



ANNUAL REPORT 2024

LONG AN FOOD PROCESSING EXPORT JOINT STOCK COMPANY

Long An, March 26, 2025

Long An Food Processing Export Joint Stock Company

81B, National Road 62, Ward 1, Tan An City, Long An Province, Vietnam

Tel: +84 (0)72 382 3900 Fax: +84 (0)72 382 6735 / 382 9637 Email: lafooco@lafooco.vn

A Member of The Pan Group

ANNUAL REPORT 2024**LONG AN FOOD PROCESSING EXPORT JOINT STOCK COMPANY****I. GENERAL INFORMATION****1. GENERAL INFORMATION:**

- Name of organization: Long An Food Processing Export Joint Stock Company
- Business Registration Certificate No.: The Company has also been granted the amended Enterprise Registration Certificate No. 1100107301 issued by the Department of Planning and Investment of Long An Province on 01 November 2000 and its amendments with the latest 15th amendment dated 11 December 2024
- Charter Capital: VND 152,280,190,000
- Owner's equity: VND 152,280,190,000
- Head quarter: 81B National Road 62, Ward 1, Tan An City, Long An Province, Vietnam.
- Tel: 84-272-3821501
- Fax: 84-272-3821936
- Website: www.lafooco.vn
- Stock code: **LAF**

2. THE PROCESS OF FORMATION AND DEVELOPMENT:

- The predecessor of Long An Export Goods Processing Joint Stock Company was the Long An Export Goods Processing Enterprise—a state-owned enterprise established in 1985—under the direct governance of the People's Committee of Long An Province.
- On July 1, 1995, the enterprise was piloted for equitization from a state-owned enterprise into a joint stock company, named long an export goods processing joint stock company (lafooco). it was the fourth unit nationwide and the first in the mekong delta to implement the pilot equitization of a state-owned enterprise.
- The company was listed on the Ho Chi Minh City Securities Trading Center (now the Ho Chi Minh City Stock Exchange) pursuant to Decision No. 06/GPPH dated November 6, 2000, issued by the State Securities Commission.

. Stock type: ordinary share.

. Stock code: LAF

- Lafooco is a member of several domestic and international associations such as the American Food Industries Association (AFI), the European Edible Nuts Association (CENTA), the Vietnam Chamber of Commerce and Industry (VCCI), and the Vietnam Cashew Association (Vinacas).
- Since its establishment, the company has been awarded numerous commendations and flags of excellence from the People's Committee of Long An Province, the Government, the Ministry of Trade, the Ministry of Industry, and the Vietnam Cashew Association. Notably, in 2003, the company was honored to receive the third-class labor medal from the President, and in 2008, the second-class labor medal.
- Lafooco was named one of the top 10 Vietnamese companies in the Forbes list of the 200 Best Small and Medium Enterprises in Asia in 2011.
- The Fair Trade Labelling Organization International (FLO) granted the company fair trade certification, allowing its products to bear the Fairtrade label.
- Since 2019, Lafooco has been recognized as one of the "top 50 well-known brands in Vietnam" by the Vietnam Intellectual Property Association's brand consultation and selection program.
- Since September 29, 2020, Lafooco's products have been officially recognized as national brand products.

3. BUSINESS SECTORS AND OPERATING REGIONS:

a. BUSINESS SECTORS:

- Investment, outsourcing, production, processing, trading, import-export, and services in the agricultural, aquaculture, and fruit-vegetable sectors.

b. OPERATING REGIONS:

- The company has its headquarters located in Tan An City, Long An Province, and a manufacturing plant situated in the Lainco Industrial Cluster, covering a total area of 2.45 hectares. In addition, the company maintains a stable and consistent network of regular outsourcing units.
- The company's agricultural products are exported to most major and significant global markets, including China, the United States, Australia, the Netherlands, the United

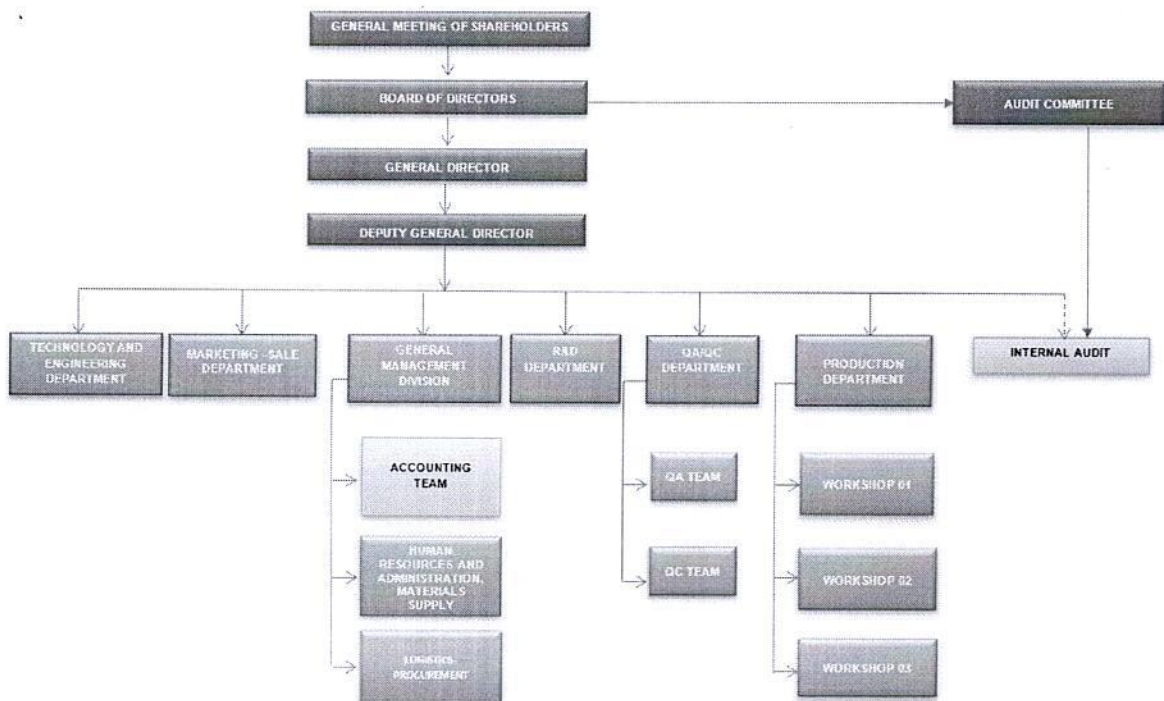
Kingdom, Germany, Canada, Japan, Hong Kong, and South Korea. Additionally, these products are distributed nationwide through retail stores and supermarkets.....

4. INFORMATION ON THE GOVERNANCE MODEL, BUSINESS ORGANIZATION, AND MANAGEMENT STRUCTURE:

✓ **Corporate Governance Model:**

- The General Meeting of Shareholders holds the highest authority in the company.
- The Audit Committee, elected by the Board of Directors, consists of 2 members.
- The Board of Directors, elected by the General Meeting of Shareholders, consists of 3 members.
- The Executive Board includes the Chief Executive Officer (CEO) and one Deputy General Director.

✓ **Management Structure:**



✓ **Subsidiaries and Associated Companies: none.**

5. DEVELOPMENT ORIENTATION:

- **The core targets of the Company for 2030:**

- The company will achieve annual growth, with an average growth rate of approximately 10%–15% per year, aiming for sustainable and stable development. It will continue restructuring its business operations, adjusting production scale, and focusing on expanding the business of high-margin product groups.
- **Enhancing management efficiency:** Maintain the management systems of GMP-HACCP, BRCGS, Smeta, HALAL, and organic cashew production standards, while continuously updating and improving production processes, work regulations, norms, and accountability frameworks to meet the increasingly high standards of the market.
- **Perfecting technology and techniques while developing an optimal production plan:**
Continuously researching and updating technological and processing advancements to enhance product quality, reduce production costs, promote large-scale production growth, ensure market supply capacity, and increase competitiveness within the industry.
- **Enhancing reputation and branding LAFOOCO:** Consistently maintaining the title of a reputable and efficient export enterprise while securing a Top-Ten position in the industry.

Lafooco will become a leading producer of high-quality, stable, and safe nutritional agricultural products in Vietnam and expand its reach globally

- **The company's operations comply with the law and maintain transparency, striving to deliver the best benefits to shareholders and investors.**

- **Medium- and Long-Term Development Strategies:**

- The company will continue investing in equipment and constructing a modern, large-scale processing plant with a fully integrated and streamlined production line, specializing in providing the market with stable and premium products.
- Researching the diversification of business products, expanding market development both domestically and internationally, maximizing profits, and ensuring stable employment and income for workers.
- Optimizing the internal management system to ensure the company's operations comply with the law, maintain transparency, and improve management efficiency by sustaining and enhancing GMP-HACCP, BRCGS, HALAL, Smeta, and Organic management systems, thereby increasing product competitiveness and business efficiency.

- Training and enhancing the quality of human resources to meet the company's development requirements.

- **The Company's Objectives for the Environment, Society, and Community:**

- Commitment to applying and maintaining a green, clean, and pleasant production environment. Adhering to environmental standards and utilizing resources (electricity, water, raw materials, etc.) efficiently and economically.

- Ensuring high standards of food safety and hygiene in production and business operations.

- Building solidarity houses for employees in difficult circumstances.

- Actively participating in programs to improve community livelihoods, supporting charitable activities, constructing bridges and roads, and extending assistance to those in need, especially impoverished individuals affected by natural disasters and pandemics,...

6. RISKS:

✓ **Market Risks:**

The objective is to meet the evolving and increasingly demanding needs of the market. The company's management actively monitors market supply and demand dynamics, fully capitalizes on opportunities, flexibly adjusts business activities, and conducts research to develop high-quality and suitable products for market supply.

✓ **Exchange Rate Risks:**

The company's core business activity is export, accounting for 95% of revenue; therefore, fluctuations in the VND/USD exchange rate significantly impact the company's profitability and financial position.

✓ **Interest Rate Risks:**

Due to the nature of the agricultural export production industry, companies need to purchase raw seeds domestically and import them for year-round storage and processing. As a result, export businesses typically require substantial short-term funding support from banks. Furthermore, since the company operates in the export sector and frequently discounts export documents, changes in interest rate policies significantly affect its production and business activities. To manage interest rate risks, the company's

management department consistently analyzes market competition to obtain favorable interest rates for its purposes while staying within risk management limits.

✓ **Payment Risks:**

With a relatively high debt-to-asset ratio, the company's payment risk is correspondingly significant. Balancing production capacity with product consumption is essential. The company advocates for signing long-term export contracts, specifically ensuring that during the harvest season, procurement plans for raw materials are aligned with corresponding sales plans. This approach minimizes the impact of this factor to the lowest possible level.

✓ **Weather Risks:**

After procurement, during processing, cashew nuts must undergo sun drying for approximately 48 hours to reduce their initial moisture content from 17–20% to 8–10%, preparing them for the next stage. In our country, cashews are harvested annually between February and May, which coincides with the start of the rainy season, potentially affecting the drying time and the quality of the cashews. Although cashew nuts can be dried using mechanical methods, the quality will not be as high as sun drying. Moreover, with increasingly adverse and unstable weather conditions, even to a limited extent, this impacts the company's production plans.

✓ **Economic Risks:**

Economic development impacts all industries, sectors, and entities within the economy. Accordingly, the company's activities are directly affected by fluctuations in the global and Vietnamese economy as well as the financial and monetary markets. Adverse developments may lead to economic recession, inflation, exchange rate volatility, credit tightening, and increased input material costs. To mitigate the effects of these challenges, the company emphasizes thorough preparation and contingency planning for economic and market changes, strengthens financial capacity, and fosters sustainable relationships with customers, suppliers, and financial institutions.

✓ **Environmental Risks:**

Since 2016, the company has successfully researched and transitioned from oil-roasting technology to steam-boiling technology for raw cashew nuts. With this steam-boiling technology, no cashew shell oil vapor is released, no water is consumed, and no soaking

water is discharged into the environment. The proportion of white kernels is higher, and the occurrence of oil-contaminated cashew kernels is nearly eliminated. Consequently, the company effectively applies environmental protection measures in production while reducing processing costs.

✓ **Other Risks:**

- Other risks such as epidemics, natural disasters, adversities, or fires are force majeure risks that cause damage to assets, people, and overall operations. The company has insured all current assets to partially mitigate potential losses should such risks occur.

II. OPERATIONS IN THE YEAR

1. SITUATION OF PRODUCTION AND BUSINESS OPERATIONS

Business and production results in 2024

Items	Units	Achieved in 2023	2024		Comparison (%)	
			Planned	Achieved	Achieved in 2024/2023	Achieved in 2024/Planned for 2024
1. Net revenue from goods sold	VND billions	431.50	500.00	465.96	108.0%	93.2%
2. Import and Export Turnover	USD millions	19.07	22.54	22.00	115.4%	97.6%
+ Export	"	15.63	18.60	16.62	106.3%	89.4%
+ Import	"	3.44	3.94	5.38	156.4%	136.5%
3. Accounting profit before tax	VND billions	36.21	40.00	56.83	156.9%	142.1%
4. Net profit after corporate income tax	VND billions	28.62	32.00	44.95	157.1%	140.5%
5. Earnings Per Share (EPS)	VND/Share	1,780	2,064	2,557	143.7%	123.9%
6. Dividend	%/Charter Capital	15.0	15.0	15.0	100.0%	100.0%

2. ORGANIZATION AND HUMAN RESOURCE:

No.	Name	Position	Number of share owned (*)	Ownership rate (%)	Note
1	Phan Ngoc Son	Member of Board of Director, General Director	591,100	3.88%	Appointed on July 25, 2018
2	Huynh Thi Ngoc My	Deputy General Director	71,000	0.47%	Appointed on April 26, 2019
3	Du Truong Linh	Chief Accountant	41,500	0.27%	Appointed on April 26, 2019

(*) The number of shares owned is recorded according to the latest closing report prepared by VSDC on March 14, 2025.

CURRICULUM VITAE:**❖ General Director: Mr PHAN NGOC SON**

- Year of birth: 1964
- Nationality: Viet Nam
- Permanent address: Scenic Valley, Tan Phu, District 7, HCM City
- Home address: Scenic Valley, Tan Phu, District 7, HCM City
- Tel: 0272.3823 900;
- Email: sonpn@lafooco.vn
- Professional Expertise: Bachelor's Degree in Physics; Economic Management.
- Employment History:
 - + 1989-1992: Logistics staff, Khanh Hoa Import-Export Corporation (IMEX Corp).
 - + 1993-1994: Ha noi Branch Director, Khanh Hoa Beer Company.
 - + 1995-2003: Head of Investment and Business Department, Khanh Hoa Trading and Investment Company.
 - + 2004-2008: Manager, Tan Viet Joint Stock Company - Sunrise Nha Trang Hotel.
 - + 2009-2014: Nha Trang Branch Director, Saigon Securities Joint Stock Company.
 - + 2015- 10/2016: General Director of Long An Food Processing Export Joint Stock Company.
 - + 11/2016-2017: Deputy General Director of Ben Tre Seafood Export-Import Joint Stock Company.
 - + 07/2018 to Present: General Director of Long An Food Processing Export Joint Stock Company.
- Current Position: Member of the Board of Directors and General Director of Long An Food Processing Export Joint Stock Company.
- Current Positions Held in Other Organizations: Member of the Board of Directors of Golden Beans Coffee Joint Stock Company
- Debts Owed to the Company: None
- Related Interests with the Company: None.
- Conflicting Interests with the Company: None

❖ Deputy General Director: Ms HUYNH THI NGOC MY

- Year of birth: 1972
- Nationality: Viet Nam
- Permanent address: Trinh Quang Nghi Street, Ward 4, Tan An City, Long An Province.
- Home address: Trinh Quang Nghi Street, Ward 4, Tan An City, Long An Province.
- Tel: 0272.3823900
- Email: myhtn@lafooco.vn
- Professional Expertise: Bachelor of Finance and Accounting.
- Employment History:
 - + 1990-1997: Production management of Long An Food Processing Export Joint Stock Company.

- + 1998-2003: Deputy Head of Human Resources Department of Long An Food Processing Export Joint Stock Company.
- + 2004-2005: Deputy Chief Accountant of Long An Food Processing Export Joint Stock Company.
- + 2006 - 2014: Chief Accountant of Long An Food Processing Export Joint Stock Company.
- + 04/2015 -06/2018: Deputy General Director of Long An Food Processing Export Joint Stock Company.
- + 07/2018 đến 04/2019: Chief Accountant of Long An Food Processing Export Joint Stock Company.
- + 04/2019 đến nay: Deputy General Director of Long An Food Processing Export Joint Stock Company.
- Current Position: Deputy General Director of Long An Food Processing Export Joint Stock Company.
- Current Positions Held in Other Organizations: None.
- Debts Owed to the Company: None
- Related Interests with the Company: None.
- Conflicting Interests with the Company: None

❖ CHIEF ACCOUNTANT: MR DU TRUONG LINH

- Year of birth: 1979
- Nationality: Viet Nam
- Permanent address: Duc Hoa Town, Duc Hoa District, Long An Province.
- Home address: Nguyen Van Tiep Street, Ward 5, Tan An City, Long An Province.
- Tel: 0272.3823900
- Email: linhdt@lafooco.vn.
- Professional Expertise: Bachelor of Finance and Accounting.
- Employment History:
 - + 2001-2006: General Accountant of Long An Food Processing Export Joint Stock Company
 - + 2006-2010: Member of the Supervisory Board of Long An Food Processing Export Joint Stock Company
 - + 2006-10/2014: Deputy Chief Accountant and Secretary of the Board of Directors of Long An Food Processing Export Joint Stock Company
 - + 11/2014–06/2018: Chief Accountant of Long An Food Processing Export Joint Stock Company.
 - + 04/2019 đến nay: Chief Accountant of Long An Food Processing Export Joint Stock Company.
- Current Position: Chief Accountant of Long An Food Processing Export Joint Stock Company.
- Current Positions Held in Other Organizations: None.
- Debts Owed to the Company: None

- Related Interests with the Company: None.
- Conflicting Interests with the Company: None

✓ **Number of employees and policies for employees:**

Number of employees as of December 31, 2024

*. Management staff:	22 "
*. Sales Executive:	5 "
*. Manufacturing Worker:	155 "
Total	182 Person

- The labor allocation and wage unit prices are reviewed and adjusted annually to align with the actual production and business conditions. The regulations on salaries, bonuses, and benefits related to sick leave, convalescence, maternity, etc., are implemented in accordance with the regulations and are paid on time.
- Employees in the company are all provided with labor contracts, social insurance, health insurance, accident insurance, periodic health check-ups, and company-sponsored trips and vacations. All benefits are granted in full compliance with legal regulations.
- Labor is allocated appropriately and in line with professional capabilities, enabling employees to fully utilize their potential. A timely reward system is in place for scientific and technical innovations as well as cost-saving initiatives in the company's production and management processes.
- Employees are regularly arranged and assigned to attend professional training courses, enabling them to update their knowledge promptly and effectively fulfill their assigned duties.

The company consistently maintains and regularly improves several specific policies as follows:

- Strengthen and streamline the organizational structure and personnel to ensure efficiency and responsiveness to the company's operational requirements at each point in time.
- Promote the tradition of internal unity; implement grassroots democratic regulations and foster collaboration between the Executive Board and grassroots socio-political organizations to care for employees, creating favorable conditions for them to work effectively, contribute, and unleash their creativity and talents for the company's development.

- Recruit and train new personnel promptly to fill vacant positions.
- Update and adjust salaries to align with actual conditions, and implement incentive policies to attract skilled and professionally qualified personnel who are committed to the company.
- Fully implement the rights and obligations for employees in accordance with legal regulations and the company's Collective Labor Agreement.

3. INVESTMENT ACTIVITIES, PROJECT IMPLEMENTATION:

3.1 Major investments:

In 2024, the company focuses on investing in upgrading several fundamental items to enhance its production capacity..

Continue to invest in the procurement of new technological machinery and equipment in line with the production and business development orientation for 2025 and the coming years.

3.2 Transfers - Disposal of Major Assets:

- Continue to review and liquidate outdated machinery, equipment, and obsolete technologies that are no longer needed in order to recover capital.
- Seek partners for the transfer of long-term investments in Nitagrex.

3.3 Subsidiaries, associated companies: None

4. FINANCIAL SITUATION:

a) Financial situation:

Indicators	Year 2023	Year 2024	% change
- Total asset	332,136,167,349	366,020,559,397	10.20
- Net revenue	431,495,716,493	465,961,353,640	7.99
- Profit from business activities	37,282,192,496	59,258,151,817	58.94
- Other profits	(1,077,185,328)	(2,432,468,335)	125.82
- Profit before tax	36,205,007,168	56,825,683,482	56.96
- Profit after tax	28,617,885,348	44,954,305,958	57.08
- Dividend Payout Ratio	77.20%	50.81%	-26.39%

b) Major financial indicators:

Items	Year 2023	Year 2024	Note
<i>1. Indicators of Solvency</i>			
+ Current Ratio	2.13	2.26	
+ Quick Ratio	0.42	1.12	
<i>2. Indicators of Capital Structure</i>			
+ Debt ratio/total assets	0.33	0.32	
+ Debt ratio/Owner'equity	0.50	0.48	
<i>3. Indicators of Operational Performance</i>			
+ Inventory Turnover Ratio	1.70	2.29	
+ Net revenue/total assets	1.30	1.27	
<i>4. Indicators of Profitability</i>			
+ Net Profit Margin	0.07	0.10	
+ Return on Equity (ROE)	0.13	0.18	
+ Return on Assets (ROA)	0.09	0.12	
+ Operating Profit Margin	0.09	0.13	

5. SHAREHOLDERS STRUCTURE, CHANGE IN THE OWNER'S EQUITY:

a) Shares

- Total Ordinary Shares: 15.228.019
- Total Outstanding Shares: 15.228.019
- In which:
- Number of freely transferable shares: 14.728.019
- Number of shares with restricted transfer: 500.000

b) Shareholders structure (Data based on the list closed as of March 12, 2025)

- Shareholders structure:

Shareholders	Domestic		Foreign		Total	
	Number of shares	Ownership Percentage	Number of shares	Ownership Percentage	Number of shares	Ownership Percentage
State Shareholder		-		0.00%	-	0.00%
Internal Shareholder	870,504	5.72%		0.00%	870,504	5.72%
Other Shareholder	13,961,730	91.68%	395,785	2.60%	14,357,515	94.28%
-Organization	11,860,466	77.88%	97,844	0.64%	11,958,310	78.53%
-Individuals	2,101,264	13.80%	297,941	1.96%	2,399,205	15.76%
Total	14,832,234	97.40%	395,785	2.60%	15,228,019	100.00%

List of Shareholders Holding Over 5% of the Company's Share Capital:

No.	Name of Shareholders	Address	Number of Shares	Share Percent
1	The Pan Group Joint Stock Company	Ben Luc, Long An	11,858,841	77.88
	Total		11,858,841	77.88

c) **Change in the owner's equity:** None.

d) **Transaction of treasury stocks:** In 2024, The company does not engage in treasury share transactions.

e) **Other securities:** None.

6. ENVIRONMENT-SOCIAL-GOVERNANCE (ESG) REPORT OF THE COMPANY:

6.1 Environmental Impact: None

6.2 Management of raw materials:

- ✓ Total amount of raw materials used for the production and packaging of the company's main products and services during the year: 2.27 billion VND.
- ✓ Report on the percentage of recycled materials used for the production of the company's main products and services: None.

6.3 Energy consumption:

- ✓ Direct and indirect electricity consumption during the year: 2,453,454 kwh.
- ✓ Shells of various types used as fuel during the year: 125,899 kg
- ✓ Firewood used as fuel during the year: 131,690 kg
- ✓ Gas used during the year: 37,643 kg
- ✓ Energy savings and energy-saving initiatives report: None.

6.4 Water consumption:

✓ Water supply sources and annual water usage: Total water consumption for production and business activities during the year: 20,428 m³; supplied by Long An Water Supply Joint Stock Company and Long An Industrial and Urban Infrastructure Investment Joint Stock Company. The company primarily uses water for domestic purposes and for irrigating gardens and greenery within the company premises.

- ✓ Percentage and total amount of recycled and reused water: None.

6.5 Compliance with the law on environmental protection:

✓ Number of penalties for non-compliance with environmental laws and regulations: 0.

✓ Total amount of fines for non-compliance with environmental laws and regulations: VND 0

6.6 Policies related to employees:

✓ Number of employees and average salary for employees: The total number of employees in the company as of December 31, 2024, was 182. The average monthly income was VND 11,124,786.

✓ Labor policies to ensure the health, safety, and welfare of employees:

- Ensuring Working Conditions: The company ensures safe and health-compliant working conditions for its employees. Investments are made in physical infrastructure, personal protective equipment, and safety support systems to minimize risks and mitigate severity in case of incidents. The company provides medical check-ups tailored to the specific nature of each job position and conducts regular health examinations every six months. Employee insurance schemes are implemented in accordance with state regulations, including Social Insurance, Health Insurance, 24/7 Accident Insurance, Critical Illness Insurance for Employees,...

- Welfare Policies: Providing lunch meals for workers, conducting annual health check-ups, implementing maternity leave policies, supporting female employees in taking leave to care for newborns, offering hardship allowances, and providing professional training and skill development. Organizing company-wide activities such as sightseeing trips, tourism, recreational events, and sports activities. Additionally, offering support for illness, wedding gifts, funeral assistance, and presenting gifts on major holidays,...

- Inspections and Monitoring: The company has established a safety and hygiene network at its factories and production facilities to monitor and promote the implementation and compliance with safety practices. All information related to safety activities is reported to management levels, and records are fully maintained. Twice a year, the company hires a verification agency to measure and inspect the working environment to ensure labor safety across the organization.

- Compliance with Legal Requirements: All matters related to occupational safety and health in the company are carried out in accordance with relevant legal requirements. The company has established a documentation system to monitor and update legal requirements to ensure compliance.

✓ **Employee Training Activities:** All employees working at the company are thoroughly trained in occupational safety and hygiene knowledge and skills before starting their jobs, including specialized training for positions with stringent safety requirements. The company also conducts periodic training sessions and evaluates employees' capability to meet the requirements. Employees are encouraged to collaborate with management and contribute initiatives for technical improvements and production efficiency, supported by an appropriate reward policy.

6.7 Report on responsibility for local community:

✓ **Environmental Protection:** The company is committed to thoroughly assessing impacts and implementing measures to mitigate negative effects on the surrounding residential environment, including issues such as waste, emissions, noise, and dust levels. Resources are utilized efficiently to prevent environmental pollution and the depletion of natural resources. Gradual investments are made in physical infrastructure to address the company's environmental concerns.

✓ **Willingness to Hear Feedback and Mitigate Negative Impacts on the Community:** The company has established a 'Community Grievance Mechanism,' which is widely disseminated to relevant stakeholders and is committed to strict implementation. Community consultations are conducted in the event of changes that significantly affect the surrounding community. The company does not endorse any form of non-cooperation regarding community feedback, aiming for open negotiations and providing satisfactory responses to all community concerns.

✓ **Support for the Surrounding Community and Fulfillment of Social Responsibility:** The company is committed to creating jobs, income, or specific economic values for local residents. It contributes to public infrastructure investments, indirectly promoting local economic development. Corporate social responsibility efforts aim to maintain social welfare, assist disadvantaged individuals, and act in accordance with ethical business practices. The company actively contributes to and supports charitable funds, distributes rice to impoverished households, builds numerous gratitude houses and solidarity houses, and donates funds for road construction and rural bridges in mountainous areas of Binh Phuoc Province.



✓ Compliance with Legal Requirements: Under all circumstances, compliance with current laws is the company's top priority. The company is committed to refraining from any activities that violate the law. Any legal issues that arise must be promptly and thoroughly addressed. The company strictly prohibits all members from acting against legal requirements and will implement the strictest measures to ensure full compliance.

6.8 Report on green capital market activities under the guidance of the ssc:

The company is formulating strategies and implementing measures to develop green capital market activities in accordance with the guidelines provided by the State Securities Commission of Vietnam.

III. REPORTS AND ASSESSMENTS OF THE BOARD OF MANAGEMENT

1. ASSESSMENT OF OPERATING RESULTS

In 2024, the company achieved a revenue of 465.9 billion VND, reflecting an 8% growth compared to 2023 and fulfilling 93% of the annual target. Regarding profitability, the company posted a pre-tax profit of 56.8 billion VND, marking a 56.9% increase from 2023 and surpassing the 2024 annual plan at 142%. Consequently, while the company fell short in meeting its revenue goals, it outperformed the profit targets assigned by the General Meeting of Shareholders for its business operations.

- Overall, in 2024, the company operated in a highly competitive environment among industry peers. Additionally, market demand shifted from direct purchases at supermarkets to online shopping via e-commerce channels, leading to a decline in product consumption. Furthermore, due to the impact of the broader economy, market demand for agricultural products remained weak, resulting in the company falling short of its revenue targets for 2024.

- The company consistently takes a proactive approach to analyzing market trends, focusing on high-performing business segments to maximize efficiency. Simultaneously, the company invests in new machinery and equipment to enhance production capacity, minimize manufacturing costs, and progressively stabilize and grow its business operations. These efforts aim to achieve sustainable and high-yield results in 2024.

- The company consistently maintains effective control over debt management and ensures financial stability while optimizing interest cost reductions comprehensively.

Furthermore, it develops a sound, stable, and sustainable business model to enhance the company's competitiveness against industry rivals.

2. FINANCIAL SITUATION

a) Assets:

Items	Year 2023	Year 2024	Change in percentage
I. CURRENT ASSETS	230,003,222,138	262,382,493,208	14.08
1. Cash	6,157,419,518	8,917,975,143	44.83
2. Short-term financial investments	202,168	57,300,202,168	28,342,764
3. Short-term receivable	33,497,021,553	52,438,615,605	56.55
4. Inventories	184,547,033,568	131,914,789,892	(28.52)
5. Other short-term assets	5,801,545,331	11,810,910,400	103.58
II. NON-CURRENT ASSETS	102,132,945,211	103,638,066,189	1.47
1. Fixed assets	75,078,479,969	83,159,542,774	10.76
2. Investment property	-	-	0.00
3. Long-term assets in progress	13,195,730,133	8,738,883,675	(33.77)
2. Long-term financial investments	60,000,000	60,000,000	0.00
3. Other long-term assets	13,798,735,109	11,679,639,740	(15.36)
TOTAL ASSETS	332,136,167,349	366,020,559,397	10.20

- The total assets target for 2024 increased by 10.20% compared to 2023, primarily driven by the financial investment targets for 2024. The company leveraged idle cash accumulated from achieved profits and allocated it to savings deposits to ensure liquidity.

- The collection of other receivables by the company remains within the normal range.

b) Debt Payable

Items	Year 2023	Year 2024	Change in percentage
I. Current liabilities	107,749,130,527	116,290,096,251	7.93
1. Short-term loans	91,244,570,004	95,628,944,563	4.81
2. Short-term trade payables	7,428,908,770	4,693,945,653	(36.82)
3. Payables to employees	3,669,491,818	9,237,093,532	151.73
4. Other current payables	5,406,159,935	6,730,112,503	24.49
II. Long-term liabilities	2,638,421,529	2,514,570,395	(4.69)
LIABILITIES	110,387,552,056	118,804,666,646	7.63

- The total liabilities in 2024 increased by 7.63% compared to 2023, influenced by the rise in short-term borrowings and employee payables in 2024 compared to 2023. Bank

loans remain within the normal repayment terms, with disbursements made to procure raw materials for upcoming production activities.

- The current short-term borrowings at the end of 2024 remain within the designated limit, with no overdue debts.
- Other payables have slightly increased due to the rise in corporate income tax obligations for 2024, which the company plans to settle in the first quarter of 2025.

3. IMPROVEMENTS IN ORGANIZATIONAL STRUCTURE, POLICIES, AND MANAGEMENT:

- Continuously improving and innovating management and production processes to establish a solid foundation, ensuring the success of business plans in subsequent years.
- Implementing incentive policies to encourage employees to collaborate with management and promote technical innovation and cost-saving initiatives in production.
- Providing training and development programs for staff to enhance professional expertise, managerial skills, market knowledge, and competencies, meeting the needs of business operations in a competitive and integrated environment.
- Developing a lean, efficient, and professional management system aimed at sustainable and stable corporate growth.
- Promoting and maintaining the KAIZEN – 5S culture across all company activities.
- Gradually implementing digital transformation to enhance resource management capabilities and mitigate risks in all business and production activities.

4. DEVELOPMENT PLANS IN FUTURE

✓ Procurement of raw materials, production, and export activities.:

- Balance raw material procurement effectively to ensure stable production throughout the year. For raw cashew nuts, focus on sourcing materials from clean regions certified as Organic to produce organic cashew kernels; salted roasted kernels with skin and fried cashew kernels, without engaging in speculative raw material purchasing.
- Research and update technological advancements, improve processing techniques for agricultural products; establish modern, automated, and integrated production facilities to enhance production capacity, increase processing output, ensure competitive product pricing, and strengthen business advantages.

- Continue to promote the development program for Organic raw material regions while seeking reputable suppliers domestically and internationally to ensure an adequate supply of high-quality raw materials that meet the growing demands of the agricultural product market.

✓ **Sales:**

- Always aiming for sustainable development in the future, the company plans to achieve sales revenue from agricultural products and nutritious seeds exceeding 1,000 billion VND by 2030.

- Continuously researching and developing a diverse range of high-quality, stable, and safe nutritional agricultural products, positioning as a leading brand in Vietnam and expanding to international markets..

- Strengthen and streamline human resources while investing in technology and techniques to diversify product offerings, maintain competitive pricing, and meet the demands of both international and domestic markets.

- Update and enhance policies, regulations, and standards to support management, administration, and business operations, ensuring discipline, professionalism, and effective control.

- Strengthen marketing efforts by maximizing all sales channels, refining marketing and advertising tools, and expanding markets, customers, and distribution agents.

- Continue reviewing and enhancing product quality regulations to meet Organic and Fairtrade standards.

- Further consolidate resources and strengthen strict controls over product quality and food safety.

- Seek and support suppliers that meet the company's standards for high-quality, stable, and safe materials. The company always strives for mutually beneficial cooperation.

5. EXPLANATION OF THE BOARD OF MANAGEMENT FOR AUDITOR'S OPINIONS: None.

6. ASSESSMENT REPORT RELATED TO ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES OF THE COMPANY:

a) Assessment concerning the environmental indicators:

The current environmental conditions at the company are based on environmental measurement results conducted by TB Environment Co., Ltd:

- Air quality: All measured and analyzed indicators at the sampling locations, both within and outside the company premises, meet the allowable standards as per QCVN 05: 2013/BTNMT, QCVN 26: 2010/BTNMT, and TCVSLĐ 3733/2002/BYT/QĐ.
- Water quality: The quality of wastewater after treatment is excellent, with all analyzed parameters remaining within the permissible limits set by the wastewater acceptance regulations of the Loi Binh Nhon Industrial Cluster, Tan An City, Long An Province.
- Collection of particularly hazardous solid waste: Multiple hazardous waste containers have been allocated separately in each area. The company has been issued a Registration Book for Hazardous Waste Generator Management and has signed a contract with a licensed processing entity (Ho Chi Minh City Urban Environment Company Limited).
- Environmental protection efforts: The company is committed to thoroughly assessing impacts and implementing measures to mitigate negative effects on the surrounding residential environment, including issues such as waste, emissions, noise, and dust levels. It emphasizes the efficient and economical use of materials to prevent environmental pollution and resource depletion.

b) Assessment concerning the labor issues:

- The workforce situation has remained stable without significant fluctuations over the past five years. The company consistently ensures the best welfare policies for all employees.
- The company has implemented comprehensive human resources and labor policies, demonstrating a strong commitment to creating a professional and friendly working environment. It aims to build a unified, safe, and happy shared home where employees feel secure, empowered to showcase their capabilities, and encouraged to develop their careers.
- Conduct democratic dialogues with employees twice a year, where both parties exchange opinions and address concerns related to the responsibilities, obligations, and rights of employees and employers.

- Facilitate and provide funding support for the Trade Union, Youth Union, and the Party Committee of the company to operate freely and democratically. The company is committed to ensuring the rights to freely participate in organizations without any actions to obstruct or create difficulties.
- The company is committed to fully and diligently implementing social welfare policies in accordance with Vietnamese law and its officially announced commitments.

c) Assessment concerning the corporate responsibility for the local community:

- Regarding the company's commitment to community responsibility, the company issued a 'Community Commitment' signed by the highest leadership on December 21, 2015. The document explicitly outlines the company's desire to create a community-friendly operating environment. The support and assistance from surrounding communities, including governmental agencies, customers, partners, potential suppliers, and residents, significantly impact the company's existence and growth. Therefore, the company aims to prevent and mitigate negative impacts from its activities, fully fulfill its social responsibilities, and establish long-term, sustainable partnerships with the community.
- In recent years, the company has sponsored the construction and completion of a cultural center worth 280 million VND for Dong Nai Commune, Bu Dang District, Binh Phuoc Province.
- Every year, the company consistently contributes to supporting local impoverished households by providing gifts during the Tet holiday, with funding amounting to tens of millions of VND.

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

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

- The Board of Directors acknowledges and highly appreciates the solutions and efforts of the Executive Board in 2024, despite the intense competition among companies in the same industry and the shift in shopping trends from offline to online, which has led to a significant decline in product consumption.
- The company's production and business activities have gradually stabilized, achieving more sustainable growth while mitigating the impact of raw material price fluctuations. However, market demand in 2024 has not yet grown, and consumer purchasing power

remains weak. The Executive Board has implemented various measures to stabilize the business situation..

- The financial situation is healthy and transparent.
- The company's brand, reputation, and product quality continue to be maintained and developed, earning high praise and trust from customers.
- The company's operations always prioritize social responsibility, environmental protection, and community engagement.

2. ASSESSMENT OF BOARD OF DIRECTORS ON BOARD OF MANAGEMENT'S PERFORMANCE

- The Board of Directors has closely, objectively, and transparently overseen the activities of the Executive Board. Additionally, the Board of Directors consistently develops strategies, medium-term plans, and guidelines for the Executive Board to strive towards achieving the targets of the 2024 Plan as approved by the General Meeting of Shareholders.
- During its management process, the Executive Board has fulfilled its assigned roles and responsibilities, ensuring the company's business operations comply with legal regulations, the company's charter, resolutions from the General Meeting of Shareholders, and directives from the Board of Directors.
- Report all management activities of the Executive Board to the Board of Directors honestly.
- The implementation and quality of investment projects, factory repairs, and equipment upgrades have been significantly improved.
- Ensure transparency in reporting, with timely and accurate disclosure of information.

3. PLANS AND ORIENTATIONS OF THE BOARD OF DIRECTORS

3.1 Key objectives of the 2025 plan

Items	Unit	2025 Plan	Achieved in 2024	2025 Plan /Achieved in 2024 (%)
- Net revenue	VND Billions	540.00	465.90	116%
- Import and export Turnover	USD millions	25.70	22.00	117%
+ Export	USD millions	19.45	16.62	117%
+ Import	USD millions	6.25	5.38	116%
- Accounting profit before tax	VND Billions	63.00	56.80	111%
- Net profit after tax	VND Billions	50.40	44.90	112%

3.2 Main Strategic Directions for 2025:

- Continue focusing on product diversification and food safety; allocate resources and build brand equity to develop markets and customer base, boost revenue, and aim for stable and sustainable growth.
- Continue investing in the completion of processing and production workshops with advanced industry-standard machinery and equipment, as well as integrated and streamlined technological systems.
- Continue to refine the internal management system to ensure compliance with legal regulations, transparency, and enhanced management efficiency by maintaining and improving management systems such as ISO, GMP, HACCP, BRC, and Smeta, thereby increasing product competitiveness and operational effectiveness.
- Ensure company operations comply with legal regulations and maintain transparency; strive to deliver the best benefits to shareholders and investors.

V. CORPORATE GOVERNANCE

1. BOARD OF DIRECTORS:

a) Members and Structure of the Board of Directors for Term VIII (2020-2025):

No	Name	Corporate Position	Number of shares owned (*)			Ownership rate	Note
			Ownership Representative	Individual	Total		
1	Nguyen Van Khai	Chairman & Member of The Audit committee	-	105,000	105,000	0.69%	
2	Nguyen Thai Hanh Linh	Independent Board Member & Chairperson of The Audit committee	-	20,500	20,500	0.13%	
3	Phan Ngoc Son	Member of Board of Director & General Director	-	591,100	591,100	3.88%	
	Tổng cộng		-	716,600	716,600	4.71%	

(*) The number of shares owned is recorded according to the latest closing report prepared by VSDC on March 14, 2025

b) The Committees under the Board of Directors:

- Personnel and Compensation Subcommittee: Consisting of Mr. Nguyen Van Khai - Chairman of the Board of Directors; Mr. Nguyen Kim Lân - Head of Internal Audit Committee; Ms. Huynh Thi Tuyet Mai - Member of Internal Audit Committee in charge. This subcommittee is chaired by Mr. Nguyen Van Khai.

- Legal and Strategic Development Subcommittee: Comprising Mr. Phan Ngoc Sơn - Member of the Board of Directors; Ms. Nguyen Thai Hanh Linh - Member of the Board of Directors; Ms. Truong Thi Kim Phuong - Member of the Internal Audit Committee. This subcommittee is chaired by Mr. Phan Ngoc Son..

- Audit Committee: Comprising Ms. Nguyen Thai Hanh Linh - Independent Member of the Board of Directors, and Mr. Nguyen Van Khai - Chairman of the Board of Directors in charge. This committee is chaired by Ms. Nguyen Thai Hanh Linh.

c) Activities of the Board of Directors:

• **Activities of the Board of Directors:**

✓ In accordance with the resolution of the 2024 Annual General Meeting of Shareholders, the Board of Directors shall exercise control and oversight to ensure the interests of the Company's shareholders are upheld. The BoD will operate within its functions, authorities, and responsibilities to achieve the set business goals while also refining corporate governance practices in alignment with the Company's Charter, internal governance regulations, and the applicable laws in force..

✓ All activities of the Board of Directors are carefully considered, ensuring compliance with the Enterprise Law, the Company's Charter, and internal governance regulations. Objectivity and transparency are maintained based on the legally stipulated rights, obligations, and responsibilities, with respect for the legitimate rights and interests of shareholders.

• **The number of Board of Directors meetings:**

Throughout the year, in adherence to internal regulations and to meet the Company's development needs, the Board of Directors (BoD) maintains quarterly direct meetings (once every quarter). These meetings facilitate discussions, deliberations, and consensus

on decisions within the BoD's authority, ensuring timely directives for managing the Company's business operations to adapt to market fluctuations..

Accordingly, in 2024, the Board of Directors (BoD) convened 19 regular and extraordinary meetings, conducted in various formats including in-person, online, and via email, with full participation from all members.

No	The member of Board of Directors	Position	Start/End Date of Board Membership	Number of Meetings Attended	Attendance Rate (%)	Cause of Non-Attendance
1	Nguyen Van Khai	Chairman of The BoD	01/01/2024	19/19	100	
2	Nguyen Thai Hanh Linh	Independent Board Member	01/01/2024	19/19	100	
3	Phan Ngoc Son	Member of The BoD	01/01/2024	19/19	100	

The strategic directives of the Board of Directors (BoD) are clearly reflected in the Resolutions passed by the BoD members through direct voting during meetings or through written opinions.

• **Resolutions of the Board of Directors (BoD) in 2024:**

No.	Resolution/Decision No.	Date	Item	Voting Rate
01	01/NQ-HĐQT.LAF.2024	18/01/2024	Approve the business performance results for the 4 th quarter of 2023.	100%
02	02/NQ-HĐQT.LAF.2024	21/02/2024	Approval of the payment of 2023 dividends to shareholders by cash and the final registration date for receiving dividends and attending the 2024 annual general meeting of shareholders.	100%
03	03/NQ-HĐQT.LAF.2024	14/03/2024	Agree on borrowing debt from VietinBank - HCMC Branch to support business operations.	100%
04	04/NQ-HĐQT.LAF.2024	20/03/2024	Agree on borrowing debt from Vietcombank - Transaction Center Branch to support business operations.	100%
05	05/NQ-HĐQT.LAF.2024	15/03/2024	Approval of the 2023 business operations report to be presented at the 2024 annual	100%

			<p><i>general meeting of shareholders;</i></p> <p><i>Approve on the 2024 business plan;</i></p> <p><i>Approval of the contents and voting proposals at the 2024 annual general meeting of shareholders.</i></p>	
06	06/NQ-HĐQT.LAF.2024	19/04/2024	Approval of the business performance results for the 1 st quarter of 2024	100%
07	07/NQ-HĐQT.LAF.2024	23/04/2024	Approval of the allocation of remuneration to members of the Board of Directors, Internal Audit Committee and Secretary.	100%
08	08/NQ-HĐQT.LAF.2024	24/05/2024	<p>- Approval of the implementation of the stock issuance plan under the employee stock ownership plan (ESOP) according to Resolution of the Annual General Meeting of Shareholders No. 01/NQ.ĐHĐCĐ.LAF dated April 17, 2024.</p> <p>- Approval of the regulations on stock issuance under the employee stock ownership plan (ESOP).</p>	100%
09	09/NQ-HĐQT.LAF.2024	10/06/2024	Approval of the amendments and additions to the ESOP regulations, replacing the regulations approved by the Board of Directors on May 24, 2024.	100%
10	10/NQ-HĐQT.LAF.2024	02/07/2024	Approval of the selection of Deloitte Vietnam Auditing Company Limited to audit the 2024 financial statements.	100%
11	11/NQ-HĐQT.LAF.2024	11/07/2024	Approval of the investment and procurement of new machinery for business production in 2024.	100%
12	12/NQ-HĐQT.LAF.2024	16/07/2024	Approval of the plan for handling the remaining undistributed shares under the 2024 ESOP program.	100%
13	13/NQ-HĐQT.LAF.2024	19/07/2024	Approval of the business performance results for the 2 nd quarter of 2024.	100%
14	14/NQ-HĐQT.LAF.2024	26/07/2024	Approval of the results of the stock issuance under the 2024 employee stock ownership plan.	100%
15	15/NQ-HĐQT.LAF.2024	26/08/2024	Approval of the investment and procurement of new machinery for business production.	100%
16	16/NQ-HĐQT.LAF.2024	15/10/2024	Approval of the investment and procurement of new machinery for business production.	100%
17	17/NQ-HĐQT.LAF.2024	17/10/2024	Thông qua kết quả sản xuất kinh doanh quý 3-2024/Approve the business performance results for the 3 rd quarter of 2024.	100%

18	18/NQ-HĐQT.LAF.2024	20/12/2024	Approval of the investment and procurement of new machinery for business production.	100%
19	19/NQ-HĐQT.LAF.2024	26/12/2024	Approval of the company's transactions with related parties in 2025.	100%

d) Activities of Independent Members of the Board of Directors:

- Activities of the Subcommittees:

The subcommittees regularly collect information, evaluate, and report on the Company's business operations to the Board of Directors (BoD). They research and propose feasible solutions regarding development strategies, financial investments, human resources, labor, and legal consultancy to ensure compliance with regulations, the Company's Charter, internal policies, and applicable laws.

In 2024, all three subcommittees under the Board of Directors (BoD) held 19 meetings, including both regular and extraordinary sessions, conducted in-person and online. The attendance and voting rate was 100%, with no members absent.

- Activities of Independent Members:

Independent members of the Board of Directors (BoD) participate in the Company's Audit Committee and are responsible for the following matters:

- ✓ Monitoring the implementation of resolutions passed by the Annual General Meeting of Shareholders (AGM); Verifying the legality and rationality of business activities in accordance with the resolutions of the 2024 AGM;
- ✓ Overseeing the operational and managerial activities of the Executive Board;
- ✓ Overseeing financial performance;
- ✓ Overseeing Risk Governance;

Independent members actively participate in all Board of Directors (BoD) and Audit Committee meetings. Their voting opinions on matters presented reflect an objective independence, aiming for the highest benefit to the Company's development.

Assessment by Independent Members of the Board of Directors: The independent BoD members did not identify any significant risks arising from the compliance of employees and managers with laws, the company charter, and regulations. In 2024, audit findings were incorporated into performance evaluation criteria for relevant individuals, enhancing compliance awareness across all management and staff levels. Action plans

aimed at improving the control system were thoroughly implemented by departments within the Company.

e) List of Board of Directors (BoD) Members with Corporate Governance Training Certification: None

2. AUDIT COMMITTEE

2.1 Organization and Operations of the Audit Committee

a) Members and Structure of the Audit Committee for Term VIII (2020-2025):

The structure of the Audit Committee was unanimously established in accordance with the BoD Resolution No. 07/NQ-HĐQT.LAF.2023 dated April 25, 2023, including the following individuals:

No.	Name	Position	Number of Shares			Ownership Percentage	Note
			Shareholder Representative	Individual	Total		
1	Ms Nguyen Thai Hanh Linh	Chairperson of Audit Committee	-	20,500	20,500	0.13%	
2	Mr Nguyen Van Khai	Member of Audit Committee	-	105,000	105,000	0.69%	
Total			-	125,500	125,500	0.82%	

b) Activities of the Audit Committee:

- Operating Mechanism of the Audit Committee: The Audit Committee operates based on the standards and conditions applicable to its members, in accordance with the Company's Charter and current legal regulations (including the Enterprise Law 2020, Securities Law 2019, Decree 155 guiding the Securities Law, Circular 116 guiding the Enterprise Law 2020, and Decree 155).

c) Meetings of the Audit Committee in 2024:

No.	The member of Board of Directors	Position	Start/End Date of Board Membership	Number of Meetings Attended	Attendance Rate (%)	Cause of Non-Attendance
1	Nguyen Thai Hanh Linh	Chairperson of Audit Committee	25/04/2023	04/04	100	
2	Nguyen Van Khai	Member of Audit Committee	25/04/2023	04/04	100	

d) Remuneration, Operating Expenses, and Other Benefits of the Audit Committee:

Details of the remuneration for Audit Committee members are presented in Section 3 – Transactions, Remuneration, and Benefits for the Board of Directors (BoD), Audit Committee (AC), and Executive Board. Beyond this remuneration, AC members do not receive any additional benefits.

Operating expenses for the Audit Committee and its individual members strictly adhere to the provisions of the Enterprise Law, the Company's Charter, and the resolutions approved by the Annual General Meeting of Shareholders (AGM).

e) Supervisory Activities of the Audit Committee over the Board of Directors (BoD), the CEO, and the Executive Board:

The Audit Committee oversees the activities of the Board of Directors (BoD) through various channels, including reports and direct interactions; supervision is conducted via meetings, discussions, and the decision-making processes of the BOD's Resolutions. Additionally, it monitors the operations of the CEO and the Executive Board by ensuring compliance with the BoD's Resolutions and the delegation of authority between the BOD and the CEO.

Throughout its duties, the Audit Committee consistently maintains strong collaboration with BoD members, the CEO, Executive Board members, and other relevant management personnel, while always receiving active cooperation.

2.2 Supervisory Results of the Audit Committee**a) Status of the Organization of Board of Directors Meetings, Issuance, and Implementation of BoD Resolutions.**

Board meetings were convened or conducted through written consultations with BoD members, in accordance with the procedures outlined in the Company's Charter. The topics addressed during the BoD meetings or via written consultation forms were thoroughly reported, discussed, and evaluated with the principles of transparency, equity, fairness, and due diligence, aiming to develop the best strategies and solutions for the Company.

Quarterly, the BoD held meetings to evaluate and update the business situation and financial performance, enabling discussions and the formulation of appropriate decisions related to development strategies, management systems, and governance policies. These governance decisions are continuously adjusted and improved to meet the Company's needs.

Decisions made during the BoD meetings or the voting results collected through the written consultation process comply with legal regulations, the Company's Charter,

internal governance rules, and the resolutions of the Annual General Meeting of Shareholders (AGM). Additionally, they align with the strategies approved and reported at the AGM.

The Executive Board rigorously implements the resolutions issued by the BoD.

b) Financial Statements

The financial statements are prepared and disclosed in compliance with accounting standards and current legal regulations. These financial statements fairly and accurately reflect the Company's financial position.

c) Internal Control System and Risk Management at the Company

The Audit Committee (AC) collaborated with the Company's Executive Board to closely monitor market trends, make forecasts, and devise appropriate business strategies to mitigate environmental, economic, legal, industry-specific, and other risks.

The Executive Board conducted periodic reviews, updates, and timely issuance of regulations/guidelines for the organization and operations of specialized departments, as well as rules related to operational activities, thereby enhancing the effectiveness of the internal control system.

The AC identified changes in legal regulations relevant to the activities of BoD members, the AC, and internal audit functions, providing recommendations to the BoD on structuring operations in compliance with new legal frameworks, market practices, and the Company's needs.

d) Internal Audit Department

In 2024, the Internal Audit Department maintained a stable workforce with sufficient resources to effectively fulfill its assigned duties.

The department's functional activities contributed positively to improving the internal control system and risk management practices.

During 2024, the Internal Audit Department successfully executed its annual audit plan as approved by the Audit Committee and the CEO, based on the anticipated timeline and allocated resources. Audit results indicated a significant improvement in process compliance across various departments.

e) Independent Audit Services

Deloitte Vietnam Audit Co., Ltd. successfully fulfilled its responsibilities and fully complied with the obligations stipulated in the contract signed with the Company.

Deloitte Vietnam Audit Co., Ltd. ensured reliability, honesty, adherence to audit deadlines, and compliance with professional regulations, while maintaining independence and objectivity in delivering audit opinions.

3. TRANSACTIONS, REMUNERATIONS AND BENEFITS OF THE BOARD OF DIRECTORS, BOARD OF MANAGEMENT AND AUDIT COMMITTEE

a) Salary, rewards, remuneration and benefits:

- The remuneration paid to the Board of Directors (BoD) and the Internal Audit Committee (IAC) was based on the resolution of the Annual General Meeting of Shareholders (AGM) 2024 dated April 17, 2024, titled 'Regarding the approval of operating expenses and remuneration for the BoD and IAC for 2024, amounting to VND 1 billion per year.' The actual expenditure was VND 996 million, with an additional bonus of VND 193 million for exceeding the profit targets in 2023, detailed as follows:

No.	Name	Position	Salary, rewards, remuneration and benefits in 2024	Note
1	Nguyen Van Khai	Chairman of The BoD	435,000,000	
2	Nguyen Thai Hanh Linh	Member of The BoD	245,000,000	
3	Phan Ngoc Son	Member of The BoD	260,000,000	
5	Nguyen Kim Lan	Head of the Internal Audit Department	70,000,000	
6	Truong Thi Kim Phuong	Member of the Internal Audit Department	54,500,000	
7	Huynh Thi Tuyet Mai	Member of the Internal Audit Department	54,500,000	
8	Truong Thi Phuong Linh	Person in Charge of Corporate Governance	70,000,000	
Total			1,189,000,000	

- The salaries and bonuses for the Executive Board and Chief Accountant are determined based on the labor contracts and the resolution of the Annual General Meeting of Shareholders (AGM) 2024 dated April 17, 2024, with detailed information as follows:

No.	Name	Position	Salary, rewards, remuneration and benefits in 2024	Note
1	Phan Ngoc Son	General Director	2,814,182,006	
2	Huynh Thi Ngoc My	Deputy General Director	1,660,198,025	
2	Du Truong Linh	Chief Accountant	1,119,466,912	
Toatl			5,593,846,943	

b) Share transactions by internal shareholders in year:

- Share transactions by internal shareholders:

No.	Transaction Performer	Position	Opening Balance of Shares Owned		Closing Balance of Shares Owned		Reasons for Increase or Decrease (Purchase, Sale, Conversion, Bonus, etc.)
			Number of shares	Ownership Percentage	Number of shares	Ownership Percentage	
1	Nguyen Van Khai	Chairman	0	0%	105.000	0.69%	Purchase
2	Phan Ngoc Son	Member of The BoD	0	0%	605.000	3.97%	Purchase
3	Nguyen Thai Hanh Linh	Member of The BoD	200	0.001%	20.500	0.13%	Purchase
4	Nguyen Kim Lan	Head of the Internal Audit Department	0	0%	8.100	0.05%	Purchase
5	Huynh Thi Tuyet Mai	Member of the Internal Audit Department	1.304	0.009%	4.304	0.03%	Purchase
6	Truong Thi Kim Phuong	Member of the Internal Audit Department	0	0%	3.000	0.02%	Purchase
7	Huynh Thi Ngoc My	Deputy General Director	0	0%	71.000	0.47%	Purchase
8	Du Truong Linh	Chief Accountant	0	0%	41.500	0.27%	Purchase
9	Truong Thi Phuong Linh	Person in Charge of Corporate Governance	6.700	0.045%	26.000	0.17%	Purchase

- Stock Transactions of Persons Related to Insiders: None

c) Contracts or transactions with internal shareholders:

- Transactions between the Company and its related parties, or between the Company and major shareholders, insiders, or persons related to insiders, as approved by the Company's Board of Directors (BoD) in Resolution No. 17/NQ-HĐQT.LAF.2023 dated December 29, 2023. The contracts and transactions executed during the period include:

No.	Name of organization/ individual	Relationship with the Company	Time of transactions with the Company	Content, quantity, total value of transaction	Note
1	Bibica Joint Stock Company - Bibica Bien Hoa Factory	Affiliate	Year 2024	Sales of goods: VND 693,781,200	
2	Bibica Western One Member Limited Liability Company	Related party	Year 2024	Sales of goods: VND 712,537,560	
3	Bibica Ha Noi One Member Limited Liability Company	Related party	Year 2024	Sales of goods: VND 57,380,400	
4	Sao Ta Food Joint Stock Company	Affiliate	Year 2024	Sales of goods: VND 228,723,758	
5	Pan Food Joint Stock Company	Affiliate	Year 2024	Sales of goods: VND 7,078,567	
6	Pan Consumer Goods Distribution Joint Stock Company	Related party	Year 2024	Sales of goods: VND 118,987,000 Purchase of goods: VND 61,051,480	
7	Golden Beans Coffee Joint Stock Company	Affiliate	Year 2024	Loan: VND 5,000,000,000 Lending interest: VND 212,876,713 Purchase of goods: VND 518,894,813	
8	Ben Tre Seafood Export-Import Joint Stock Company	Affiliate	Year 2024	Sales of goods: VND 1,487,500	
9	584 Nha Trang Seafood Joint Stock Company	Affiliate	Year 2024	Sales of goods: VND 577,685	

10	Viet Nam Fumigation Joint Stock Company	Related party	Year 2024	Purchase of service: VND 433,215,000	
11	Vietnam National Seed Group Jsc	Related party	Year 2024	Sales of goods: VND 13,694,443	
12	Coco Food Coco Food Company Limited	Related party	Year 2024	Sales of goods: VND 1,136,008,637	
13	SSI Securities Corporation	Related party	Year 2024	Purchase of service: VND 195,000,000 Sales of goods: VND 7,261,204	
14	SSI Securities Corporation – Hanoi Branch	Related party	Year 2024	Sales of goods: VND 17,330,556	
15	SSI Asset Management Company Limited	Related party	Year 2024	Sales of goods: VND 5,504,538	
16	NDH Consulting Company Limited	Related party	Year 2024	Purchase of service: VND 133,750,000	
17	The Pan Group Joint Stock Company	Parent company	Year 2024	Dividends: VND 17,788,261,500 Purchase of service: VND 18,411,296	

d) Evaluation of Compliance with Corporate Governance Regulations.

In 2024, the Company strictly complied with corporate governance regulations and ensured timely reporting as well as periodic disclosure of corporate governance updates on a semi-annual and annual basis to investors.

VI. 2024 FINANCIAL STATEMENTS

1. AUDITOR'S COMMENTS

f) Independent Auditing Company:

- Name of Independent Auditing Company: Deloitte VietNam Audit Company Limited
- Address: 15th Floor, Vinaconex Building, 34 Lang Ha Street, Lang Ha Ward, Dong Da District, Hanoi City, Vietnam
- Tel: 024.7105.0000
- Fax: 024.6288. 5678

g) Conclusion: “In our opinion, the financial statements present fairly, in all material respects, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2024, its financial performance and its cash flows for the year then ended, in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting.”

Audit Report with Reference Number: 0592/VN1A-HN-BC, issued on March 6, 2025.

2. AUDITED FINANCIAL STATEMENTS FOR THE YEAR 2024

The 2024 Financial Statements have been audited in accordance with accounting regulations and are available for download from the company's website: www.lafooco.vn

LONG AN FOOD PROCESSING EXPORT JOINT STOCK COMPANY
GENERAL DIRECTOR



PHAN NGOC SON