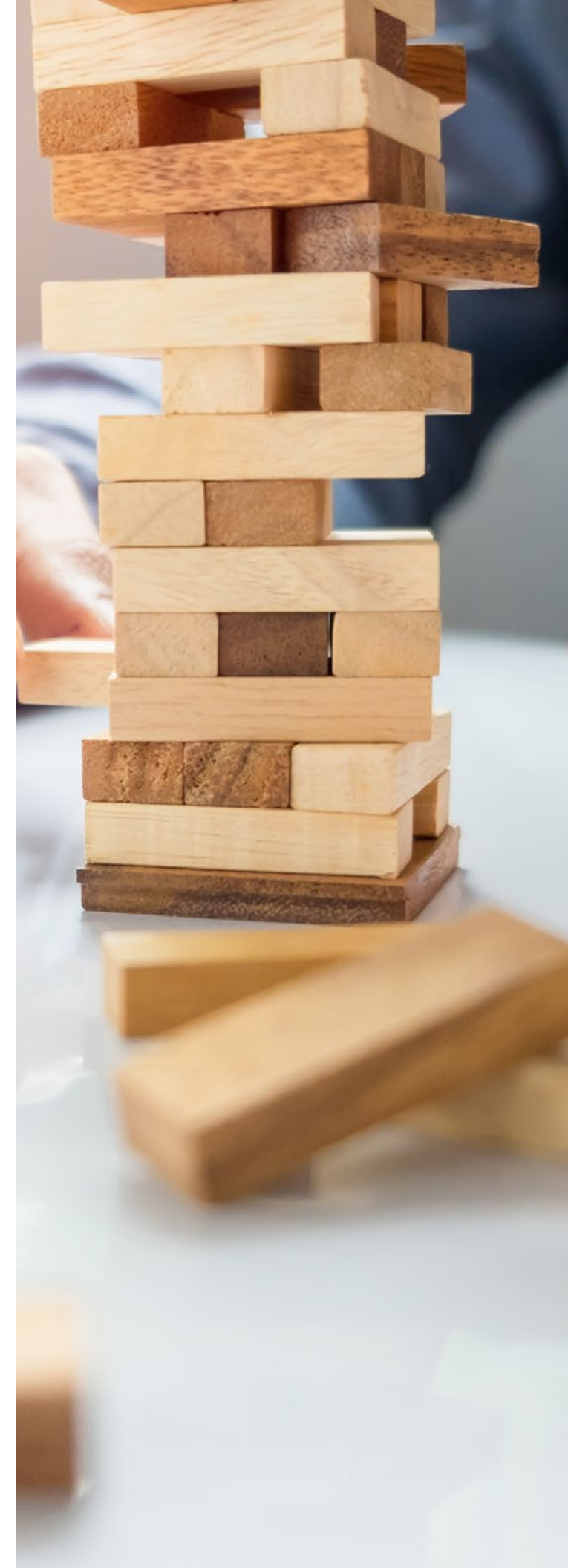
◀ BRAND RISKS, COUNTERFEIT GOODS, AND IMITATION GOODS

Food and beverage industry brand equity is built on four main factors: product quality, customer experience, brand image, and core values. However, any negative impact on one of these factors can lead to serious brand risks. Incidents such as substandard product quality or adverse market information can erode customer trust, negatively impacting competitiveness in both domestic and international markets. Especially for Safoco, a nearly 30-year-old brand, these risks not only disrupt market expansion and promotion strategies but can also have broader consequences, weakening the brand's position and value within the industry.

To mitigate risks and achieve sustainable development, Safoco has developed a comprehensive strategy focused on ensuring international-standard product quality and building a brand image associated with commitments to food safety and environmental protection. The Safoco brand has been registered for exclusive protection in Vietnam as well as in key markets in Europe, Asia, America, and the EU, affirming its prestige and position in the international market. At the same time, the company continuously enhances customer experience through improved after-sales service, prompt feedback handling, and strengthened brand risk management with a rigorous monitoring system, enabling early detection and resolution of potential issues. Furthermore, Safoco promotes communication and advertising across multiple platforms, combined with close monitoring of market trends to adjust strategies promptly, meeting the increasingly high demands of consumers. These synchronized solutions not only protect brand reputation but also create a solid foundation for sustainable development in the future.

◀ OTHER RISKS

Other risks such as epidemics, climate change, fires... are force majeure risks, if they occur, they will cause damage to people and assets of the Company.



OPERATIONAL PERFORMANCE

02



PRODUCTION AND BUSINESS PERFORMANCE

Production and business performance

Results of production and business activities in the year

Within the unfavorable macro economy occurring in 2024, Safoco's production and business activities have been significantly affected. However, providing the efforts of the Company's leadership to discover new markets, maximize cost savings, have appropriate strategies for each region, distribution system, and the solidarity and sharing of all employees, striving to achieve production and business targets, the results are as follows:

No.	Indicators	Unit	Plan Year 2024	Year 2024 Actual	Year 2023 Actual	(% Ratio of Year 2024 performance to Year 2023 performance)	
						Plan	Same period
1	Total Revenue	Million VND	820,000	732,110	803,921	89.28%	91.07%
2	Production output	Tonnes	15,000	14,329	14,389	95.53%	99.58%
3	Sales volume	Tonnes	14,200	13,808	13,784	97.24%	100.17%
4	Profit before tax	Million VND	62,500	60,860	64,988	97.38%	93.65%
5	Budget contribution	Million VND	25,000	29,571	31,670	118.28%	93.37%



Actual performance compared to the plan

In 2024, revenue reached 732 billion VND, completing 89.28% of the plan, Profit before tax reached 60.86 billion VND, completing 97.38% of the plan assigned by the General Meeting of Shareholders. Total consumption output is estimated at 13,808 tons, an increase of 24 tons over the same period (13,784 tons). Wherein:

- **Domestic market:** consumption output reached 9,287 tons, accounting for 67.26% of total consumption output, an increase of 52 tons over the same period (9,235 tons).
- **Export market:** export output reached 4,521 tons, accounting for 32.74% of total consumption output, a decrease of 28 tons compared to the same period in 2023 (4,549 tons).

In the domestic market, unusual weather patterns, prolonged hot weather in the first half of the year, with higher intensity than the multi-year average (temperatures in some places up to 40 degrees Celsius), especially in the North, the Central Highlands, and the South, caused people to change their consumption habits, prioritizing refreshing and easy-to-prepare foods, reducing demand for other items. By the second half of the year, continuous rains, storms, floods, and landslides occurred, especially storm number 3 (storm Yagi), causing heavy damage to people and assets, people's lives became difficult, prioritizing the purchase of essential goods, so the consumption output of distributors in this area decreased.

Besides, due to the difficult economic influence and the fear of risks after the impact of storm Yagi, consumers are more cautious in spending, cutting down on non-essential expenses. In addition, people's purchasing trends have changed, shifting from direct purchases to online channels, so the buying and selling situation in traditional markets is very sluggish. In modern supermarket channels such as shopping malls and convenience stores, despite abundant goods, stable prices, and even many attractive promotions, the number of customers is still very small. Competition in the market is increasingly fierce, to increase sales, competitors constantly launch shocking promotions (such as: discounts up to 50%, buy 1 get 1 free, or buy 2 get 1 free). Therefore, to increase competitiveness, maintain market share, and increase sales output, the Company must constantly promote, increase discount rates, and increase costs, leading to low profits.

Besides domestic market challenges, Safoco faced counterfeit products and intellectual property infringement. To maintain brand reputation, Safoco initiated legal proceedings and demanded competitors recall all infringing goods domestically and internationally (in supermarkets, agencies, retail systems, etc.). Due to decisive action, all counterfeit Safoco products were recalled within three days from these systems.

In 2024, Safoco's export activities encountered significant challenges. From the beginning of the year, sea freight container costs to European countries (US, Canada, etc.) increased substantially (over 200% compared to the end of 2023), and shipping times extended by 10-15 days. Despite offering support and flexible discounts, consumption in these markets still declined.

Additionally, technical trade barriers protecting importing countries' production increased. Specifically, the US market implemented import alert 99/48 from the US Food and Drug Administration (FDA), requiring strict monitoring of chemical contaminants in food. This required company's product testing for exports to this market, increasing inspection costs by nearly 300 million VND.

The company's product showcase store, besides introducing Safoco products, also sold beer, soft drinks, and bottled water to increase profitability. However, stricter alcohol control regulations and declining demand causing risk escalating, the company decided to discontinue these items, result in an 82.9% decrease in business revenue compared to the previous year.

Furthermore, raw and auxiliary material prices (like rice, rice starch, and glossy powder) increased by 15-20% from the beginning of the year, raising final product prices, negatively affected profit.

PRODUCTION AND BUSINESS PERFORMANCE

Organization and Human Resources

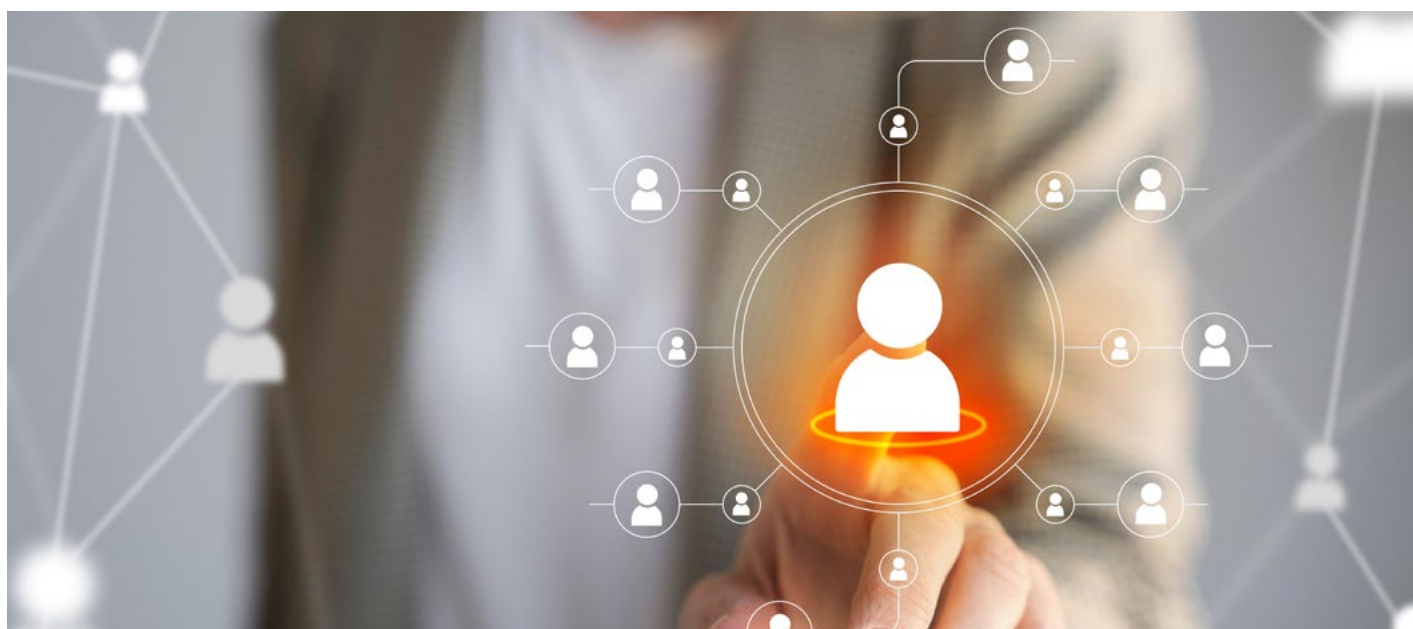
Board of Management list

As of December 31, 2024

No.	Member	Position	Number of shares owned	Ownership percentage	Note
1	Mrs. Pham Thi Thu Hong	General Director	1,697,262	14.09	
2	Mr. Nguyen Cong Minh Khoa	Deputy General Director	42,789	0.36	
3	Mr. Nguyen Tri Nghia	Deputy General Director	0	0	
4	Mr. Tran Hoang Thao	Deputy General Director	9,341	0.08	
5	Mrs. Nguyen Thi Nga	Chief Accountant	202	0	Dismissed from 20/07/2024
6	Mrs. Do Ngoc Tham	Accountant in Charge	0	0	Appointed from 20/07/2024

Changes in the Board of Management in 2024

The Board of Directors approved the resignation of Ms. Nguyen Thi Nga - Chief Accountant for retirement, and appointed Ms. Do Ngoc Tham as Accountant in Charge from July 20, 2024.



Board of Management profiles

MRS. PHAM THI THU HONG

Member of the Board of Directors and General Director

- **Year of Birth:** 1957
- **Place of Birth:** Hai Hung
- **Nationality:** Viet Nam
- **Education level:** 12/12
- **Qualification:** Bachelor of Business Administration, CFO Certificate
- **Current Position:** Member of the Board of Directors and General Director of SAFOCO
- **Position held in other organization:** None

MR. Nguyen Cong Minh Khoa

Member of the Board of Directors and Deputy General Director

- **Year of Birth:** 1978
- **Place of Birth:** Dong Thap
- **Nationality:** Viet Nam
- **Education level:** 12/12
- **Qualification:** Bachelor of Business Administration
- **Current Position:** Member of the Board of Directors and Deputy General Director of SAFOCO
- **Position held in other organization:** None

MR. NGUYEN TRI NGHIA

Deputy General Director

- **Year of Birth:** 1972
- **Place of Birth:** Nghe An
- **Nationality:** Viet Nam
- **Education level:** 12/12
- **Qualification:** Engineer
- **Current Position:** Deputy General Director of SAFOCO
- **Position held in other organization:** None

Board of Management profiles

MR. TRAN HOANG THAO

Deputy General Director

- **Year of Birth:** 1961
- **Place of Birth:** Thua Thien Hue
- **Nationality:** Viet Nam
- **Education level:** 12/12
- **Qualification:** Mechanical Engineer
- **Current Position:** Deputy General Director of SAFOCO
- **Position held in other organization:** None

MRS. NGUYEN THI NGA

Chief Accountant (Dismissed from 20/07/2024)

- **Year of Birth:** 1959
- **Place of Birth:** Ho Chi Minh City
- **Nationality:** Viet Nam
- **Education level:** 12/12
- **Qualification:** Bachelor of Industrial Accounting
- **Current Position:** Chief Accountant of SAFOCO
- **Position held in other organization:** None

MRS. DO NGOC THAM

Accountant in Charge

- **Year of Birth:** 1988
- **Place of Birth:** Tien Giang
- **Nationality:** Viet Nam
- **Education level:** 12/12
- **Qualification:** Bachelor of Industrial Accounting
- **Current Position:** Accountant in Charge of SAFOCO
- **Position held in other organization:** None

PRODUCTION AND BUSINESS PERFORMANCE

Organization and Human Resources

Number of employees

No.	Criteria	Year 2023		Year 2024	
		Quantity (people)	Proportion (%)	Quantity (people)	Proportion (%)
I	By labor qualification				
1	Bachelor's degree and above	43	6.79%	48	8.44%
2	College, intermediate professional education	59	9.32%	51	8.96%
3	Unskilled labor	531	83.89%	470	82.60%
II	By gender				
1	Male	402	63.51%	370	65.03%
2	Female	231	57.46%	199	34.97%
III	By contract term				
1	Contract with a term of 1 to 3 years	232	36.65%	157	27.59%
2	Undefined term contract	401	63.35%	412	72.41%
	Total	633	100%	569	100%

Average income

Indicator	Year 2020	Year 2021	Year 2022	Year 2023	Year 2024
Total number of employees (people)	682	646	661	633	569
Average income (million VND/person/month)	13.97	14.03	15.8	16.31	16.9

Human Resources Policy

“ For Safoco, employees are the core factor for the company's long-term development. Therefore, the company always implements policies to ensure income, benefits, and a safe working environment for its employees.

Since its establishment, Safoco has consistently complied with the provisions of the Labor Code, fully implementing regimes and policies for employees

For Safoco, employees are the core element for the long-term development of the Company. Therefore, the Company always has policies to ensure income, benefits, and a safe working environment for employees, besides salary, bonus, and welfare policies are also focused on creating motivation for employees to work and be attached to the Company.

Since its establishment, Safoco has always strictly complied with the provisions of the Labor Code in fully implementing the regimes and policies for employees such as paying compulsory insurance, promptly resolving sick leave and maternity regimes. At the same time, the Company has implemented many practical welfare policies such as: organizing periodic health check-ups, supporting vacation costs and paying money on important holidays such as New Year's Day, Hung Kings Commemoration Day, April 30 and May 1, National Day September 2, giving gifts to children on June 1, Mid-Autumn Festival gifts for all employees and holidays specifically for women such as March 8 and October 20.

Besides, the Company also organizes a collective kitchen using Raw materials of clear origin, catering staff are trained in food safety and hygiene, following the right processing procedures to ensure that employees are provided with meals that are not only safe but also of good quality.

On July 1, 2024, the Company completed the adjustment of Social insurance contribution salary according to Decree 74/2024/ND-CP stipulating the regional minimum wage from 4.68 million VND/month to 4.96 million VND/month applied to employees working under labor contracts, the average salary of employees in 2024 is 16.9 million VND/person/month, an increase of 3.6% over the same period in 2023. At the same time, in response to the anniversary of the Corporation's traditional day, each employee was awarded 1,000,000 VND/person.

GENDER CLASSIFICATION

MALE
65,03%



FEMALE
34,97%

PRODUCTION AND BUSINESS PERFORMANCE

Investment activities, project implementation

Major investments

In 2024, the Company completed 04 investment items with a total completed and settled value of about 1,639 million VND (excluding VAT), specifically:

- Construction of a fire prevention and fighting water tank - Warehouse for goods storage and distribution, with a completed and settled value of 788 million VND (2024 plan);
- Purchase of 01 vermicelli dryer for the Vermicelli Workshop, with a completed and settled value of about 517 million VND (carried over from 2023);
- Installation of an automatic fire alarm system – Noodles and Vermicelli Workshop, the finalized value is 199 million VND (2024 plan);
- Installation of an automatic fire alarm and firefighting system in Warehouse B – Goods storage and distribution warehouse, the finalized value is about 135 million VND (carried over from 2023).

The investment process was carried out in accordance with regulations, with market price comparisons and references, close supervision, and thorough cost savings, resulting in an actual implementation value lower than the approved value.

Subsidiaries and Affiliated companies

The Company does not have any subsidiaries or affiliated companies.



Factory



Production



Investment activities, project implementation

PRODUCTION AND BUSINESS PERFORMANCE

Investment activities, project implementation

Financial Position

No.	Indicator	Year 2023	Year 2024	% Increase/decrease
1	Total Assets	257,956	259,095	0.44
2	Net revenue	792,804	723,778	-8.71
3	Profit from operating activities	63,309	59,442	-6.11
4	Other profit	1,680	1,418	-15.55
5	Profit before tax	64,988	60,860	-6.35
6	Profit after tax	51,209	47,600	-7.05
7	Dividend payout ratio (%)	30	30	-



Major financial indicators

Indicator	Unit	Year 2023	Year 2024
Liquidity ratios			
Current ratio:			
(Current Assets/Current liabilities)	Times	2.86	2.93
Quick ratio:			
(Current Assets - Inventories)/Current liabilities	Times	1.75	2.13
Capital structure ratios			
Debt/Total asset ratio	%	31.40	30.96
Debt/Owners's equity ratio	%	45.78	44.84
Operation capabilities ratios			
Inventory turnover			
(Costs of goods sold/Average inventories)	Turns	8.33	7.62
Total asset turnover			
(Net revenue/Average total assets)	Turns	2.98	2.80
Profitability ratios			
Profit after tax/Net revenue ratio	%	6.46	6.58
Profit after tax/Average Owners's equity ratio	%	29.01	26.75
Profit after tax/Average total asset ratio	%	19.22	18.41
Profit from Business Activities/Net Revenue Ratio	%	7.99	8.21

PRODUCTION AND BUSINESS PERFORMANCE

Shareholder structure,
changes in owners' investment capital

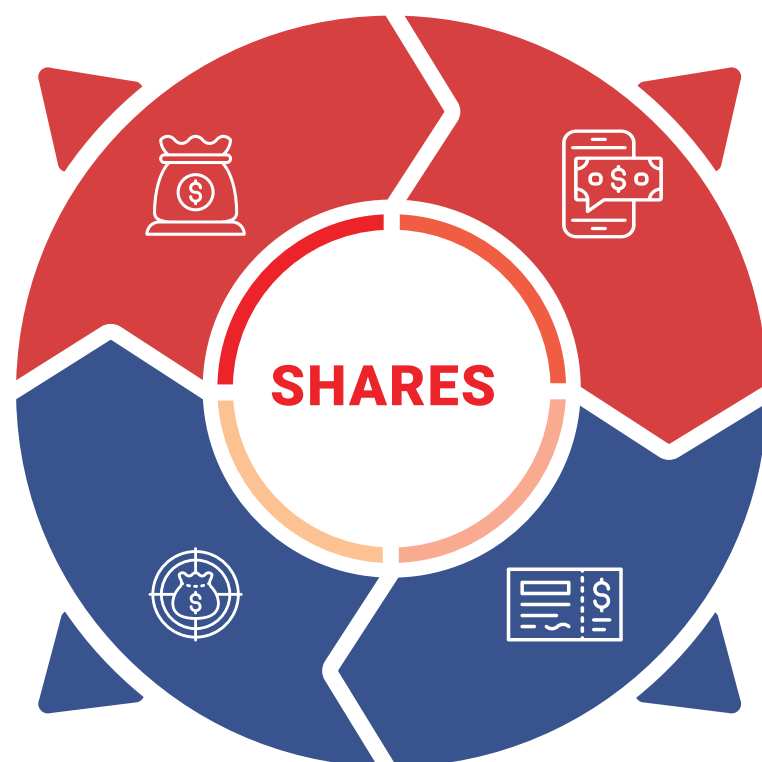
Shares

Total issued shares

12,046,590

Outstanding shares

12,046,590



Restricted shares

0 share

Par value per share

10,000 VND/share

Maximum foreign ownership ratio: 50% (according to Official Dispatch No. 4256/UBCK-PTTT of the State Securities Commission of Viet Nam)

Foreign ownership ratio

Treasury share transaction

None

Other securities

None

Shareholder structure

As of 07/01/2025

No.	Subject	Number of shareholders	Number of shares	Ownership/Charter Capital Ratio
I	Ownership Structure	370	12,046,590	100%
1	Major shareholders (owning 5% or more of voting shares)	3	9,295,053	77,16%
2	Shareholders holding less than 5% of voting shares	367	2,751,537	22,84%
II	State shareholders	0	0	0%
III	Domestic shareholders	320	11,642,533	96.65%
1	Individual	312	4,040,955	33.54%
2	Organization	8	7,601,578	63.10%
IV	Foreign shareholders	50	404,057	3.35%
1	Individual	40	234,879	1.95%
2	Organization	10	169,178	1.40%
TOTAL (III + IV)		370	12,046,590	100%
Including: - Individual		352	4,275,834	35.49%
- Organization		18	7,770,756	64.51%

List of major shareholders

As of 07/01/2025

No.	Name	Number of shares	Ownership/Charter Capital Ratio
1	Vietnam Southern Food Corporation - JSC	6,179,943	51.30%
2	Pham Thi Thu Hong	1,697,262	14.09%
3	Viet Value Investment Management Company Limited	1,417,848	11.77%

In 2024, Saigon - Hanoi Securities Joint Stock Company ceased to be a major shareholder from October 16, 2024, and Viet Value Investment Management Company Limited became a major shareholder from December 26, 2024.

PRODUCTION AND BUSINESS PERFORMANCE

Shareholder structure, changes in owners' investment capital

Changes in owners' equity

Year of increase	Form of capital increase	Increased capital	Charter capital after increase
2005			22,000,000,000
2006	Issuing additional shares	5,060,000,000	27,060,000,000
2010	Paying dividends in shares	3,246,720,000	30,306,720,000
2011	Paying dividends in shares and issuing shares to increase share capital from Owners's equity	15,151,050,000	45,457,770,000
2014	Paying dividends in shares and issuing shares to increase share capital from Owners's equity	13,634,850,000	59,092,620,000
2016	Paying dividends in shares and issuing shares to increase share capital from Owners's equity	20,088,920,000	79,181,540,000
2020	Paying dividends in shares and issuing shares to increase share capital from Owners's equity	21,376,350,000	100,557,890,000
2022	Paying dividends in shares and issuing shares to increase share capital from Owners's equity	19,908,010,000	120,465,900,000



PRODUCTION AND BUSINESS PERFORMANCE

Environment – Social – Government Report of the Company

ENVIRONMENTAL IMPACT

TOTAL DIRECT AND INDIRECT GREENHOUSE GAS (GHG) EMISSIONS

In recent years, CO2 emissions have become a pressing issue in Vietnam and globally. Rapid economic development has led to projections of Vietnam's CO2 emissions continuing to increase significantly across all business sectors in 2024. This poses numerous challenges to the nation's sustainable development goals, particularly in the food industry. To manage and mitigate greenhouse gas emissions, Safoco has developed strategies and explored opportunities to minimize negative environmental impacts. In the food industry, greenhouse gas emissions primarily stem from food waste, including losses during production and consumer food waste. According to the International Plant Protection Convention (IPPC), methane from food loss and waste has at least 28 times the harmful impact of CO2 on climate change in 2021. Recognizing the source of the problem, Safoco has developed diverse products, especially those from fruits and vegetables, to limit emissions from food loss and waste. Additionally, the company invests in research and development of Equipment & machine, and upgrades production processes to not only enhance product quality but also minimize emissions, while showcasing the "green" value of its products to domestic and international consumers.

ENERGY CONSUMPTION

DIRECT AND INDIRECT ENERGY CONSUMPTION

- Electricity: 4,085,845 Kwh
- Coal: 10,487 tons

ENERGY SAVED THROUGH ENERGY EFFICIENCY INITIATIVES

Throughout its production process, Safoco prioritizes energy conservation to minimize costs and protect the environment. Energy savings not only optimize production but also represent a key element of the company's sustainable development strategy. To conserve electricity, the company has implemented equipment upgrades and improvements. Older, energy-intensive equipment or equipment with potential electrical leakage risks has been replaced with modern, high-efficiency alternatives. These upgrades not only reduce energy waste but also minimize surplus electricity costs, optimizing the production budget and ensuring product quality. Beyond equipment upgrades and new technologies, the company conducts regular maintenance on systems and equipment to ensure efficient operation and prevent excessive energy consumption. Regular maintenance extends equipment lifespan, minimizes breakdowns, and limits energy waste due to technical issues. Another crucial factor in Safoco's energy-saving efforts is the implementation of quality management and food safety systems. Standards like ISO 9001:2015, ISO 22000:2018, HACCP, and FSP not only guarantee product quality but also promote efficient energy use during production. This system provides a clear framework for controlling factory operations and optimizing resource utilization, including energy. Through these measures, Safoco not only achieves energy-saving goals but also contributes to environmental protection and sustains the company's long-term development.

RAW MATERIALS MANAGEMENT

Total Raw materials used for product manufacturing and packaging in 2024:

- Total Raw materials used: 25,179 tons
- Packaged products: 14,329 tons

The percentage of recycled Raw materials used in production is 0%.

Raw materials management at Safoco is carried out rigorously, including optimizing the use of inputs and minimizing waste during the final product manufacturing process. Specifically, the sourcing of inputs is always carefully controlled, from clearly identifying the origin and transparent production processes to ensuring the quality of the Raw materials. Raw material suppliers are also committed to providing complete and accurate information for inventory purposes, complying with Vietnamese regulations and laws. During production, the company continuously measures and values the quantity of inputs, ensuring production adheres to planned quantities, to minimize food loss. Although there is still a surplus of unused Raw materials, the company has implemented solutions to reuse these Raw materials rationally, while ensuring quality and food safety for consumers.



PRODUCTION AND BUSINESS PERFORMANCE

Environment – Social – Government Report of the Company

ENVIRONMENTAL IMPACT

ENERGY SAVING INITIATIVE REPORTS AND IMPLEMENTATION RESULTS

Currently, a total of 18 drying ovens are in constant operation. Due to their outdated design, these ovens consume excessive electricity because of their old coaxial push-pull fans, leading to high maintenance costs and noise levels exceeding permissible limits. Therefore, the Electrical and Mechanical Engineering Department proposed to management an upgrade by replacing the direct coaxial fans with high-flow, low-energy consumption fans. These fans represent a new generation of advanced technology and are currently widely used in the industrial fan market.

Accordingly, the company has upgraded 8 vermicelli drying ovens (rice paper production plant) and 3 noodle drying ovens. The results achieved are as follows:

Before improvement

After improvement

Improvement of 8 vermicelli drying ovens

- | | |
|--|---|
| <ul style="list-style-type: none"> • Drying oven in use: using 12 fans, rated power: 1.5 Kw/h, using a motor transmitting power through a belt driving the fan bearing. • Noise measured at the time of oven operation is: 90 – 95 db • High maintenance and repair costs, frequent replacement of belts and bearing balls. | <ul style="list-style-type: none"> • From 12 fans reduced to 6 fans, rated power: 0.55 kw/h, using a direct-drive composite fan motor. • Noise measured at the time of oven operation is: 70 – 75 db • Low maintenance and repair costs, only motor maintenance. • Actual measurement shows a 65% reduction in electricity consumption compared to before improvement. • On average, 8 drying ovens save approximately 900,000,000 VND in electricity per year based on actual calculations. • Simpler and smoother operation due to internal improvements that prevent heat loss to the outside. |
|--|---|

Improvement of 3 noodle drying ovens

- | | |
|--|---|
| <ul style="list-style-type: none"> • Drying oven in use: using 12 fans, rated power: 1.5 Kw/h, using a motor transmitting power through a belt driving the fan bearing. • Noise measured at the time of oven operation is: 90 – 95 db • High maintenance and repair costs, frequent replacement of belts and bearing balls. | <ul style="list-style-type: none"> • From 12 fans reduced to 3 fans, rated power: 0.55 kw/h, using direct-drive composite fan motors. • Noise measured at the time of kiln operation is: 70 – 75 db. • Low maintenance costs, only motor maintenance. • Actual measurement verification shows a 75% reduction in electricity consumption compared to before the improvement. • On average, 3 noodle drying kilns save approximately 370,000,000 VND in electricity per year based on actual calculations. • The results show a significant noise reduction, below the permitted safety threshold of the equipment and occupational safety. This is an important indicator for the safety of workers who regularly operate the drying kiln. • Simpler and smoother operation due to internal improvements in collecting hot air, preventing its escape. |
|--|---|



PRODUCTION AND BUSINESS PERFORMANCE

Environment – Social – Government Report of the Company

WATER CONSUMPTION

WATER SUPPLY SOURCE AND WATER USAGE

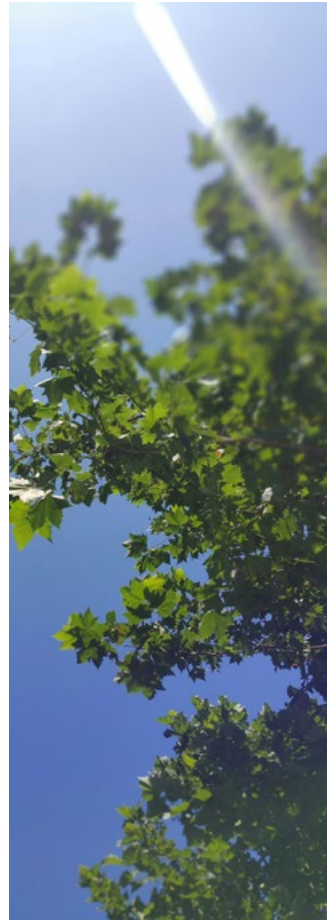
Water Supply Source:

- Municipal water supply: 20,492 m3 used directly in product manufacturing and cooking.
- Deep groundwater (treated to meet quality standards for production and domestic use as per Ministry of Health regulations): 48,614 m3 used for boiler operation, Equipment & machine cleaning, factory cleaning, and irrigation.

Average water usage is 4.82 m3/ton of product.

Percentage and total amount of recycled and reused water: 18.5%

To implement water conservation policies and environmental protection, the company focuses on optimizing production processes to enhance water recycling and reuse, minimizing the need for fresh water in production. Water supply equipment, systems, and wastewater treatment are regularly inspected and maintained to ensure maximum efficiency and prevent waste. Furthermore, the company has also improved production technology processes, applying advanced methods and technologies to reduce water consumption in each stage. Water management systems are strictly operated, with measurement, monitoring, and control of water consumption in each department. Notably, to raise awareness of water conservation throughout the company, Safoco has organized training programs and launched internal campaigns to encourage employees to use water efficiently. Measures such as minimizing water usage in daily activities, properly maintaining equipment to prevent leaks, and changing daily work habits are encouraged, contributing to reducing water consumption and protecting this precious resource for the future.



COMPLIANCE WITH ENVIRONMENTAL PROTECTION LAWS

With the specific nature of the processing and manufacturing industry having a significant impact on the environment, Safoco always strictly complies with the regulations of the Environmental Protection Law No. 72/2020/QH14. Simultaneously, the company also implements many solutions to minimize environmental impact: applying new technologies, investing in equipment and infrastructure, optimizing production processes, selecting environmentally friendly raw materials, building wastewater treatment systems, and collecting hazardous substances before discharging them into the environment.

On December 6, 2023, the company was granted Environmental Permit No. 1385/GPMT-STNMT-CCBVM by the Department of Natural Resources and Environment. In 2024, the company was not subject to any penalties for violations due to non-compliance with environmental laws and regulations.



REPORT ON RESPONSIBILITIES TO THE LOCAL COMMUNITY

The company always places the responsibility of business development on the responsibility to the community, so charitable activities, visiting disadvantaged families, and movements of gratitude are always maintained annually and are actively participated in by shareholders and all employees. In 2024, the Company carried out charitable activities such as:

- Supporting 1,580 gifts for the Trade Union of the Food Safety Management Department; Investment and Trade Promotion Center (ITPC) cares for officials, civil servants and workers in difficult circumstances on the occasion of the Lunar New Year, with a total amount of 475 million VND;
- Supporting 65 gifts for retired employees of the Trade Union of the Ministry of Agriculture and Rural Development, with an amount of 24 million VND;
- Supported 1,410 gifts for employees, retired officers of Vietnam Southern Food Corporation - JSC on the occasion of the Lunar New Year Eve; Commemorating the 48th anniversary of the Corporation's establishment; Serving the Year-end Summary Conference; Serving the dialogue of the Commission for the Management of State Capital at the enterprise and supporting the Youth Month program of the Corporation's Trade Union Executive Committee, with a total amount of 634 million VND.
- Supported 20 gifts for retired teachers who are party members participating in teaching literacy classes in Binh Tho Ward, Thu Duc City and 135kg of pasta with the locality to care for 270 poor children in difficult circumstances, with a total amount of 15 million VND.
- Supported 2,310 gifts for policy families, families with revolutionary merits, families of wounded soldiers and martyrs, poor households, and households in difficult circumstances in Linh Tay Ward, Thu Duc City, Ward 6, Ward 7, Ward 9, District 10, Ho Chi Minh City, with a total amount of 604 million VND.
- Supported the construction of 01 charity house for a family in difficult circumstances in Tinh Bien Ward, Tinh Bien Town, An Giang and 01 comrades house for a veteran in difficult circumstances in Hoa Nghia Commune, Cho Lach, Ben Tre, with a total amount of 100 million VND.
- Supported new rural development in Tan Thanh Tay Commune, Cu Chi, Ho Chi Minh City with the amount of 20 million VND.
- Supported 8,261 kg of macaroni noodle products "Caring for officers and soldiers at Truong Sa archipelago"; "Fund for the Poor of Ho Chi Minh City", "Caring for students in difficult circumstances in Ia Grai Commune, Gia Lai", with a total amount of 439 million VND.
- Mobilized employees to contribute 01 basic salary day, responding to the launch of support for the Corporation's Social Security Fund (according to official dispatch No. 66/LT-CD-TCT of the Corporation dated September 9, 2024), with a total amount of 162 million VND.
- Accompanied Southern Food Corporation to support the construction of 02 Great Solidarity houses for households in difficult circumstances in Quang Ngai province (according to official dispatch No. 2003/LTMN-VP of the Corporation dated September 12, 2024), with a total amount of 100 million VND.
- Supported the construction of Lang Nu Village Cultural House - Lao Cai (according to official dispatch No. 2128/LTMN-VP of the Corporation dated September 25, 2024), with a total amount of 100 million VND.
- Supported 880 gifts for officials and civil servants of the City People's Committee, Department of Industry and Trade, and the grassroots Trade Union of the Department of Food Safety of Ho Chi Minh City with the amount of 337 million VND.
- Supported 801 kg of products for the program "Lighting up the heart of humanity" of the Ho Chi Minh City Association for the Protection of Disabled and Orphaned Minors, with a total amount of 44 million VND.

The total amount spent on social charity work in 2024 is 3,054 million VND (including: 2,192 million VND from the Company's expenses, 700 million VND contributed by shareholders, 162 million VND contributed by employees).

PRODUCTION AND BUSINESS PERFORMANCE

Environment – Social – Government Report of the Company

POLICIES RELATED TO EMPLOYEES

NUMBER OF EMPLOYEES AND AVERAGE SALARY FOR EMPLOYEES

The number of employees as of December 31, 2024, was 569. In terms of structure, there were 370 male employees and 199 female employees.

The average income of employees in 2024 was 16.9 million VND/person/month, a 3.6% increase compared to the same period in 2023 (16.31 million VND/person/month).

LABOR POLICIES TO ENSURE THE HEALTH, SAFETY AND WELFARE OF EMPLOYEES

Safoco always acknowledges and appreciates the valuable contributions and dedication of all employees over the past time. To support and improve the lives and morale of employees, the company has researched and developed compensation policies to retain and attract high-quality human resources lực chất lượng cao. Specifically:

- The company ensures the full implementation of labor policies such as: signing clear labor contracts, paying full Social insurance, Health insurance, and unemployment insurance as prescribed. On April 11, 2024, the company welcomed the Inspection Team of Ho Chi Minh City Social Insurance regarding the establishment of dossiers and settlement of Social insurance payments for sickness, maternity, and convalescence benefits for employees. After the inspection, the team concluded that the company had paid employees in full, and payment documents were fully archived.
- Monthly salaries and bonuses are paid in full and on time in accordance with company regulations and collective labor agreements: Cash payments for New Year's Day, Hung Kings' Commemoration Day, April 30th and May 1st holidays, National Day (September 2nd), support for vacation travel expenses, gifts for women on March 8th and October 20th; gifts for children on June 1st, Mid-Autumn Festival gifts for all employees. On July 1, 2024, the company completed the adjustment of the Social insurance contribution salary according to Decree 74/2024/ND-CP, stipulating the regional minimum wage from 4.68 million VND/month to 4.96 million VND/month, applied to employees working under labor contracts. At the same time, implementing document No. 1772/LTMN-TC dated August 15, 2024, of the Southern Food Corporation - JSC regarding responding to the anniversary of the Corporation's tradition, the company also awarded each employee 1,000,000 VND/person, with a total amount of 550 million VND.
- Not only caring for the material life, Safoco also pays special attention to the health of its employees. The company organizes periodic health checkups for all employees with items exceeding normal standards, in addition to the general examination contents according to Circular 14/2013/TT-BYT, Safoco also adds specialized items such as: Screening for liver function (GOT, GPT) and liver enzymes (GGT); Screening for typhoid fever (Widal), hepatitis A and hepatitis E. Besides, the collective kitchens are operated by the Company in strict compliance with the one-way processing process, three-step food inspection, fresh and delicious raw materials with clear origin and traceability, ensuring nutritious meals for employees.

With Safoco's policies and commitments to constantly improving working conditions, ensuring health and enhancing the spiritual life of all employees, creating motivation for each individual to be attached and contribute to the company for a long time. In 2024, the Company was honored to be selected by the Vietnam General WConfederation of Labor as one of 67 businesses that met the standards for "Outstanding Enterprise for Employees" and "Outstanding Cultural Enterprise in the Integration era".



POLICIES RELATED TO EMPLOYEES

EMPLOYEE TRAINING ACTIVITIES

The development of staff and employees is the development of Safoco. The company pays special attention to training and human development. Specifically, in 2024, the Company organized training courses such as:

- First aid training (32 members of the first aid team); Occupational safety and hygiene training (for 375 direct production workers); Training in operating wheel loaders (08 boiler operating workers).
- Advanced professional training: Training on awareness of ESG standards (40 managers and professional staff attended); Training on awareness of FSSC 22000 standards (29 managers and professional staff attended);
- Training on "Intellectual Property for Businesses"; Training on "Improving Marketing Capacity and Financial Management Capacity for Businesses" (12 managers and professional staff from the Domestic Business Department and Production Management Department attended).
- Updating knowledge on nutrition labeling according to Circular 29/2023/TT/BYT and knowledge on building and applying a food safety management system according to ISO 22000:2018 (06 managers and professional staff from the Production Management Department attended);
- Updating new regulations on origin of goods for exports, instructions on electronic C/O declaration; Updating knowledge on greenhouse gases and trends in sustainable packaging selection (07 managers and professional staff from the Import-Export Department and Domestic Business Department attended);

REPORT RELATED TO GREEN CAPITAL MARKET ACTIVITIES AS GUIDED BY THE STATE SECURITIES COMMISSION OF VIETNAM

Green capital market activities aim to provide financial resources for businesses developing green projects and environmental protection through appropriate financial products. This is a new and important activity, issued by the State Securities Commission of VietNam to encourage businesses to apply environmentally friendly production models. Safoco always actively updates and receives instructions and announcements from the State Securities Commission of VietNam, and at the same time seriously studies and implements the regulations. In the coming time, the Company will continue to invest in upgrading machinery and equipment, and improving production processes associated with environmental factors with the goal of green growth and sustainable development.



BOARD OF MANAGEMENT'S REPORT AND ASSESSMENT



03



➤ BOARD OF MANAGEMENT'S REPORT AND ASSESSMENT

Assessment of operating results



Business Environment in 2024

The 2024 global economy continues to be complex and unpredictable; political upheaval and military conflicts continue to escalate in some countries; global economic growth, investment, and consumer demand are recovering slowly; natural disasters, epidemics, and climate change have increased risks to maritime security, supply chains, financial markets, currencies, energy security, and global food security.

Domestically, the impact of storm number 3 (Yagi), floods, and severe landslides in September caused heavy damage to people, assets, and business in the northern localities; high prices of raw materials inputs increased production and transportation costs. Besides, the impact of global conflicts caused the prices of fuels and raw materials for production to increase, especially the conflict in the Red Sea, which negatively impacted the global shipping industry as well as Vietnam's import and export activities, most directly affecting Europe and North America.

To support businesses in increasing resilience, expanding business production, and creating more jobs for workers, in 2024 the government implemented solutions such as: Reducing value-added tax from 10% to 8%, contributing to reducing production costs and product prices; reducing land rent by 30% of 2023 (according to Decision No. 25/2023/QĐ-TTg dated October 3, 2023); Organizing trade connection and promotion programs between domestic suppliers and export enterprises, to help Vietnamese businesses have opportunities for cooperation and market expansion.

According to the General Statistics Office's 2024 report, the country had more than 233.4 thousand newly established and resumed businesses, up 7.1% over the same period last year, and 197.9 thousand businesses withdrew from the market, up 14.7% over the same period last year (including 13.9 thousand processing and manufacturing enterprises, up 9.49% over the same period).

Specifically, in the processing industry, according to the results of the business trend survey in the fourth quarter, 79.8% of businesses assessed their production and business activities as stable, and 20.2% of businesses assessed difficulties mainly due to domestic market demand remaining low, increasing competition from domestic goods, and international market demand not yet fully recovered.

Business performance evaluation

Unit: Million VND

No	Indicators	Actual 2023	Plan 2024	Actual 2024	Actual 2024/Plan 2024	% Increase/Decrease
1	Net revenue	792,804	820,000	723,778	88.27	91.29
2	Profit before tax	64,988	62,500	60,860	97.38	93.65
3	Profit after tax/Net revenue	6.46	-	6.58	-	101.82
4	Profit after tax/Shareholder's equity	28.94	-	26.61	-	91.95

2024 was a year full of difficulties and challenges for Safoco when facing a series of difficulties: unusual weather, decreased purchasing power, slow sales output, fierce competition from rivals, along with high land rental costs and raw materials input prices, combined with unpredictable exchange rate fluctuations, negatively impacted production costs and business efficiency

However, the Executive Board has made accurate, timely, dynamic, and sensitive decisions in directing production and business activities, along with the unanimous support of employees, devoting themselves to completing tasks. The Company has achieved very remarkable and encouraging results such as: consumption output reached 13,808 tons, reaching 97.2% of the plan, profit reached 60.9 billion VND, reaching 97.4% of the plan; average income of employees reached 16.9 million VND/person/month, welfare regimes were fully implemented in accordance with the signed agreement, paid 29.6 billion VND to the state budget, reaching 118.3% of the plan, expected to pay dividends of 30%/charter capital, this is a great effort of the Safoco collective in the current period.



➤ BOARD OF MANAGEMENT’S REPORT AND ASSESSMENT

Assessment of operating results

The company’s achievements

The brand of Safoco

The Safoco brand, with nearly 20 years of sustainable development, has affirmed its leading market position, with reputable, high-quality products that meet the standards of the Ministry of Health and international standards (such as: EU standards, US FDA, Korean FDA, HALAL certification, and FREE GLUTEN). The production process is strictly controlled, with quality management according to ISO 9001:2015, ISO 22000:2018, and HACCP standards. Notably, in 2024, Safoco was certified by QMS to meet ISO 14001:2015 and ISO 45001:2018 standards and was granted FSSC 22000 certification by SGS.

Quality Management System Certification

On June 3, 2024, the company was assessed and re-certified by QMS for its quality management system ISO 9001:2015, food safety management system ISO 22000:2018, and HACCP.

On June 24, 2024, the company was assessed and certified by QMS for ISO 14001:2015 (Environmental Management System) and ISO 45001:2018 (Occupational Health and Safety Management System).

On July 17, 2024, the company completed the assessment dossier and was granted FSSC 22000 certification (food safety management system) by SGS.

On December 12, 2024, representatives of the KFDA (Korean Food and Drug Administration) visited the company to inspect and evaluate Safoco’s production process and product quality. The assessment concluded that Safoco’s product quality and production process meet the standards for import into this market.

Awards achieved

In 2024, with a sustainable development strategy, Safoco continuously enhanced its brand value, protecting its exclusive trademark in Vietnam, European, Asian, and American countries, and the EU, contributing to affirming Safoco’s position in the international market. The most proud achievement is that Safoco continued to be honored as a “Vietnam National Brand,” Safoco products continued to be voted by consumers as Vietnam High Quality Goods; Vietnam High Quality Goods for Integration Standards, and Safoco was selected as “Top 100 Vietnam Gold Star,” which are national awards given to typical Vietnamese brands and products.

In addition, in 2024, Safoco consecutively achieved awards such as Top 5 Global Exellent Brands 2024; Top 10 Leading Brands in Vietnam; Top 10 ASEAN Strong Brands; Top 10 ASIA Top Brand Award; Top 12 National Strong Brands; and Global Quality Products - Services.



“Safoco ensures to provide customers with the best quality products.”

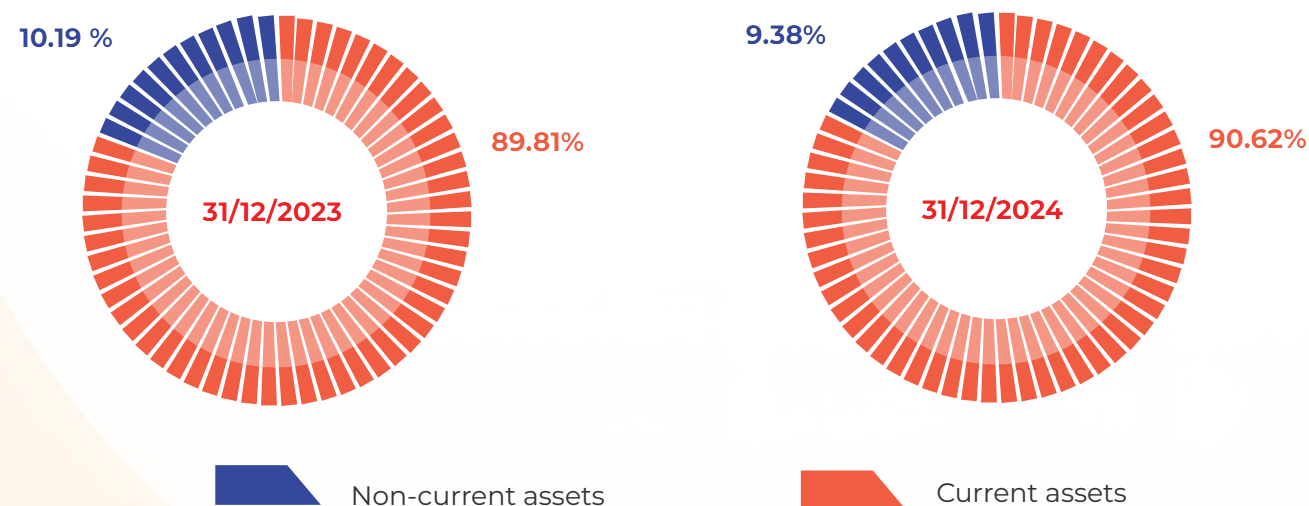
BOARD OF MANAGEMENT'S REPORT AND ASSESSMENT

Financial situation

Assets situation

Unit: Million VND

STT	Indicator	31/12/2023	31/12/2024	% Increase/Decrease
1	Current assets	231,673	234,801	1.35%
2	Non-current assets	26,283	24,294	-7.57%
3	Total Assets	257,956	259,095	0.44%



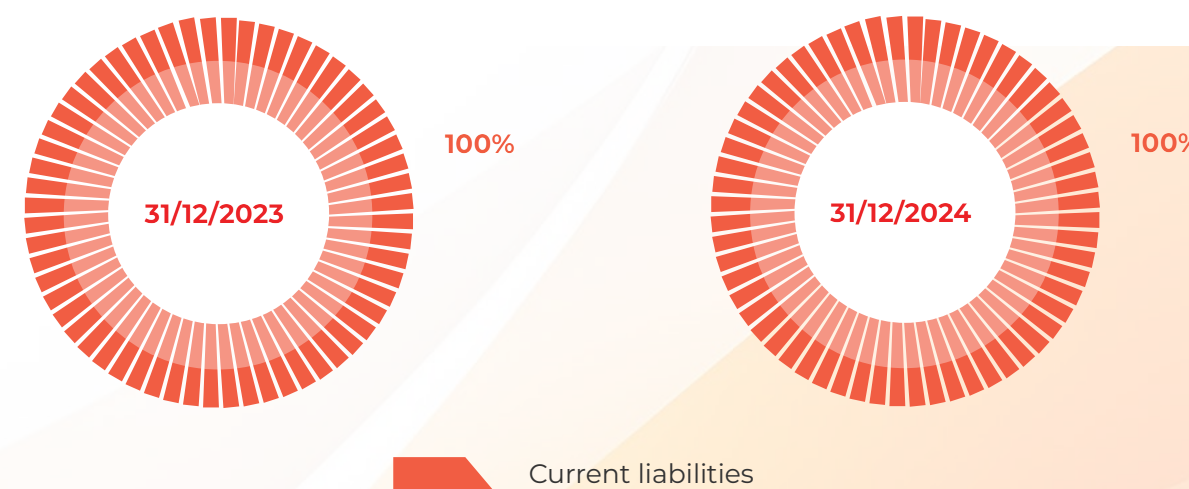
Total current assets remained stable, however, there were significant changes in the structure. Cash equivalents and short-term investments increased their proportion from 27.15% to 38.89% of total current assets, while inventories decreased from 51.01% to 43.95%. This shows that the company's management has adjusted its strategy to suit the risky market context. In the context of unstable market demand, reducing the proportion of inventories to adjust to the market is essential, especially for dried foods with short shelf lives. Accordingly, the company is also prepared for changes in purchasing power in the following year to promptly optimize production output.

Moreover, the remaining book value of fixed assets has declined to a low level, accounting for only 2.83% of the original cost of tangible fixed assets. Notably, the accumulated depreciation of machinery and equipment has reduced their value to 4.15% of the initial investment cost of VND 61.17 billion. The strategic allocation of capital into highly liquid assets is also considered a preparatory measure, laying the groundwork for future investments in long-term assets to enhance production capacity, with the expectation of capitalizing on a market recovery. This proactive approach is designed to adapt to an intensely competitive and volatile market, driving the need for production process improvements and operational optimization. These efforts aim to expand profit margins and ensure the company's sustainable growth over the long term.

Debt Payable situation

Unit: Million VND

No	Indicators	31/12/2023	31/12/2024	% Increase/Decrease
1	Current liabilities	81,006	80,214	-0.98%
2	Non-current liabilities	-	-	-
3	Total liabilities	81,006	80,214	-0.98%



In 2024, Safoco maintained a relatively stable short-term debt level at VND 80.21 billion, accounting for 100% of total liabilities. Although short-term liabilities remained high, the company had no outstanding short-term borrowings. Instead, payables primarily arose from trade credit due to pending payment obligations and accrued provisions for the following year's employee salary fund, resulting in minimal cash flow pressure. Amidst a complex economic landscape, maintaining 100% short-term liabilities without leveraging debt reflects the significant efforts of the management and entire workforce in preserving the company's financial health. This approach enhances financial flexibility, allowing the company to navigate a highly volatile business environment effectively.

➤ BOARD OF MANAGEMENT’S REPORT AND ASSESSMENT

Improvements in organizational structure, policies, and management

Regarding organizational structure

As of December 31, 2024, the company’s total estimated workforce was 569 people, a decrease of more than 10% compared to 2023, with a structure of 375 males and 206 females. This structure reflects the appropriate allocation of Human Resources to the nature of the work, ensuring business efficiency and meeting the company’s development needs. Labor positions are rationally divided, based on the specific characteristics of each profession and professional capacity, creating conditions to optimize resources and improve work efficiency

Regarding policies

The company always focuses on building transparent, fair, and effective recruitment policies to attract high-quality human resources. The recruitment process is scientifically designed, suitable for each position and job requirements, ensuring the selection of candidates with competence and development potential. Simultaneously, the company also creates conditions for candidates to experience a professional and friendly working environment, thereby attracting talent from everywhere. Regarding incentive and benefit policies, the company is committed to offering a competitive remuneration package, including salaries and bonuses commensurate with work performance and job title.



Future development plan

No	Indicators	Unit	Plan 2025
1	Total revenue	Million VND	780,000
2	Production output	Tonnes	15,000
3	Sales volume	Tonnes	14,200
4	Profit before tax	Million VND	61,000
5	Budget contribution	Million VND	25,000

Production activities

Implementing Circular 29/2023/TT-BYT dated 30/12/2023, guiding the content and method of recording nutritional composition and nutritional value on food labels (effective from 15/02/2024, implementation roadmap latest by 31/12/2025), the Company is currently taking steps to adjust information and proceed with making new shafts to change on the packaging in accordance with regulations, expected to be completed in the first quarter of 2025.

Strengthen inspection from raw materials inputs to final products, ensuring the best quality products before being launched into the market.

Control raw material cost consumption, improve the production process, increase finished product recovery, aiming to reduce costs and increase competitiveness with similar products in the market.

Timely update regulations on food additives, food safety standards of the Ministry of Health and strict standards of some importing countries, EU regulations, Codex, master regulations on labeling, packaging, traceability...

Business activities

In 2025, the business situation is forecast to continue to face many difficulties. To complete the set plan, the General Director Board, along with the domestic business department leaders, will prioritize market trips, working directly with agents and distributors in provinces and cities to make quick, decisive, and timely decisions to support agents in sales and cover the market.

For all supermarket systems, the Company arranges market staff to take turns continuously stacking goods on shelves, sometimes having to mobilize professional staff from other departments to support stacking goods. Develop appropriate promotion and discount policies to boost sales quickly. Negotiate and prepare to sign economic contracts with agents and supermarket systems in 2025.

For the export market, the Company continues to conduct market surveys in Malaysia, Indonesia, Singapore, Thailand... and continues to participate with trade promotion delegations organized by the Trade Promotion Department to survey and expand export customers.

Explanation of the Board of Management on audit opinions

None

➤ BOARD OF MANAGEMENT'S REPORT AND ASSESSMENT

Report on the company's environmental and social responsibility

Assessment related to environmental indicators (water consumption, energy, emissions...)

Safoco is always committed to strictly complying with legal regulations on environmental protection, while implementing the principle of production associated with harmony with the environment and society. Specifically:

- **Upgrading the waste treatment system:** Invest in upgrading wastewater and exhaust gas treatment systems to ensure compliance with standards before discharging into the environment, while applying many measures to collect, classify, and treat solid waste, including both regular waste and hazardous waste.
- **Enhance awareness of resource conservation:** Promote, educate, and encourage employees to conserve electricity and water, contributing to minimizing resource waste.
- **Build a green workplace:** Create a well-ventilated, green, clean, and beautiful working environment, while maintaining a smoke-free workspace, ensuring employee health and comfort.



For employee

Occupational safety and health practices are always prioritized to demonstrate the company's commitment to creating a safe, healthy, and sustainable working environment for employees. This is demonstrated through specific activities such as:

Occupational safety and health training: Organize specialized training courses to enhance employee awareness and skills in ensuring safety and hygiene in the workplace.

Periodic health check-ups: Implement periodic health check-up programs to monitor and protect employee health.

Medical equipment and first aid training: Provide adequate medicines and necessary medical equipment, and organize first aid training sessions to respond promptly in emergencies.

Workplace environment measurement: Conduct regular measurements and inspections of the working environment to ensure safety and minimize harmful factors.

Personal protective equipment: Provide adequate protective equipment suitable for each Cluster, department, position, and job title, ensuring optimal employee protection during work.

For local community

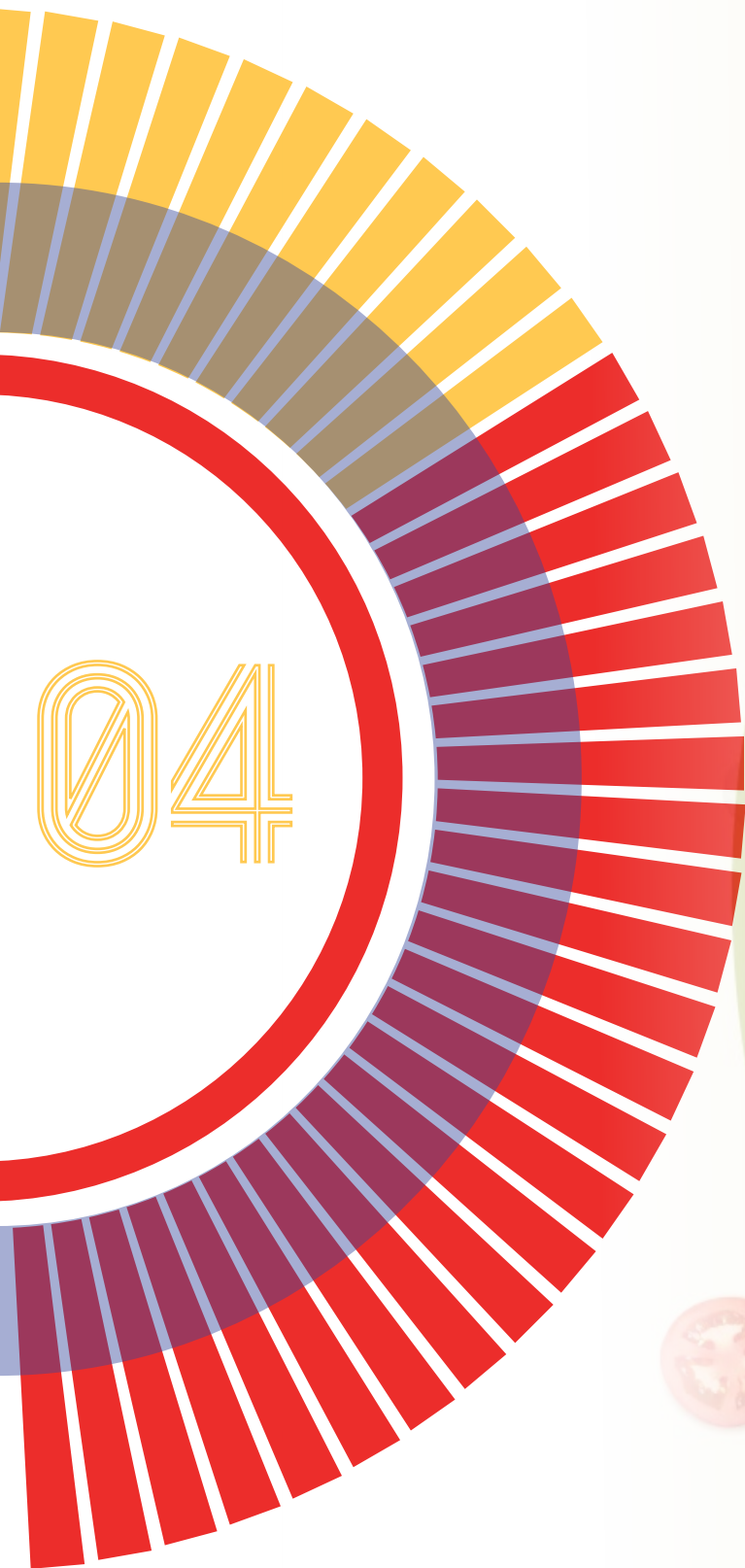
With the business philosophy of "Prioritizing consumer health benefits," the Company always identifies product quality as the decisive factor for the survival of the business, employees as invaluable assets, business must ensure the harmony of interests between the Company - Shareholders - Employees and related parties, good resources management, environmental protection, social responsibility, and compliance with tax obligations to the State. Safoco is always confident that with continuous efforts, dynamism, innovation, creativity, and timely grasp of sustainable development trends, in the future, products bearing the Safoco brand will continue to reach further, conquer even the most demanding markets, promote value, and affirm the position of SAFOCO - a Vietnamese National Brand in the international market. The Company is committed to always focusing on ensuring food safety and hygiene through strict processes such as:

Comprehensive control: Strict monitoring from input raw materials to packaging, ensuring compliance with safety standards.

International quality management: Apply a quality management system according to international standards such as ISO and HACCP, ensuring safe and high-quality products.

Product information transparency: Provide complete information on ingredients, usage instructions, and shelf life, helping consumers easily choose and use products with peace of mind.

ASSESSMENTS OF THE BOARD OF THE DIRECTORS ON THE COMPANY'S OPERATION



➤ ASSESSMENTS OF THE BOARD OF DIRECTORS ON THE COMPANY'S OPERATION

Board of Directors' assessment of the Company's operating aspects

Regarding business operating activities

2024 was a year full of difficulties and challenges for Safoco as it faced a series of difficulties: unusual weather patterns, decreased purchasing power, slow sales, fierce competition from rivals, along with high land rental costs and increasing Raw materials inputs prices, combined with unpredictable exchange rate fluctuations, negatively impacted production costs and business effectiveness. However, the Executive Board made accurate, timely, dynamic, and responsive decisions in managing operating activities, along with the united support of employees dedicated to fulfilling their duties. The Company achieved remarkable and encouraging results: consumption output reached 13,808 tons, achieving 97.2% of the plan, profit reached 60.9 billion VND, achieving 97.4% of the plan; the average income of employees reached 16.9 million VND/person/month, welfare regimes were fully implemented in accordance with the signed agreements, contributing 29.6 billion VND to the state budget, achieving 118.3% of the plan, expected dividends payout of 30%/charter capital. This is a tremendous effort of the Safoco collective in the current period.

The Safoco brand continues to be a reputable and trusted brand in the market with nearly 20 years of sustainable development, reputable products, high quality, meeting the standards of the Ministry of Health and international standards (such as: EU standards, US FDA, Korean FDA, HALAL certification, FREE GLUTEN).

The most proud achievement is that Safoco continues to be honored as "Vietnam National Brand". In 2024, Safoco was selected as "Top 100 Vietnam Golden Star", these are national awards given to typical Vietnamese brands and products. Continuing to be voted by consumers as High-Quality Vietnamese Goods; High-Quality Vietnamese Goods for Integration Standards and achieving other awards such as: Top 5 Excellent Global Brands 2024; Top 10 Leading Brands in Vietnam; Top 10 Strong ASEAN Brands; Top 10 Most Trusted Brands in Asia – ASIA; Top 12 National Strong Brands; Global Quality Products – Services.



Regarding investing activities and finance

Investment continued to be carried out effectively in 2024, with high consensus in the policy and plan of the Board of Directors. Investment projects for purchasing Equipment & machine were deployed promptly, in line with actual business operating activities, contributing to enhancing production capacity.

The Company maintains a stable organizational structure, with a team of managers and technicians with solid Qualification. The skilled workforce, working with a high sense of responsibility, constantly contributes to the overall development of the Company. Labor policies, welfare regimes, and salaries are fully implemented, ensuring stable income for employees, in accordance with signed labor agreements.

The company's finances maintain soundness, with resources preserved and strictly managed. The Company has prepared and presented financial statements in compliance with Vietnamese accounting standards and current legal regulations. The financial statements did not detect any errors, ensuring transparency and reliability, facilitating production, business, and investment activities.



Regarding relevant activities related to the environment, community, and society

The Company has also effectively implemented sustainable development initiatives throughout the year, closely integrating them with operating activities to minimize environmental impact and create value for related parties.

The Company focuses on periodically evaluating the results of social and environmental responsibility activities, continuously improving to meet legal and market requirements. The leadership team participated in many important seminars such as "ESG – The key to sustainable development: Solutions to promote effective ESG practices for businesses" and programs to enhance governance capacity, digital transformation, and marketing.

Besides focusing on production and business activities, the Company always pays attention to community responsibility through meaningful charitable programs. Annually, the Company, shareholders, and employees have actively contributed funds to carry out social activities, such as building charity houses, giving gifts to policy families, and supporting poor households, contributing to spreading humanistic values in the community. The total Cash implemented for social charity work in 2024 is 3,054 million VND (including: from the Company's expenses 2,192 million VND, Shareholder contributions 700 million VND, Employee support 162 million VND).

These efforts affirm the Company's commitment to fulfilling its social and environmental responsibilities, while contributing to the foundation for sustainable development.

➤ BOARD OF DIRECTORS' ASSESSMENT OF THE COMPANY'S OPERATIONS

Board of Directors' assessment of the company's General Director's activities



In 2024, pursuant to the Charter and the Regulations on Corporate Governance, the Board of Directors performed its role of closely inspecting and supervising the activities of the General Director.

The General Director has performed well the assigned tasks, ensuring strict compliance with legal regulations, the Charter, and the Company's operating regulations. With proactiveness and acumen, the General Director promptly made timely decisions, effectively responding to unusual market fluctuations. Business strategies were flexibly adjusted to suit the actual situation, thereby minimizing risks and maintaining stability in the Company's operations, contributing to the Company overcoming many difficulties and challenges.

In the financial field, the General Director proactively reviewed and comprehensively assessed the efficiency of capital utilization in business production, ensuring resource optimization and achieving the highest efficiency. The strategic directions of the Board of Directors and the Resolution of the General Meeting of Shareholders have been implemented according to plan, demonstrating a strong commitment to achieving the Company's common goals.

The General Director also paid special attention to developing the quality of human resources. By building a safe, friendly, and modern working environment, the Company not only creates favorable conditions for employees to maximize their capabilities but also ensures legitimate rights and improves the lives of employees. This not only contributes to promoting work efficiency but also lays the foundation for the Company's long-term development.

Plans and orientations of the Board of Directors

No	Indicators	Unit	Plan 2025
1	Total Revenue	Million VND	780,000
2	Production output	Tonnes	15,000
3	Sales volume	Tonnes	14,200
4	Profit before tax	Million VND	61,000
5	Contribute to the budget	Million VND	25,000

Continue to effectively exploit, operate, and manage the ISO 9001:2015 quality management system, the ISO 22000:2018 food safety management system, HACCP, and FSP (Food Safety Plan), combined with investing in Equipment & machine, technical improvements to reduce production costs, improve product quality, and maintain the prestige of the SAFOCO brand.

Research and develop new products, diversify products, and improve packaging designs to meet consumer demand. Control Raw materials consumption, improve production processes, increase finished product recovery to reduce costs and increase competitiveness with similar products in the market.

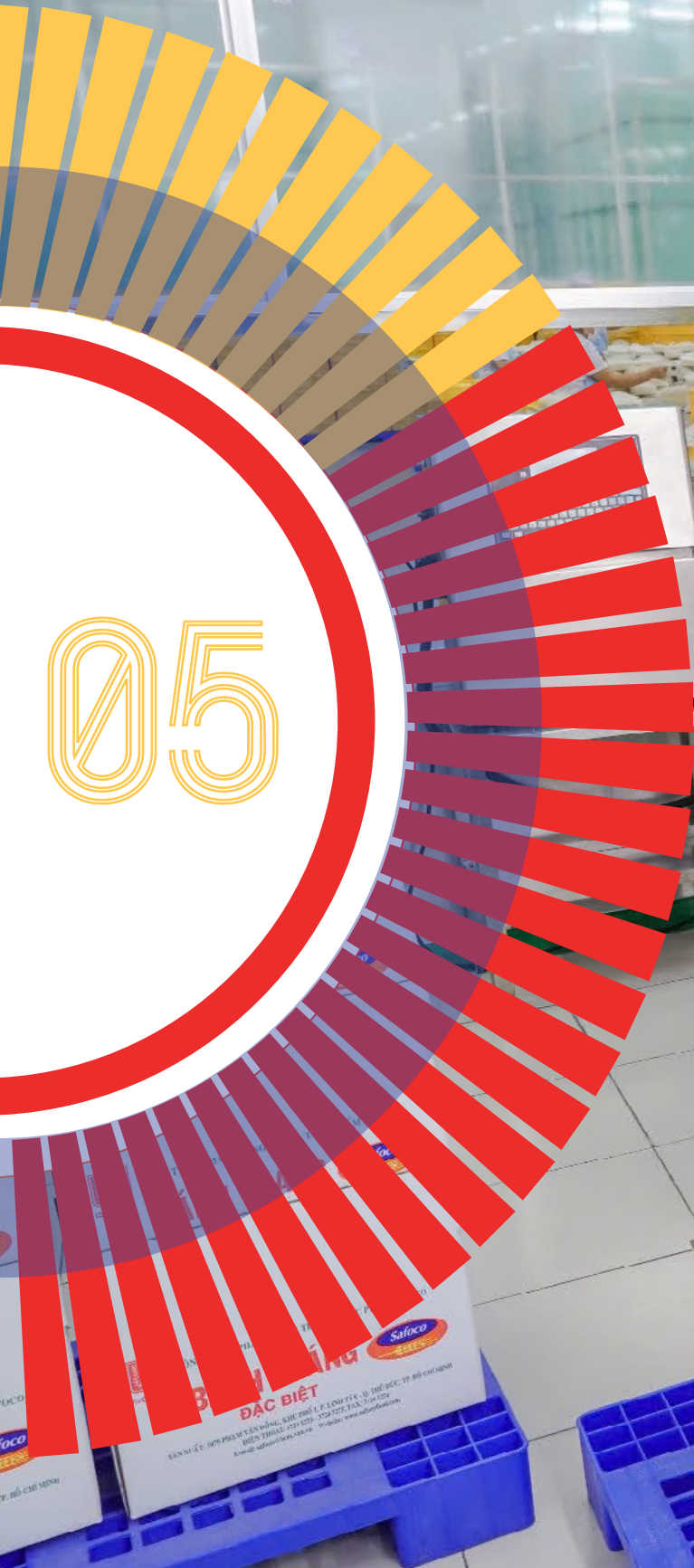
Maintain traditional customers, continue to exploit and expand domestic and export markets. Participate in major trade fairs in several countries to find new customers and promote the Safoco brand to foreign markets to increase sales output.

Enhance the operational efficiency of the Hanoi branch to promote the brand and expand the distribution network.

Strengthen customer acquisition, accelerate capital turnover, increase sales, reduce costs, and improve the efficiency of business operating activities.

Recruit a sufficient number of qualified personnel aligned with the company's development, while also researching and implementing incentive policies to retain or attract top talent. Select competent individuals with strong ethical qualities for succession planning in the leadership team.

Provide new training, specialized and professional training in expertise, techniques, management, and skills for employees.



05



CORPORATE GOVERNANCE

Board of Directors

Members and structure of the Board of Directors

No	Member	Position	Shares	Percent
1	Mr. Ngo Si Tuan Phuong	Executive Chairman	0	0%
2	Ms. Pham Thi Thu Hong	Executive Member of the Board of Directors	1,697,262	14.09%
3	Mr. Nguyen Cong Minh Khoa	Executive Member of the Board of Directors	42,789	0.36%
4	Mr. Luu Nguyen Chi Nhan	Non-Executive Member of the Board of Directors	0	0%
5	Mr. Nguyen Quang Tam	Non-Executive Member of the Board of Directors	0	0%

Mr. Ngo Si Tuan Phuong currently holds the following positions at these enterprises:

- Board of Director' member of Vinabomi - Binh An Flour Joint Stock Company; Binh Tay Packaging Joint Stock Company;
- Board of Director' member of Ben Thanh - Mui Ne Corporation;
- Capital representative at Foodinco investment and trading Joint Stock Group.

Mr. Luu Nguyen Chi Nhan currently holds the following positions at these enterprises:

- Vice Chairman of the Board of Directors at Vietnam Southern Food Corporation - Joint Stock Company.
- Board of Director' member of Viet Ha Investment and Trading Joint Stock Company.
- Chairman of the Members' Council at Crown Beverage Cans Hanoi Limited.
- Board of Director' member of My Chau Printing and packaging Corporation.
- Board of Director' member of Vietnam National Vegetable, Fruit and Agriculture Product Corporation - Joint Stock Company.
- Deputy Director of the State Capital Management Board at T&T Group Joint Stock Company.

Mr Nguyen Quang Tam currently holds the following positions at these enterprises:

- Head of the Business Development and Technology Department at Vietnam Southern Food Corporation - Joint Stock Company.
- Chairman of the Board of Directors at Vinh Long Food Company.

Changes in Board of Directors membership during the year

In 2024, the General Meeting of Shareholders dismissed Mr. Nguyen Van Hien and Mr. Nguyen Tri Nghia from their positions as Board of Director' members and elected Mr. Ngo Si Tuan Phuong and Mr. Nguyen Quang Tam as Board of Director' members.

The Board of Directors convened and elected Mr. Ngo Si Tuan Phuong as the full-time Chairman.



Sub-committees of the Board of Directors

The Internal Audit Board (IAB), established under Resolution No. 06/NQ-SAF/HĐQT dated August 9, 2021, is a unit directly under the Board of Directors of the Company. The IAB operates according to the IAB Regulations issued by the Board of Directors under Decision No. 01/QĐ-SAF/HĐQT dated August 10, 2021, in accordance with the Company's Charter and current legal regulations.

Activities of independent Board of Directors members

None

List of Board of Directors members with corporate governance training certification

- Ms. Pham Thi Thu Hong – Board of Directors member;
- Mr. Nguyen Cong Minh Khoa – Board of Directors member

CORPORATE GOVERNANCE

Board of Directors

Activities of the Board of Directors

In 2024, the Board of Directors held a total of 8 meetings, including 04 direct meetings and 04 meetings via written resolutions. The meetings were conducted in accordance with regulations, ensuring the participation of members and focusing on discussions of important matters, from monitoring operating activities, assessing the business situation, to making decisions on key strategies, contributing to the long-term development orientation of the Company.

No	Member of the Board of Directors	Position	Number of Board meetings attended	Meeting attendance rate	Reasons for absence
1	Mr. Ngo Si Tuan Phuong	Executive Chairman	5/8	63%	Not yet a Member of the Board of Directors
2	Ms. Pham Thi Thu Hong	Executive Member of the Board of Directors	8/8	100%	
3	Mr. Luu Nguyen Chi Nhan	Non-Executive Member of the Board of Directors	8/8	100%	
4	Mr. Nguyen Cong Minh Khoa	Executive Member of the Board of Directors	8/8	100%	
5	Mr. Nguyen Quang Tam	Non-Executive Member of the Board of Directors	5/8	63%	Not yet a Member of the Board of Directors
6	Mr. Nguyen Van Hien	Chairman	3/8	38%	Ceased to be a Member of the Board of Directors
7	Mr. Nguyen Tri Nghia	Executive Member of the Board of Directors	3/8	38%	Ceased to be a Member of the Board of Directors



The Board of Directors held 8 meetings, including 4 in-person meetings and 4 meetings conducted by written resolution. The specific content of the meetings and the corresponding Resolutions issued are as follows

» Resolution

No	Resolution Number	Date	Content	Approval Rate
01	01/NQ-SAF/ HĐQT	09/01/2024	Regarding the approval of the plan for the 2023 Advance dividend payment in cash.	100%
02	02/NQ-SAF/ HĐQT	16/01/2024	Regarding the approval of certain matters at the Board of Directors meeting on 16/01/2024.	100%
03	03/NQ-SAF/ HĐQT	06/2/2024	Regarding closing the list of shareholders entitled to attend the 2024 Annual General Meeting of Shareholders.	100%
04	04/NQ-SAF/ HĐQT	16/03/2024	Regarding the dismissal of the Chairman and certain matters for Board of Directors' opinion on 16/3/2024.	100%
05	05/NQ-SAF/ HĐQT	10/4/2024	Regarding the election of the Chairman of the Board of Directors of Safoco Foodstuff Joint Stock Company for the 2023-2027 term.	100%
06	06/NQ-SAF/ HĐQT	06/05/2024	Regarding the approval of certain matters for Board of Directors' opinion on 06/5/2024.	100%
07	07/NQ-SAF/ HĐQT	06/05/2024	Assignment of duties to Members of the Board of Directors of Safoco Foodstuff Joint Stock Company.	100%
08	08/NQ-SAF/ HĐQT	17/7/2024	Regarding the approval of certain matters for Board of Directors' opinion on 17/7/2024.	100%
09	09/NQ-SAF/ HĐQT	11/10/2024	Regarding the approval of certain matters submitted to the Board of Directors for consultation on 11/10/2024.	100%
10	10/NQ-SAF/ HĐQT	17/12/2024	Regarding the Advance dividend payment for 2024 in Cash	100%

» Decision

No	Decision number	Date	Content	Approval rate
01	01/QĐ-SAF/ HĐQT	20/03/2024	Appointing employees for a business trip abroad (Singapore)	100%
02	02/QĐ-SAF/ HĐQT	08/04/2024	Appointing employees for a business trip abroad (South Korea and Japan)	100%
03	03/QĐ-SAF/ HĐQT	24/05/2024	Appointing employees for a business trip abroad (Thailand)	100%
04	04/QĐ-SAF/ HĐQT	18/07/2024	Dismissal of Ms. Nguyen Thi Nga from the position of Chief Accountant, effective 07/20/2024.	100%
05	05/QĐ-SAF/ HĐQT	18/07/2024	Appointment of Ms. Do Ngoc Tham to the position of Accountant in Charge.	100%
06	06/QĐ-SAF/ HĐQT	03/08/2024	Appointing employees for a business trip abroad (Singapore and Thailand)	100%
07	07/QĐ-SAF/ HĐQT	19/08/2024	Appointing employees for a business trip abroad (South Korea)	100%
08	08/QĐ-SAF/ HĐQT	02/10/2024	Appointing employees for a business trip abroad (Indonesia and Singapore)	100%
09	09/QĐ-SAF/ HĐQT	19/11/2024	Appointing employees for a business trip abroad (Malaysia and Thailand)	100%

CORPORATE GOVERNANCE

Board of Supervisors

Members and structure of the Board of Supervisors

No	Full name	Position	Ownership	Representative Ownership	Percent (%)
1	Mr. Nguyen Truong Nguyen	Head of the BoS	0	0	0
2	Mr. Nguyen Vuong Quoc	Member of the BoS	0	1,204,659 (*)	10
3	Mrs. Pham Lien Huong	Member of the BoS	0	0	0

(*) Mr. Nguyen Vuong Quoc is the ownership representative of Vietnam Southern Food Corporation - Joint Stock Company.

Activities of the Board of Supervisors

In 2024, the Board of Supervisors held 04 meetings with the full participation of its members to evaluate the work results achieved in the quarter/year, consulting with the Board of Directors before submitting reports, conclusions, and recommendations to the General Meeting of Shareholders.

In addition, the Board of Supervisors was invited to participate in all meetings of the Board of Directors and the Board of Management; participated in discussions at regular meetings of the Board of Directors, other meetings, and working sessions of the company. Member of the Board of Supervisors provided analysis, evaluation, and responsible recommendations to the Company.

The Board of Management also facilitated the Board of Supervisors to grasp and understand information in production-business activities and arranged personnel to provide complete and clear reports and information for the Board of Supervisors to complete its tasks.

The proposed solutions to improve management efficiency and risk prevention put forward by the Board of Supervisors were acknowledged by the Executive Board.

The Board of Directors, the Board of Supervisors, and the Executive Board always closely coordinate on the principle of benefiting the Company, shareholders, and fully complying with the provisions of the internal regulations, the Company's Charter, and legal regulations.

Supervisory Board meeting

No	Member of the Board of Supervisors	Number of Meetings Attended	Meeting Attendance Rate	Voting Rate	Reason for Absence
1	Mr. Nguyen Truong Nguyen	4/4	100%	100%	
2	Mr. Nguyen Vuong Quoc	4/4	100%	100%	
3	Mrs. Pham Lien Huong	4/4	100%	100%	

Supervisory activities of the Board of Supervisors towards the Executive Board of Directors, the General Director's Board, and shareholders

The Board of Supervisors has performed its work according to the powers and duties prescribed in the Enterprise Law and the Company's Charter to inspect and supervise the activities of the Board of Directors and the Executive Board in implementing the business orientations and objectives for 2024 approved by the General Meeting of Shareholders.

The Company's Board of Directors has exercised its rights and duties to manage the Company in accordance with the provisions of law, the Company's organizational and operational charter, and the Resolutions and Decisions of the General Meeting of Shareholders. The Board of Directors implemented the meeting regime and issued Resolutions and Decisions in full compliance with the regulations of the Board of Directors and the Company's Charter.

The General Director's Board has well complied with the provisions of law and the Company's organizational and operational charter in directing production and business activities reasonably and efficiently, strictly following the decisions and policies of the Board of Directors to ensure maximum legitimate benefits for the Company and its shareholders.

Members of the Board of Directors and the Board of Management of the Company perform their duties as prescribed in the Company's Charter honestly, cautiously, and for the legitimate interests of the Company and shareholders, using capital for the right purposes, effectively, preserving and developing capital. The Company performs well in cash and goods management, ensuring the ability to pay liabilities.

The Board of Directors and the Board of Management always facilitate the Board of Supervisors to perform their duties and always closely coordinate, independently, and objectively on the principle of benefiting the Company, shareholders, and complying with the Company's Charter and legal regulations.

Coordination of activities between the Board of Supervisors with the activities of the Board of Directors, the Board of General Directors, and other management officials

The Board of Supervisors is provided with full and clear information and documents on management and administration related to production and business activities, corporate governance, and other relevant content to serve the Board of Supervisors' oversight.

The Board of Supervisors is invited to participate in regular/periodic meetings of the Board of Directors and monthly meetings of the Board of Management. Thereby, the Board of Supervisors also contributes independent opinions to ensure optimal decisions in maintaining the rights and interests of shareholders and related parties.

The Board of Supervisors has made recommendations to the Board of Directors and the Board of Management on measures to enhance operations, mitigate risks, and ensure that the Company operates in compliance with legal regulations and the Company's charter, operates stably, and achieves its set targets, proactively exchanges and agrees with the Board of Directors on the content and plans for inspection and supervision, and coordinates with the Board of Management in the development of inspection and supervision work.

The Board of Management has facilitated the Board of Supervisors in performing its control function in the company's areas of operation. The opinions of the Board of Supervisors are fully considered and implemented by the Board of Directors and the Board of General Directors.

The Board of Directors, the Board of Supervisors, and the Board of Management always closely coordinate on the principle of benefiting the Company and shareholders, and fully comply with legal regulations and the Company's Charter.

CORPORATE GOVERNANCE

Transactions, remuneration, and benefits of the Board of Directors, the Board of General Directors, and the Board of Supervisors.

Salary, bonus, remuneration, benefits

No	Member	Position	Remuneration (VND/year)	Salary (VND/year)	Bonus (VND/year)	Notes
1	Mr. Ngo Si Tuan Phuong	Full-time Chairman of the Board of Directors		641,251,360	6,500,000	Appointed 04/2024
2	Ms. Pham Thi Thu Hong	Member of the Board of Directors, General Director	108,000,000	2,504,498,461	445,640,000	
3	Mr. Luu Nguyen Chi Nhan	Non-executive Member of the Board of Directors	108,000,000			
4	Mr. Nguyen Cong Minh Khoa	Member of the Board of Directors, Deputy General Director	108,000,000	717,582,660	201,170,000	
5	Mr. Nguyen Quang Tam	Non-executive Member of the Board of Directors	81,000,000			Dismissed 04/2024
6	Mr. Nguyen Van Hien	Chairman of the Board of Directors	30,000,000			Dismissed 04/2024
7	Mr. Nguyen Tri Nghia	Member of the Board of Directors, Deputy General Director	27,000,000	637,293,470	201,170,000	
8	Mr. Nguyen Truong Nguyen	Head of the BoS		600,239,500	138,200,000	
9	Mr. Nguyen Vuong Quoc	Member of the Board of Supervisors	90,000,000			
10	Mrs. Pham Lien Huong	Member of the Board of Supervisors	90,000,000			
11	Mrs. Nguyen Thi Nga	Chief Accountant		186,136,580	135,790,000	Dismissed 07/2024
12	Mrs. Do Ngoc Tham	Accountant in Charge		473,667,970	23,580,000	Appointed 07/2024

Internal person trading

No	Transaction performer	Relationship with internal persons	Number of shares held at the beginning of the period		Number of shares held at the end of the period		Reason for increase/decrease (purchase, sale, conversion, bonus...)
			Number of shares	Percent	Number of shares	Percent	
1	Sai Gon - Ha Noi Securities Joint Stock Company	Related parties	2,005,000	16.64%	3,000	0.025%	Sell
2	Viet Value Investment Management Company Limited	Major shareholder	0	0%	1.417.848	11,77%	Buy

Evaluation of the implementation of corporate governance regulations

Corporate governance is implemented in compliance with the Law on Enterprises and current regulations. Currently, members of the Board of Directors and the Board of General Directors all have certificates or equivalent qualifications in Corporate Governance. In 2024, members of the Board of Directors and the Board of General Directors attended training programs, seminars, and forums such as:

- “Vietnam Women’s Entrepreneurs Forum 2024; Women Mastering the Dual Transformation Era”; “Women Mastering the Dual Transformation Era Forum” organized by VCCI.
- Thematic seminar “Legal regulations on corporate governance, information disclosure obligations, and the importance of IR for public companies” organized by the State Securities Commission of VietNam.
- “Workshop on guidance on implementation in accordance with legal regulations and best practices to improve the quality of information disclosure” organized by the Hanoi Stock Exchange.
- Conference of Securities Registration Organizations at VSDC to exchange cooperation and expertise between VSDC and securities registration organizations on content related to the supervision of public companies” organized by VSDC.
- Training courses: “Enhancing Financial Management Capacity”; “Enhancing Marketing Capacity”; “Raising Awareness of Digital Transformation” organized by the Department of Industry and Trade of Ho Chi Minh City, “Seminar: ESG - The Key to Sustainable Development: Solutions to Promote Effective ESG Practices for Businesses”



CORPORATE GOVERNANCE

Transactions, remuneration, and benefits of the Board of Directors, the Board of Management, and the Board of Supervisors.

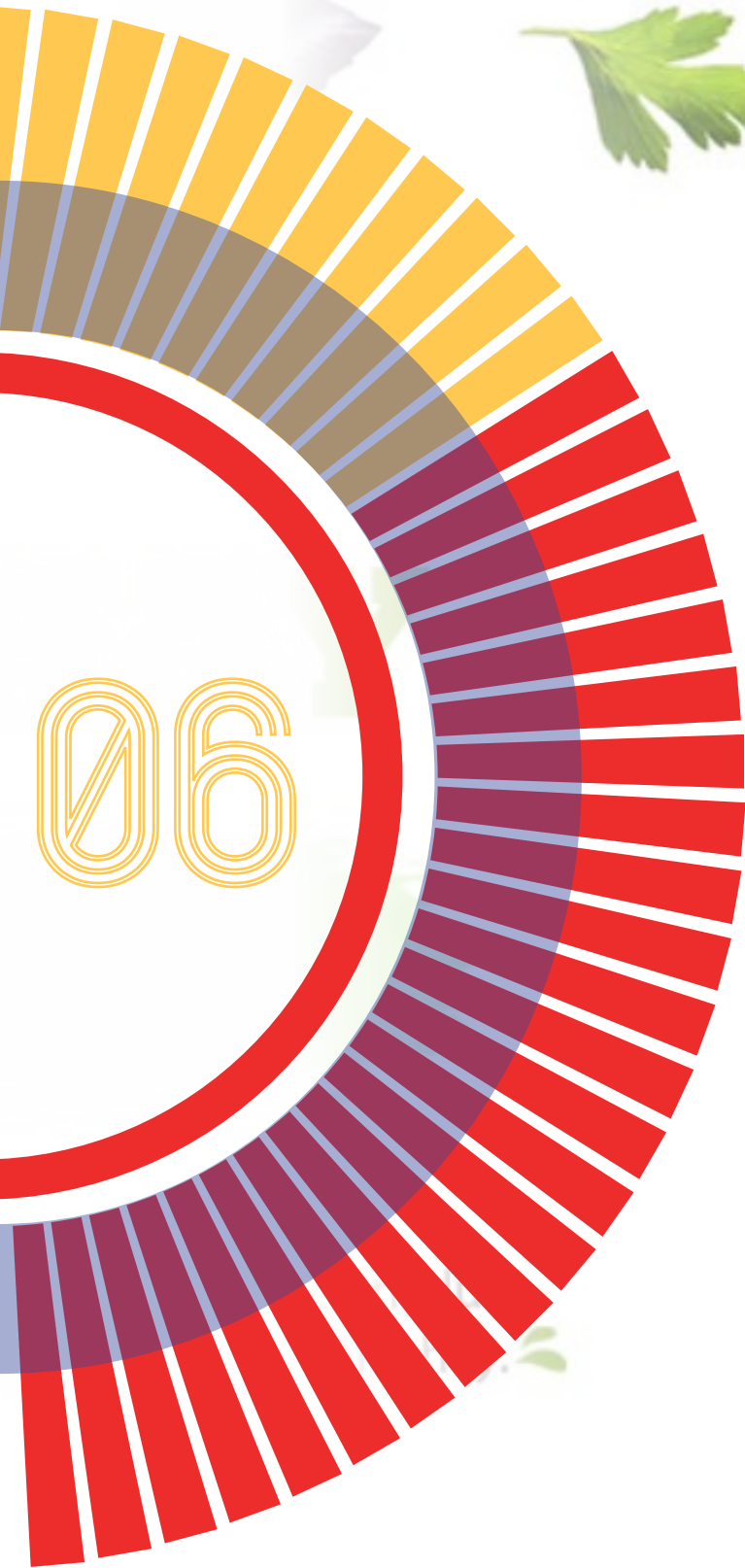
Contracts or transactions with internal persons

» Transactions between the Company and its affiliated persons or between the Company and its major share-holders, internal persons and affiliated persons of internal persons.

No	Name of organization/ individual	Relationship with the company	ID card No./Passport No., date of issue, place of issue	Head office address/ Contact address	Time of transactions with the Company	Resolution/Decision No. of the General Meeting of Shareholders/Board of Directors approved (if any, specify the date of issuance)	Content	Quantity	Total transaction value (Unit: VND)
1	Vietnam Southern Food Corporation - Joint Stock Company	Major shareholder	0300613198	333 Tran Hung Dao, Cau Kho Ward, District 1, Ho Chi Minh City	16/01/2024	Resolution No. 02/NQ-SAF/HĐQT	- Sell Safoco bags - Sell goods	200 bags 1,120 kg	13,400,000 52,610,400
2	Colusa - Miliket Foodstuff Joint Stock Company		0304517551	1230 Kha Van Can, Linh Trung Ward, Thu Duc City, HCM City	11/01/2024		Sell goods	600 kg	23,040,000
3	Colusa - Miliket Foodstuff Joint Stock Company	Affiliated unit of Vietnam Southern Food Corporation - JSC (major shareholder)	0304517551	1230 Kha Van Can, Linh Trung Ward, Thu Duc City, HCM City	23/02/2024		Purchases goods	1,116,000 packs	418,150,000
4	Ben Tre Food Company		0300613198-024	No. 199D2, Cluster 4, Ward 7, Ben Tre City	19/01/2024		Buy price	776,375 kg	12,593,312,500
5	Mechanics Construction and Foodstuff Joint Stock Company		1100664038	29 Nguyen Thi Bay, Ward 6, Tan An City, Long An	15/10/2024	Resolution No. 02/NQ-SAF/HĐQT	Packaging	6,300 pieces	40,890,000
6	Tien Giang Food Company		0300613198-009	No. 256, Quarter 2, Ward 10, My Tho City, Tien Giang	08/10/2024		Purchase goods	1,200 bottles	3,194,444
7	Dak Nong Branch of Ho Chi Minh City Food Joint Stock Company - Foodcomart		0300559014-006	Residential Group 1, Kien Duc Town, Dak R'Lap District, Dak Nong	23/01/2024		Sell goods	1,114.2 kg	56,023,860

» Transactions between the Company's internal persons, affiliated persons of internal persons with subsidiaries, and companies controlled by the Company:

None



FINANCIAL STATEMENTS

Audit Opinion



No.: 220125.002 /BCTC.HCM

INDEPENDENT AUDITORS' REPORT

To: Shareholders, the Board of Directors and the Board of Management
Safoco Foodstuff Joint Stock Company

We have audited the Financial Statements of Safoco Foodstuff Joint Stock Company prepared on 22 January 2025, as set out on pages 05 to 35, including: Statement of Financial Position as at 31 December 2024, Statement of Income, Statement of Cash Flows and Notes to the Financial Statements for the fiscal year ended as at 31 December 2024.

The Board of Management' responsibility

The Board of Management responsible for the preparation and presentation of Financial Statements that give a true and fair view in accordance with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to the preparation and presentation of Financial Statements and for such internal control as directors determines is necessary to enable the preparation and presentation of the Financial Statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with standards, ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Board of Management, as well as evaluating the overall presentation of the Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Auditors' opinion

In our opinion, the Financial Statements give a true and fair view, in all material respects, of the financial position of Safoco Foodstuff Joint Stock Company as at 31 December 2024, its operations results and its cash flows for the fiscal year then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to the preparation and presentation of the Financial Statements.

Branch of AASC Auditing Firm Company Limited



Tran Trung Hien
Director.
Certificate of registration to audit practice
No: 2202-2023-002-1
Ho Chi Minh City, 22 January 2025

Nguyen Thai
Auditor
Certificate of registration to audit practice
No: 1623-2023-002-1

Audited Financial Statements

The audited financial report for 2024 of Safoco Food Joint Stock Company has been duly disclosed in accordance with regulations and published on the company's official website:

<https://www.safocofood.com/quan-he-co-dong>

Ho Chi Minh City, February 11, 2025

THE LEGAL REPRESENTATIVE
GENERAL DIRECTOR



PHAM THI THU HONG





SAFOCO FOODSTUFF JOINT STOCK COMPANY

 1079 Pham Van Dong, Quarter 1, Linh Tay Ward, Thu Duc City, Ho Chi Minh City

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