



ANNUAL REPORT 2024

TABLE OF CONTENTS

I. GENERA	L INFORMATION		
	rall information	2	2.1.
	ness Areas and Business Location	2	2.2.
		2	2.3.
2.1.	Business area7	2	2.3.1.
2.2.	Business location7	2	2.3.2.
	rmation on Corporate Governance, Business Organization agement	3.	Inv
3.1.	Corporate Governance and Business Management	3	8.1.
3.2.	Subsidiaries and affiliated companies10	3	8.2.
4. Dev	elopment orientation	4.	Fin
Main g	oals	4	1.1.
Mediu	n and long-term development strategy11	4	4.2.
Sustair	nable development goals (environmental, social and	5.	Sha
	nity) and key programs related to the Company's short and	5	5.1.
mediur	<i>n term</i>	5	5.2.
5. Risk	s	5	5.2.1.
5.1.	Risks related to economy	5	5.2.2.
5.2.	Interest rate risks		5.2.3.
5.3.	Risks related to raw material areas		5.2.4.
5.4.	Competition risks		
5.5.	Market demand risks		5.3.
5.6.	Force majeure risk		5.4.
5.7.	Legal risks	5	5.5.
	0	6.	Rep
	RMANCE RESULTS IN 2023 15	6	<i>6.1</i> .
1. Busi	ness performance in 2023	6	52

	<i>1.1</i> .	Business performance result in 2023
	<i>1.2</i> .	Actual performance results compared with plan15
2.	2. 0	rganization and personnel16
	2.1.	List of Executive Board16
	2.2.	Changes in the Board of Management16
	2.3.	Numbers of employees16
	2.3.1.	Company employees number and structure16
	2.3.2.	Policy for employees17
3.	Inve	estment and project implementation18
	<i>3.1</i> .	Major investment
	3.2.	Subsidiaries and Affiliate Companies19
4.	Fina	ancial Status
	<i>4.1</i> .	Financial Status
	4.2.	<i>Key financial indicators</i>
	7.2.	Key financial indicators21
5.		reholder structure, changes in owner's capital
5.		
5.	Sha	reholder structure, changes in owner's capital
5.	Sha 5.1. 5.2.	reholder structure, changes in owner's capital
5.	Sha 5.1. 5.2. 5.2.1.	reholder structure, changes in owner's capital
5.	Sha 5.1. 5.2. 5.2.1. 5.2.2.1	reholder structure, changes in owner's capital 22 Shares 22 Shareholder structure 22 Ownership structure by types of shareholder 22
5.	Sha 5.1. 5.2. 5.2.1. 5.2.2.1 5.2.2.1	reholder structure, changes in owner's capital 22 Shares 22 Shareholder structure 22 Ownership structure by types of shareholder 22 Major Shareholder 23
5.	Sha 5.1. 5.2. 5.2.1. 5.2.2.1 5.2.2.1	reholder structure, changes in owner's capital22Shares22Shareholder structure22Ownership structure by types of shareholder22Major Shareholder23Strategic shareholder23
5.	Sha 5.1. 5.2. 5.2.1. (5.2.2.1) 5.2.3. (5.2.3. (5.2.4.1)	reholder structure, changes in owner's capital22Shares22Shareholder structure22Ownership structure by types of shareholder22Major Shareholder23Strategic shareholder23Maximum foreign ownership ratio:23
5.	Sha 5.1. 5.2. 5.2.1. 5.2.2.1. 5.2.2.1. 5.2.2.1. 5.2.2.1. 5.2.3.1 5.2.4.1 5.3.	reholder structure, changes in owner's capital22Shares22Shareholder structure22Ownership structure by types of shareholder22Major Shareholder23Strategic shareholder23Maximum foreign ownership ratio:23Changes in owner's capital24
	Sha 5.1. 5.2. 5.2.1. 5.2.2.1. 5.2.2.1. 5.2.3.1 5.2.4.1 5.3. 5.4. 5.5.	reholder structure, changes in owner's capital22Shares22Shareholder structure22Ownership structure by types of shareholder22Major Shareholder23Strategic shareholder23Maximum foreign ownership ratio:23Changes in owner's capital24Treasury stock transactions: None.26
	Sha 5.1. 5.2. 5.2.1. 5.2.2.1. 5.2.2.1. 5.2.3.1 5.2.4.1 5.3. 5.4. 5.5.	reholder structure, changes in owner's capital22Shares22Shareholder structure22Ownership structure by types of shareholder22Major Shareholder23Strategic shareholder23Maximum foreign ownership ratio:23Changes in owner's capital24Treasury stock transactions: None26Other shares: None26
	Sha 5.1. 5.2.1. 5.2.2.1. 5.2.2.1. 5.2.3.1 5.2.3.1 5.2.4.1 5.3. 5.4. 5.5. Rep	reholder structure, changes in owner's capital22Shares22Shareholder structure22Ownership structure by types of shareholder22Major Shareholder23Strategic shareholder23Maximum foreign ownership ratio:23Changes in owner's capital24Treasury stock transactions: None.26Other shares: None.26ort on Company's environmental and social impacts27

<i>6.3</i> .	Energy consumption	. 27
<i>6.4</i> .	Water consumption	. 28
6.5.	Compliance with laws on environmental protection	. 28
6.6.	Policies related to employees	. 28
6.7.	Report regarding responsibilities to local communities	. 30
III. REPOR	RT AND EVALUATION OF THE BOARDS OF	
MANAGEN	MENT	. 31
1. Eva	luate the results of production and business activities	. 31
2. Fina	ancial status	. 32
2.1.	Assets	. 32
2.2.	Liabilities	. 33
-	rovements in organizational structure, policies, and nent	. 34
4. Futu	ure development plan	. 34
	essment report related to the Company's environmental al responsibilities	
5.1. consum	Assessment related to environmental indicators (water nption, energy, emissions)	. 35
5.2.	Evaluation related to employee issues	. 36
5.3. commu	Evaluation of the Company's responsibility to the local inity	. 36
	JATION OF THE BOARD OF DIRECTORS ON THE A'S OPERATIONSÐÁNH GIÁ CỦA HỘI	. 37
	essment of the Board of Directors on the Company's ns	. 37
	luation of the Board of Directors on the activities of the y's Board of Management	. 38

40
40
s of 40
41
41
43
<i>ing</i> 43
43
43
44
of 44
44
45
45
<i>ce</i> 46
47
47
47

I. GENERAL INFORMATION

1. Overall information

HONG HA FOOD INVESTMENT DEVELOPMENT JOINT STOCK COMPANY

Abbreviated Name	HONGHA FID., JSC
Stock ticker	HSL
Certificate of Business	5500512492 issued by Son La Planning and Investment Department for the first time on 06 th Jan 2015,
Registration	and issued by Ha Noi Planning and Investment Department for the 16th change on 13th Sep 2024
Charter capital	353.835.080.000 VND
Owner's investment capital	353.835.080.000 VND
Address	17th Floor, Building D, Government Office - La Thanh Guest House, No. 226 Van Phuc, Lieu Giai
	Ward, Ba Dinh District, Hanoi City.
Telephone	024.6296.2699
Website	www.honghagroup.com.vn
Logo	
	HONGHA

HISTORY OF FORMATION AND DEVELOPMENT



- Hong Ha Food Investment Development Joint Stock Company (*hereinafter called "Company"*) formerly known as Hong Ha Son La Agricultural Products Joint Stock Company - established on January 6th 2015 according to the Certificate of Business Registration issued by the Son La Planning and Investment Department with an initial capital of VND 4,500,000,000 (*Four billion five hundred VND*). The headquarters and production factory were located in Ban Cung Ta Lang, Tu Nang commune, Yen Chau district, Son La province.
- On June 30th 2015, the Company increased capital to VND 12,000,000,000 (*Twelve billion VND*).
- On January 14th 2016, the Company increased its charter capital to VND 84,000,000 (Eighty-four billion VND) along with that the Company invested in additional production lines, machinery and links with Hong Ha Agricultural Materials and Transport Services Joint Stock Company, through its ownership of 46.67%, aims to expand production and business activities and increase the efficiency of the Company's input material purchasing activities.
 - On November 1st 2016, the Company held a General Meeting of Shareholders with the policy of increasing charter capital to 126,000,000,000 VND (*One hundred twenty-six billion VND*) to expand production scale and improve quality. product quality, expected to become the largest agricultural product processing company in Son La Province in particular and the Northern mountainous region in general.



- Hong Ha Son La Agricultural Products Joint Stock Company became a public company according to Decision No. 8628/UBCK-GSĐC issued by the State Securities Commission and was officially listed on the Ho Chi Minh City Stock Exchange according to Decision No. 150/QD-SGDHCM dated April 26, 2018 with stock ticker HSL.
 - In 2018, after paying dividends in shares, the Company's charter capital increased to 157,499,560,000 VND (One hundred fifty-seven billion four hundred ninety-nine million five hundred sixty-two thousand VND). At the same time, in this year, the Company invested and owned 45.4% of Ngoc Lac Xanh Agricultural Products Joint Stock Company and 100% of Cuong Sinh Yen Chau Company Limited with the goal of enhancing capacity and production scale and expand distribution markets.

∑2019**∑**2020

- On November 20th 2019, the Company expanded its production scale and oriented investment in the pharmaceutical industry through investing in HongHa Pharma Joint Stock Company, in which the Company's ownership ratio was 40%.
- In February 2020, the subsidiary Cuong Sinh Yen Chau Company Limited increased its charter capital and converted to a joint stock company model. Accordingly, HSL's ownership ratio was 98.14%.
- On March 10th 2020, the Company increased its ownership ratio at Hongha Pharma Joint Stock Company to 90%. In August 2020, HongHa Pharma Joint Stock Company increased its charter capital through issuing shares to existing shareholders. The Company did not purchase additional shares, so the Company's ownership ratio at HongHa Pharma Joint Stock Company decreased from 90% to 45%.
- At the same time, in this year, the Company contributed capital to Elmaco Agricultural Products Joint Stock Company located in Nho Quan district, Ninh Binh province in the form of an affiliated company, in which the Company's ownership ratio was 43.75% of total charter capital as of October 12th 2020. Elmaco Agricultural Products Joint Stock Company owned a production factory near raw material areas, which was convenient for the process of purchasing input materials for production and business activities.
- With the approval of the 2020 Annual General Meeting of Shareholders (AGM), from June 25th 2020, Hong Ha Son La Agricultural Products Joint Stock Company decided to change its business name to Hong Ha Food Development Investment Joint Stock Company.
- In August 2020, after paying dividends in shares to shareholders, the Company's charter capital increased to 171,671,440,000 VND (One hundred and seventy-one billion, six hundred and seventy-one million, four hundred and forty thousand dong).



After approval by the 2021 Annual General Meeting of Shareholders, the Company decided to move its headquarters location from Son La province to the new address at Floor 17, Building D, Government Office - La Thanh Guest House, Lieu Giai Ward, Ba Dinh District, Hanoi City from June 24th 2021

- On June 29th 2021, the Company established a Production Factory Branch in Ban Cung Ta Lang, Tu Nang commune, Yen Chau district, Son La province, at the same time upgrading the system, production lines and promoting sales system.
- On November 10th 2021, the Company purchased additional shares according to the shares issuance scheme to existing shareholders at a ratio of 1: 1 at Ngoc Lac Xanh Agricultural Joint Stock Company. The ownership ratio of HSL at Ngoc Lac Xanh Agricultural Products Joint Stock Company accordingly was 45.4%.



On March 14th 2022, the Company completed the private shares issuance to investors and increased the Company's charter capital to 321,671,440,000 VND (*Three hundred twenty one billion six hundred seventy one million four hundred and forty thousand dong*). The capital obtained from the issuance was used to increase the ownership ratio in two affiliated companies, Hongha Pharma Joint Stock Company and Ngoc Lac Xanh Agricultural Products Joint Stock Company, as well as repay loans and supplement working capital.

After additional investment, HSL's ownership ratio at Hongha Pharma Joint Stock Company was 98%, at Ngoc Lac Xanh Agricultural Products Joint Stock Company - now Ngoc Lac Xanh Agricultural Products Company Limited was 100%.

In July 2022, after paying dividends in shares for 2020 and 2021, the Company's charter capital increased to 353,835,080,000 VND (*Three hundred fifty-three billion eight hundred thirty-five million eighty thousand dong*)



 In 2023, overcoming many difficulties and unpredictable market fluctuations, the Company's total revenue reached 389.73 billion VND, profit after tax reached 12.06 billion VND.



- In March 2024, the Company divested its capital from its affiliated company, Elmaco Agricultural Products Joint Stock Company.
- On August 27, 2024, the Company completed the payment of dividends for 2022 and 2023 in shares. Accordingly, the Company's charter capital after distributing dividend shares is VND 385.673.630.000.

[End of content on this page]

2. Business Areas and Business Location

2.1. Business area



Established on January 6th 2015, Hong Ha Food Development Investment Joint Stock Company is an enterprise operating mainly in the field of production, processing and trading of agricultural products (cassava, corn,...) with the mission to bring quality agricultural products to consumers.

HSL's traditional products are corn kernels, dried cassava, cassava starch, arrowroot starch,... produced on a modern factory and processing line system, with uses suitable to the local conditions for high quality and effective products. Hong Ha Food Development Investment Joint Stock Company is one of the reputable traders for good quality agricultural products, meeting the quality standards set by customers such as: dried corn kernels. , cassava, soybeans,...

2.2. Business location

HSL's head office is located on the 17th Floor, Government Office - La Thanh Guest House, 226 Van Phuc, Lieu Giai Ward, Ba Dinh District, Hanoi City. HSL's factory is located in Ban Cung Ta Lang, Tu Nang commune, Yen Chau District, Son La Province. Factories and workshops are located close to raw material areas to ensure timely supply for production activities, reduce costs and provide jobs for local workers to promote the region's economic development. HSL's corn kernels and cassava chips products are mainly distributed in provinces/cities such as Hanoi, Ninh Binh, Hoa Binh, Son La,...

Besides, by establishing additional business locations, HSL has expanded the Company's business to the Southwestern provinces such as Can Tho, Hau Giang,...



3. Information on Corporate Governance, Business Organization and Management

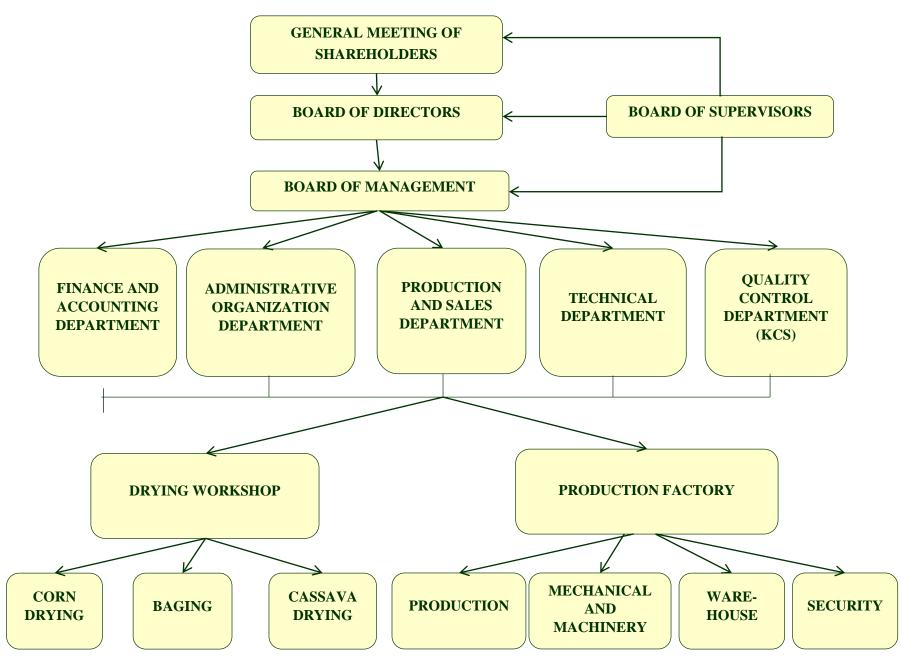
3.1. Corporate Governance and Business Management

Hong Ha Food Development Investment Joint Stock Company is organized and operates under Enterprise Law No. 59/2020/ND-CP passed by the National Assembly of the Socialist Republic of Vietnam on June 17th 2020, Charter of organization and operation of Hong Ha Food Development Investment Joint Stock Company and other related legal documents.

The management structure of Hong Ha Food Development Investment Joint Stock Company is built according to the model at Point a, Clause 1, Article 137 of the Enterprise Law 2020, including: General Meeting of Shareholders, Board of Directors, Board of Supervisors, Board of Management.

- General Meeting of Shareholders: Is the highest decision-making body of the Company, with the right to decide on issues within its authority prescribed by law and the Company's Charter.
- **Board of Directors**: Includes 05 members, is the company's management body, has full authority on behalf of the company to make decisions and exercise the rights and obligations of the company, except for rights and obligations under the authority of the General Meeting of Shareholders.
- **Board of Supervisors**: Includes 03 members, performing the task on behalf of the General Meeting of Shareholders to evaluate and supervise the management and operations of the Board of Directors and the Board of Management according to the Company's Charter and the resolutions and decisions of the General Meeting of Shareholders and other legal documents
- **Board of Management**: The Board of Management is appointed by the Board of Directors and includes the General Director and Chief Accountant. The General Director appointed by the Board of Directors is a person under the leadership and responsible to the Board of Directors, deciding on all issues related to the Company's daily operations. The Chief Accountant is responsible for managing, organizing and strictly controlling all accounting activities of the Company.

[End of content on this page]



3.2. Subsidiaries and affiliated companies

Name	Address	Business areas	Charter Capital	HSL's ownershi p	Note
A – SUBSIDIARIES					
Cuong Sinh Yen Chau JSC	Cung Ta Lang village, Tu Nang commune, Yen Chau district, Son La province	Production and trade of agricultural-related products	94.500.000.000 VND	98.14%	
Hong Ha Agriculture and Forestry JSC (Formerly known as Hongha Pharma JSC)	208F Doi Can, Doi Can Ward, Ba Dinh District, Hanoi city	Sales of raw agricultural products and health supplements	100.000.000.000 VND	98%	
Ngoc Lac Xanh Agricultural Products Co. Ltd	Tho Phu village, Kien Tho commune, Ngoc Lac district, Thanh Hoa province	Wholesale of agricultural and forestry raw materials	110.000.000.000 VND	100%	
Asia Business Investment and Trading JSC	National Highway 1A, Long An B hamlet, Cai Tac town, Chau Thanh A district, Hau Giang province	Electricity production	49.000.0000.000 VND	96,04%	Subsidiary company of Hong Ha Agriculture and Forestry JSC
B – AFFILIATED COMPAN	IES				
Elmaco Agricultural Products JSC	National Highway 38B, Son Lai Commune, Nho Quan District, Ninh Binh province	Wholesale of agricultural and forestry raw materials	80.000.000.000 VND	43,75%	Divested on March 22 nd 2024
Hanoi Forestry Service, Production and Business Joint Stock Company	Tich Chung Village, Cam Nhan Commune, Yen Binh District, Yen Bai Province	Wholesale of agricultural and forestry raw materials, live animals	138.600.000.000	47,04%	Affiliated company of Hong Ha Agriculture and Forestry JSC

4. Development orientation

Main goals

- Improve business efficiency, increase revenue, reduce costs, increase benefits for shareholders, and satisfy loyal customers, aiming for sustainable development and prosperity.
- Continously promoting market expansion activities, looking for experienced partners to market and promote products
- Continously build and complete corporate culture with uinque identity, solid foundation, serves as a fulcrum and lever to help the Company thriving, growing strongly and building a solidarity environment
- HSL always ensures that all production and business activities of the Company comply with current legal regulations

Medium and long-term development strategy

- Become a leading brand in the field of production, processing and trading of agricultural products with a diversified product chain that fully meets food hygiene and safety standards.
- Improve sales policies to retain loyal customers and attract new, potential customers.
- Expand the Company's product distribution system to all regions across the country.
- Continuously research and implement highly feasible projects to diversify the Company's supply chain.
- Develop and strengthen the professional capacity of personnel for further Company's development.

Sustainable development goals (environmental, social and community) and key programs related to the Company's short and medium term

- Strictly comply with legal regulations on environment, fire and explosion prevention, and labor safety.
- Research and improve wastewater and garbage treatment systems, use energy economically and efficiently, and prioritize finding and using clean and environmentally friendly materials.
- Enhance the responsibility of employees in the economical use of energy sources, preserving the environment, factory landscape, and workplace in the Company.
- Actively participate in social security activities, establish meaningful human values, share difficulties, and work side by side for a more developed society.

5. Risks

5.1. Risks related to economy

The development of the economy will affect every field, profession and object in the economy. HSL's products are relatively correlated closely with the growth of the Vietnamese economy. Therefore, fluctuations in GDP growth rate, fluctuations in inflation, interest rates or exchange rates, etc. can all significantly affect the Company's business activities, especially in the context that the world economy in general and the Vietnamese economy in particular continue to face many difficulties and challenges from geopolitical instability and military conflict between Russia and Ukraine, food security, climate change, tightening monetary policies of developed economies, etc.

> Measures: The Company's Board of Directors always strives to quickly update the domestic and international economic situation to be able to come up with strategies, production and business plans in accordance with market fluctuations.

5.2. Interest rate risks

Current monetary policy creates certain positive impacts on the recovery ability of the economy as well as the "health" of businesses, especially in the interest rate management of the State Bank. Deposit interest rates of banks have dropped sharply. Although the lending interest rate is assessed to be at an appropriate level to encourage investment and support businesses but it still remained at a fairly high level and directly affects business operations and solvency of businesses in general and HSL in particular.

> Measures: HSL manages interest rate risk through closely monitoring the currency market situation, domestic and international economic situation. On that basis, the Company's financial department will estimate and analyze sensitivity and adjust financial leverage levels as well as financial investment strategies according to the current situation and control interest rate risks within our control limit.

5.3. Risks related to raw material areas

The quality of the Company's products depends greatly on the input materials of the production process, especially the quality of agricultural products such as corn, cassava (tapioca), soybeans, etc. Weather factors are risks directly impact the quality of input materials. For corn, during the husks and kernels formation stage, if exposed to bad weather such as drought or hail, it can sterilize the seeds, cause the plant to fall, etc., greatly affecting crop productivity. Similar to corn, if exposed to adverse weather factors such as drought, floods, etc., the starch content in raw cassava will decrease significantly. In addition, although areas for growing raw corn and cassava have been planned, spontaneous planting by households is still quite common. Spontaneous planting leads to inadequate plant varieties and farming techniques of households, greatly affecting the quality of agricultural products, which are the Company's main input materials.

> Measures: The Company must always prepare the best forecasts and backup plans to avoid risks in raw material areas that may affect the production and business situation of the enterprise. If the Company can proactively source raw materials, the Company can stabilize production, ensure product quality and build a suitable and stable sales policy. The company also focuses on linking with farmer households to improve farming techniques and synchronize crop varieties.

5.4. Competition risks

The agricultural product market in the Northern mountainous provinces is heavily influenced by traders from China. Although the market for processed agricultural products is still quite large, the Company also has to face competition with businesses in the same industry to expand the consumption market. Competitive pressure from other agricultural product manufacturing enterprises in the same area causes the Company's product prices to be significantly affected if the Company does not have reasonable purchasing policies for local people.

> Measures: The Company focuses on standardizing product quality and professionalism in sales to improve competitiveness against competitors in the same industry. In addition, the Company's quality assurance and responsibility for its products are also highly appreciated by partners and customers. Building close relationships with customers and farmers has helped the Company build sales policies with reasonable prices, suitable for many customers, helping the Company increase sales competitiveness in the market.

5.5.Market demand risks

HSL operates mainly in the field of agricultural product production, processing and trade. Therefore, the risk of market demand for agricultural products greatly affects the Company's operations. Methods of preserving agricultural products are greatly affected when stored for a long time without use or processing. Therefore, when the market has negative fluctuations in agricultural product demand, it will be a risk that the Company needs to pay close attention to.

> Measures: Currently, processed agricultural products are still considered to be in insufficient supply. However, it is complusory for the Company to have a strategy to diversify markets, expand joint venture activities, associate with distribution units, and diversify products in order to maintain a stable output market. In the near future, the Company will also conduct research and plan to explore and expand domestic and foreign markets.

5.6. Force majeure risk

Like other businesses, HSL is also affected by force majeure risks such as fire, natural disasters, epidemics, war, etc. The above risks all have more or less impact on the Company's production and business activities.

Measures: To minimize these risks, the Company has paid full insurance for employees and purchased property insurance to minimize damage to the Company and our employees.

5.7. Legal risks

Hong Ha Food Development Investment Joint Stock Company is currently listing our shares on the Ho Chi Minh City Stock Exchange. Therefore, HSL's operations are governed by a system of legal documents including: Enterprise Law, Securities Law, Commercial Law, Investment Law, Civil Code,... and guiding documents. relevant implementation instructions. When legal regulations change, it also takes a certain amount of time for businesses to approach and adjust their strategies and business operations to ensure compliance with the new regulations.

Measures: HSL's legal department always updates legal changes and legal impacts on HSL's business activities to promptly advise the Board of Directors and Board of Management; At the same time, we also research the impact of upcoming legal documents on HSL's operations to make appropriate preparations and avoid violations that affect the Company's finances and image. In addition, the legal department is also responsible for reviewing documents and contracts to limit related legal risks.

[End of content on this page]

II. PERFORMANCE RESULTS IN 2024

1. Business performance in 2024

1.1. Business performance result in 2023

Indicator	2024
Net revenue from sales of goods and rendering of services	139.245.565.620
Cost of goods sold and services rendered	128.066.789.265
Gross profit from sales of goods and rendering of services	11.178.776.355
Accounting profit before tax	7.385.166.823
Profit after tax	6.976.077.862

In 2024, consolidated net revenue reached 139,2 billion VND, decreased 64,3% compared to 2023. The main reason was that the agricultural industry was greatly affected by weather changes, natural disasters. Also, the Company's customers and feed mills tend to use imported corn kernels instead of domestic corn kernels. Therefore, input raw material prices increased, while the area of cassava/corn cultivation has decreased sharply due to low economic efficiency compared with fruit trees, which eventually greatly affect the Company's revenue and profits in 2024. Profit after corporate income tax in the Company's consolidated financial statements in 2024 was 6,9 billion VND, decreased 42,2% compared to 2023.

1.2. Actual performance results compared with plan

Unit: Billion Dong

Indicator	2024	2023	% up/down compared to 2023	Plan for 2024	Performance to plan (%)
Net revenue from sales of goods and rendering of services	139,2	389,73	(64,3%)	400	34,8%
Profit after tax	6,9	12,06	(42,2%)	18,2	37,9%

In 2024, the Company faced many difficulties and challenges when the economy declined; inflation and interest rates rised; raw material prices increased, etc. In that context, the Company's net revenue from sales of goods and rendering of services reached VND 139,2 billion. However, the Company's profit after tax reached VND 6,9 billion, completing 37,9% of the set plan due to the significant impact of fluctuations in input material prices. Although the target of profit after tax and revenue were not met in 2024, in the generally difficult context of the economy, the above results proved the efforts of the entire Board of Directors and employees of Hong Ha Food Development Investment Joint Stock Company in drastically implementing and synchronizing solutions in management, production and business.

2.2. Organization and personnel

2.1. List of Executive Board

Member	Background	Ownership
	Professional qualifications: Bachelor of Business Administration	
	• 2015-2017: Sales Manager - Hong Ha Agricultural Materials, Transportation and Services Joint Stock Company	
Nguyen Tuan Dung	• 2017-2019: Sales Director - Cuong Sinh Yen Chau Company Limited	
General Director Member of BOD	• 2020-present: General Director - Hong Ha Food Development Investment Joint Stock Company	7,77%
	• Dec2021-present: Member of the Board of Directors - Hong Ha Food Development Investment Joint Stock Company	
	Dec2022-present: General Director - Cuong Sinh Yen Chau Joint Stock Company	
	Professional qualifications: Bachelor of Accounting	
	• Mar2021- Apr2023: Member of the Board of Supervisory - Hong Ha Food Development	
Fran Ngoc Lan	Investment Joint Stock Company	1,1%
Chief Accountant	• May2023-present: Chief Accountant - Hong Ha Food Development Investment Joint Stock	
	Company	

2.2. Changes in the Board of Management

None

2.3. Numbers of employees

2.3.1. Company employees number and structure

As of December 31st 2024, the total number of employees at the Company was 39 people (including full-time and seasonal workers)

2.3.2. Policy for employees

- Working hours: Working hours of officers and employees in the Company comply with the provisions of the Labor Code. Specifically, working time is 8 hours/day; 06 days/week, 02h lunch break, Sunday off. The Company's employees are entitled to leave from work and receive full pay during holidays such as: New Year's Day, Lunar New Year, Victory Day, International Labor Day, National Day, and Hung King's Death Anniversary.
- Working conditions: The office and factory are spacious and airy. Factory workers are fully equipped with labor protection and hygiene equipment, ensuring full compliance with labor safety principles. Office workers are equipped with modern computers and high-speed internet connections to ensure quick and convenient data transmission between departments and partners.
- **Recruitment policy:** A strong, competent and suitable human resources team is the foundation for an organization's development. Recruitment is a prerequisite action to provide human resources to serve the Company's development goals and implement short-term and long-term business development strategies. Personnel are recruited not only to meet current job requirements but also to be a factor for future development. The company continues to focus on finding experienced and highly qualified personnel. Each position and job title has its own criteria, specific job description and is implemented in accordance with the Company's recruitment process. Recruitment is announced publicly and selected fairly and equally.
- **Training and development policy:** Hong Ha Food Development Investment Joint Stock Company especially values training and resource development. The Company's human resource training and development work aims to equip officers and employees with advanced knowledge, skills and appropriate attitudes to serve customers effectively, perform assigned tasks well, at the same time develop the potential of each employee and bring maximum efficiency to the company.
- Salary and bonus policy: Salary and bonus are levers to motivate employees to work enthusiastically, and are also effective tools to stabilize human resources, attract and retain talented people. Therefore, the Company pays special attention to building salary and bonus policies to ensure the criteria "*Fair Reasonable Competitive*". In addition, the Company's salary and bonus policies comply with the provisions of labor law..
- **Remuneration and welfare policy:** Good remuneration and welfare policy is the basis for positioning a business in the labor market. Therefore, the Company always attaches the task of revenue growth with creating conditions for employees to enjoy the best remuneration to promote human resources development in a positive direction. The Company develops and applies a variety of remuneration and welfare regimes to encourage and recognize the efforts and contributions of individuals and groups.

The Board of Management continues to focus on improving remuneration and welfare policies to create conditions for employees to
feel secure, contribute and attach with the Company for a longer time. Employees in the Company are entitled to pay all types of
insurance in accordance with the provisions of law. In addition, every year, the Company organizes periodic sightseeing and vacation
activities for employees to have the opportunity to practice physical training and team spirit so as to improve work performance. On
holidays and New Year, Company employees receive bonus benefits. In addition, the Company also has other benefits such as visitation
allowance when sick, family bereavement, transportation allowance, gasoline allowance, phone allowance, lunch allowance...

3. Investment and project implementation

3.1. Major investment

As of December 31st 2024, the Company's financial investments include investments in subsidiaries and affiliated companies as follows:

Long-term Investment	31/12	2/2024	31/12/2023	
Long-term investment	Ownership	Value (VND)	Ownership	Value (VND)
Cuong Sinh Yen Chau JSC	98,14%	53.000.000.000	98%	53.000.000.000
Ngoc Lac Xanh Agricultural Products Company Limited	100%	110.000.000.000	100%	110.000.000.000
Hong Ha Agriculture and Forestry Joint Stock Company	98%	98.000.000.000	98%	98.000.000.000
Elmaco Agricultural Products Joint Stock Company	0%	0	43,75%	35.000.000.000
Asia Business Investment and Trading Joint Stock Company	96,04%	49.000.000.000	96,04%	49.000.000.000
Hanoi Forestry Service, Production and Business Joint Stock Company	47,04%	74.012.400.000	18%	32.432.400.000

On March 22nd 2024, the Company divested all 3,500,000,000 shares, equivalent to a value of 35,000,000,000 VND at par value, accounting for 43,75% of the total charter capital of Elmaco Agricultural Products Joint Stock Company.

3.2. Subsidiaries and Affiliate Companies

Several financial indicators for 2024 of HSL's subsidiaries and associate companies are as follows:

(Unit: VND)

No	Company	Charter Capital	Total Assets	Total Liabilities	Net Revenue	Profit after tax
1	Cuong Sinh Yen Chau Joint Stock Company	96.924.197.496	99.120.434.227	2.196.236.731	87.895.335.693	3.160.371.462
2	Hong Ha Agriculture and Forestry Joint Stock Company	99.549.518.619	134.926.208.522	35.376.689.903	22.665.624.218	(536.417.658)
3	Ngoc Lac Xanh Agricultural Products Company Limited	109.644.817.138	109.714.663.820	69.846.682	809.140.000	(19.157.827)
4	Asia Business Investment and Trading Joint Stock Company	56.094.442.892	64.806.442.314	8.711.999.422	9.198.816.028	4.291.494.542
5	Hanoi Forestry Service, Production and Business Joint Stock Company	143.470.402.213	144.826.433.849	1.356.031.636	21.200.250.000	102.339.349

4. Financial Status

4.1. Financial Status

Indicator	Year 2023	Year 2024	% Increase/ Decrease
Total Assets Value	480.115.468.140	469.338.948.444	2,2%
Net Revenue	389.733.662.966	139.245.565.620	-64,3%
Net profit from operating activities	13.073.416.627	7.394.783.985	-43,4%
Earning before tax	12.959.680.950	7.385.166.823	-43,0%
Profit after tax	12.062.419.482	6.976.077.862	-42,2%
Dividend yield ratio	9%	-	-

(Source: Audited consolidated financial statements 2024)



4.2. Key financial indicators



Indicator	Unit	Year 2023	Year 2024
A. Solvency ratio			
1. Current Ratio	Time	8,38	13,63
Current Assets/Current Liabilities	1 11110	0,50	10,00
2. Quick Ratio			
(Current Assets – Inventory)/Current	Time	7,89	13,44
Liabilities			
B. Capital structure indicators			
Debt/Total Assets Ratio	%	8,33	4,84
Debt/Equity Ratio	%	9,09	5,09
C. Efficiency ratio			
1. Inventory Turnover	Time	11,19	13,49
Cost of Goods Sold/Average Inventory	THIC	11,17	15,47
2. Total Asset Turnover	Time	0,80	0,29
Net Revenue/Average Total Assets		0,00	0,22
D. Profitability ratio			
1. Profit after tax/Net revenue ratio	%	3,10	5,01
2. Profit after tax/Average total assets ratio	%	2,49	1,47
3. Operating Profit Ratio/Net Revenue	%	3,35	5,31

5. Shareholder structure, changes in owner's capital

5.1. Shares

✤ Face value

- Type of shares
- : 10.000 VND/share

: Common share

✤ Total number of shares : 38.567.363 shares

5.2. Shareholder structure

5.2.1. Ownership structure by types of shareholder

- Total Outstanding shares
- Total Free-Floating shares
- Total Restricted Transferable shares

- : 38.567.363 shares
- : 38.567.363 shares
- : 0 share

	Shareholder	NI Calina a	Ownership ratio (%) Number of shareholder		Shareholder s	structure (*)
INO	Shareholder	Number of shares	Ownership ratio (%)	Number of snareholders	Organization	Individual
1	State shareholder	0	0	0	0	0
	Founding shareholder/ FDI shareholder	1.199.000	3,11	1	0	1
2	- Domestic	1.199.000	3,11	1	0	1
	- Foreign	0	0	0	0	0
	Major shareholder	7.793.500	20,21	2	0	2
3	- Domestic	7.793.500	20,21	2	0	2
	- Foreign	0	0	0	0	0
	Company Union	0	0	0	0	0
4	- Domestic	0	0	0	0	0
	- Foreign	0	0	0	0	0
5	Treasury stock	0	0	0	0	0
6	Shareholders owning preferred shares (if any)	0	0	0	0	0
	Other shareholder	29.574.863	76,68	2483	14	2469
7	- Domestic	28.774.172	74,6	2437	7	2430
	- Foreign	800.691	2,08	46	7	39
	TOTAL	38.567.363	100	2486	14	2472
	In which: - Domestic	37.766.672	97,92	2.440	7	2433
	- Foreign	800.691	2,08	46	7	39

(According to the list of shareholders as of August 16th 2024)

5.2.2. Major Shareholder

List of shareholders holding more than 5% of share capital as of December 31st 2024:

No	Sha	areholder		Number of shares	Ratio (%)
1	Nguyen Thi Tuyet Nhung			4.400.000	12,43%
2	Nguyen Tuan Dung			2.750.000	7,77%
5.2.3. \$	Strategic shareholder				
No	Shareholder	Number of shares	Ratio (%)	Relationship with Co	ompany
1	Nguyen Thi Tuyet Nhung	4.400.000	12,43%	Member of Board of I	Directors
2	Nguyen Tuan Dung	2.750.000	7,77%	Member of Board of Directors an	d General Director
3	Le Van Duc	1.100.000	3,11%	Chairman of the Board o	f Directors

5.2.4. Maximum foreign ownership ratio:

Pursuant to Official Dispatch No. 273/UBCK-PTTT of the State Securities Commission dated January 14th 2022, the maximum foreign ownership ratio at the Company is 49%.

0.0	. Changes in owner's cap			
Year	Capital Increase (VND)	Actual Capital after increase (VND)	Form of capital increase	Issuing authority
2015	4.500.000.000	4.500.000.000	Capital contribution to establish Company	Business Registration Certificate first issued on January 6 th 2015
	7.500.000.000	12.000.000.000	Shares issuance to existing shareholders (ratio 3:5)	Business Registration Certificate changed for the second time on December 1 st 2015
2016	72.000.000.000	84.000.000.000	Shares issuance to existing shareholders (ratio 1:6)	Business Registration Certificate changed for the third time on July 26 th 2016
	42.000.000.000	126.000.000.000	Shares issuance to existing shareholders (ratio 2:1)	Business Registration Certificate changed for the 5 th time on December 20 th 2016
2018	126.000.000.000	157.499.560.000	Dividend payment in shares for 2016 and 2017 (ratio 4:1)	 Resolution of the 2018 Annual General Meeting of Shareholders No. 01/2018/HSL/NQ-ĐHĐCĐ dated June 14th 2018 SSC approved according to Official Dispatch No. 6785/UBCK-QLCB dated October 2nd 2018 Business Registration Certificate changed for the 8th time on November 12th 2018
2020	157.499.560.000	171.671.440.000	Dividend payment in shares for 2018 (ratio 100:9)	- Resolution of the 2020 Annual General Meeting of Shareholders No. 01/2018/HSL/NQ-ĐHĐCĐ dated May 22 nd 2020

5.3. Changes in owner's capital

Year	Capital Increase (VND)	Actual Capital after increase (VND)	Form of capital increase	Issuing authority
				 Approved by the State Securities Commission according to Official Dispatch No. 7045/UBCK- QLCB dated November 30th 2020 Business Registration Certificate changed for the 11th time dated December 7th 2020
2022	171.671.440.000 321.671.440.000	Issuing individual shares to strategic investors and professional securities investors	 Resolution of the 2021 Extraordinary General Meeting of Shareholders No. 02/2021/NQ- DHĐCĐ/HSL dated December 9th 2021 Official dispatch No. 1078/UBCK-QLCB dated March 7th 2022 of the State Securities Commission on receipt of HSL's application for private offering of shares Business Registration Certificate changed for the 14th time dated April 7th 2022 	
	321.671.440.000	353.835.080.000	Dividend payment in shares for 2020 and 2021 (ratio 100:10)	 Resolution of the 2021 Annual General Meeting of Shareholders No. 01/2021/NQ-ĐHĐCĐ/HSL dated March 25th 2021 Resolution of the 2022 Annual General Meeting of Shareholders No. 01/2022/NQ-ĐHĐCĐ/HSL dated April 29th 2022 Official dispatch No. 4323/UBCK-QLCB dated July 7th 2022 of the State Securities Commission on

Year	Capital Increase (VND)	Actual Capital after increase (VND)	Form of capital increase	Issuing authority
				receipt of documents reporting on the issuance of shares to pay dividends in 2020 and 2021 - Business Registration Certificate changed for the 15 th time dated September 13, 2022
2024	31.838.550.000	385.673.630.000	Dividend payment in shares for 2022 and 2023 (ratio 100:9)	 Nghị quyết ĐHĐCĐ thường niên năm 2024 số 01/2024/NQ-ĐHĐCĐ/HSL ngày 25/04/2024 Resolution of the 2024 Annual General Meeting of Shareholders No 01/2024/NQ-ĐHĐCĐ/HSL dated April 25th 2024 Official dispatch No. 5479/UBCK-QLCB dated August 27th 2024 of the State Securities Commission on receipt of documents reporting on the issuance of shares to pay dividends Business Registration Certificate changed for the 16th time dated September 13, 2024

5.4. Treasury stock transactions: None.

5.5. Other shares: None.

[End of this page]

6. Report on Company's environmental and social impacts

Accompanying the sustainable development trend of businesses globally, the Company always tries to associate business development with the responsibility of protecting the environment, developing human resources, and taking care of the community. Balancing the interests of related parties is always a core concern in the Company's operations.

6.1. Impact on the environment

Total direct and indirect greenhouse gas (GHG) emissions

The company always strictly implements periodic monitoring and control of environmental pollution according to State regulations. Therefore, the company's emissions, noise, and working environment temperature indicators are always within allowed standards.

Initiatives and measures to reduce greenhouse gas emissions

In order to reduce greenhouse gas emissions, the Company has applied measures such as improving production line techniques to save fuel, minimizing fuel consumption to reduce the amount of CO2 produced, and planting trees around factory,...

6.2. Management of raw materials

The Company's main products are cassava starch, dried corn, and cassava chips with completely natural ingredients. Although there is an abundant source of raw materials, the Company always focuses on controlling the quality of input materials, ensuring a stable reserve of raw materials from 06 months to 1 year of production. The volume of main raw materials for production is about 50-70 tons/year.

The percentage of recycled materials used to produce the Company's main products and services is: 3,2%.

6.3. Energy consumption

Electrical energy is used to operate production machinery and equipment, production lines, lighting for production, etc. DO oil is used for backup generator systems and equipment systems.

One of the Company's top concerns is energy saving. The Company's Board of Directors has placed this concern into our environmental goal and has been implemented into performance targets for many years, namely: Training on energy saving awareness for all employees, prioritizing investment in production equipment that uses energy-saving technology, replacing fluorescent light bulbs with LED light bulbs for production.

Applied economical energy solution	Purpose of solution	Expected result
Regulations on turning off lights when not in use. Replace	Avoid waste and increase energy	60% reduction compared to before
fluorescent light bulbs with energy-saving LED lights	efficiency	replacement
Limit machine operation during peak hours, minimizing	Avoid waste and increase energy	Reduce costs by 1–2%
idle time of the line	efficiency	Reduce costs by 1–2%

6.4. Water consumption

The Company uses clean water sources in production with an average water consumption of about $1000 - 2000 \text{ m}^3/\text{year}$. The percentage and total amount of recycled and reused water is: Not available.

6.5. Compliance with laws on environmental protection

The Company always strictly complies with legal and local regulations on the environment such as: implementing measures to evaluate, monitor and protect the environment; inspecting machinery, factory equipment, fire prevention and closely coordinating with State agencies in periodic inspection and reporting.

In addition, the Company also constantly improves wastewater treatment systems, ensuring that inspection results always meet the operating capacity of waste water treatment systems and complying with environmental laws.

The Company's zone and manufacturing plants are planted with trees to ensure a green - environmentally friendly working environment, security and order, food safety and hygiene are also given due attention. For many years, the Company has not had any serious labor accidents, fires, explosions or food poisoning.

Since its establishment, the Company has always strictly complied with legal regulations, so the Company has never been sanctioned for non-compliance with environmental laws and regulations.

6.6. Policies related to employees

Human resources are an important asset of the company. The company always cares and values employees' contribution, so as to gain support, dedication, and long-term cooperation with employees through care and creating conditions for each individual to develop their abilities, especially for experienced and qualified workers, so that Company's production activities and growth are maintained high and sustainably.

The number of employees as of December 31, 2024 is 39 employees (including full-time and seasonal employees). The average salary of workers is up to 10,500,000 VND/person/month for office/management/executive staff and up to 7,500,000 VND/person/month for production staff/ sale/seasonal staff.

With the goal of creating the best conditions for employees to develop their full potential and creativity, the company always tries to build a safe, professional, dynamic working environment and constantly improving human resource policies. In addition to focusing on remuneration and welfare policies, the Company's Board of Directors along with the human resources management department directly consult with employees and jointly develop promotion and reward policies. These policies are built based on the following criteria: work results, contributions to the overall development of the company, and business performance. To encourage collectives and individuals to contribute and stay long-term with the company, HSL always creates conditions for employees to prove their capabilities, demonstrate management and leadership skills, and propose innovation initiatives in production and operations at factories.

Besides, with the desire to promote the continuous development of the whole team, the Company pays special attention to training and professional training for all employees of all positions. The company creates conditions for employees to participate in internal and external training courses to improve professional skills, learn new skills necessary for employees to develop working capacity such as: management training program production values, training programs to improve skills, etc. to meet the company's current and future job requirements. The number of training hours for company employees during the year is as follows:

- Training to improve workers' skills: 40 hours
- Production management training:
 - Labor performance management (management staff): 8 hours
 - Quality management (management staff): 8 hours
- Labor safety and hygiene training:
 - Group 1 (Manager, leader, head of office): 16 hours
 - Group 2 (Occupational safety workers): 48 hours
 - Group 3 (Employees working in toxic and dangerous environments): 24 hours
 - Group 4 (Employees not in the above groups): 16 hours
 - Group 5 (Medical workers): 60 hours

- Group 6 (Employees working in safety and hygiene): 6 hours

6.7. Report regarding responsibilities to local communities

The company always carries out production and business activities while attaching responsibility to the local community. HSL has been making efforts to implement and set top goals with actions for the community to spread, promote and call on all parties to participate for a better world.

The company understands that the support and trust of the community is an important basis to achieve ultimate success. On the other hand, the Company is also clearly aware of its responsibility for the impacts on the community and the surrounding environment, so the company strives to harmonize the interests of all parties to seek the support and consensus of all community

The company always focuses on protecting the natural environment and living environment for the community, ensuring food safety and health for workers and the community. Saving fuel, saving water resources, reducing gas emissions into the environment,... are measures to contribute to environmental protection.

Last year, all employees of the company participated in volunteering and relief programs, distributing food, warm clothes, books, necessary supplies, etc. to social protection centers, local associations, poor households in difficult areas in the Northern provinces.

[End of this page]

III. REPORT AND EVALUATION OF THE BOARDS OF MANAGEMENT

1. Evaluate the results of production and business activities

Indicators	Actual result in 2024 (Unit: million dong)	Plan for 2024 (Unit: million dong)	% result 2023/ plan 2023
Net revenue from sales and service provision	139.245.565.620	400	34,8%
Profit after corporate income tax	6.976.077.862	18,2	37,9%

Given the unpredictable fluctuations in the world economy and politics in 2024, Vietnam's economy was also strongly affected. Agricultural, forestry and fishery production in our country in 2024 faced with complicated weather conditions, with severe heat, drought in the Central Highlands and Central regions, saltwater intrusion in the southern provinces, especially the impact of storm No. 3 causing great damage to production, business and life in the northern localities.

In such context, the Company's main revenue-generating production and business activities in the agricultural sector have also been greatly affected by changes in weather, natural disasters, and the tendency of livestock factories and the Company's customers to use imported corn kernels instead of domestic corn kernels. As a result, the purchase price of fresh tubers/grains has fluctuated strongly, while the area of cassava/corn cultivation has decreased sharply due to the low economic efficiency compared to fruit trees.

At the end of 2024, the Company's consolidated net revenue in 2024 reached VND 139,2 billion, down 64,3% compared to 2023 and only reaching 34,8% of the revenue plan. Consolidated profit after tax in 2024 reached VND 6.9 billion, down 42,2% compared to 2023 and only reaching 37,9% of the plan. The Company's production and business activities in 2024 encountered many unfavorable difficulties due to objective conditions, along with the parent company gradually shifting to an investment holding model, the transfer of business activities and restructuring of subsidiaries needed more time to stabilize, so the Company did not achieve good production and business results in 2024 as expected.

2. Financial status

2.1. Assets

Indicators	31/12/2023 (VND)	Ratio (%)	31/12/2024 (VND)	Ratio (%)
I. Short-term assets	266.163.357.899	55,44	253.399.925.872	53,99
1. Cash and cash equivalents	63.843.947.170	13,30	80.145.704.798	17,08
2. Short-term financial investment	_	-	60.684.193.127	12,93
3. Short-term receivables	184.229.144.506	38,37	106.921.255.819	22,78
4. Inventory	15.494.457.442	3,23	3.498.566.964	0,75
5. Other short-term assets	2.595.808.781	0,54	2.150.205.164	0,46
II. Long-term assets	213.952.110.241	44,56	215.939.022.572	46,01
1. Long-term receivables	97.575.000.000	20,32	97.575.000.000	20,79
2. Fixed assets	46.207.089.786	9,62	41.983.805.086	8,95
2. Long-term financial investment	67.528.853.143	14,07	73.988.587.913	15,76
3. Other long-term assets	2.641.167.312	0,55	2.391.629.573	0,51
TOTAL ASSETS	480.115.468.140	100	469.338.948.444	100

2.2. Liabilities

No.	Indicators	31/12/2023 (VND)	Ratio (%)	31/12/2024 (VND)	Ratio (%)
Ι	Short-term liabilities	31.767.544.937	79,40	18.597.827.481	81,87
1	Short-term payables to suppliers	18.480.464.116	46,19	2.842.275.432	12,51
2	Taxes and other amounts payable to the State	891.145.431	2,23	429.787.875	1,89
3	Other short-term payables	140.000.000	0,35	243.358.773	1,07
4	Short-term financial lease loans and debt	3.353.040.302	8,38	6.170.249.542	27,16
5	Bonus and welfare fund	8.894.382.508	22,23	8.894.382.508	39,15
II	Long-term liabilities	8.241.716.710	20,60	4.119.336.608	18,13
	TOTAL LIABILITIES	40.009.261.647	100	22.717.164.089	100

(Source: Audited consolidated financial statements 2024)

The Company's financial autonomy is at a safe level due to the debt ratio was 4,84%. At the same time, the company remained strong ability to pay short-term debts because the Company's short-term liquidity ratio was at a good level of 13,63.

During its production and business activities, due to the need to expand investment and supplement working capital, the Company has taken short-term loans from credit institutions and individuals. However, the Company had no overdue debts, so the Company's debt structure and ability to pay short-term debt was at a safe level.

3. Improvements in organizational structure, policies, and management

With the goal of sustainable development, HSL always focuses on improving organizational structure and management policies in accordance with the development orientation of each stage. The human resources is ensured to be streamlined, efficient, and professional. The work is performed according to the procedures issued by the Company. Periodically, departments will update changes in business processes to match with the actual situation. The company always creates conditions for employees to have many opportunities to learn and improve through job rotation. In addition, the Company also focuses on expanding the distribution channel system, increasing the coverage of key products in major markets.

In addition, the Company's specialized staff always actively participate in seminars and workshops jointly organized by the State Securities Commission, Vietnam Stock Exchange and specialized agencies with training units to update knowledge and apply in company.

The Internal Audit Subcommittee under the Board of Directors operates effectively and in depth, contributing to the development of the Company. The recommendations and proposals of the Internal Audit Subcommittee to make transparency and improve the Company's system of processes and management methods are highly appreciated by the Board of Directors and reviewed and adjusted to suit the current situation of the Company.

4. Future development plan

Although the economy still has many unstable factors and fierce competition among competitors in the same industry, Hong Ha Food Development Investment Joint Stock Company determines to achieve its goals and development plan as follows:

* Organizational activities

- Continue to expand the team of highly qualified personnel to meet the Company's development needs. Improve the operating procedures of every departments.

- Strengthen work supervision activities, organize work according to a 3-level model, create a professional working environment for employees to develop their full potential, unite and trust, and strengthen the management team to meet the Company's development for the new period.

* Production direction and management

- Optimize production, continue to deploy cost optimization solutions, improve production and business efficiency, balance debt, control inventory, streamline the personnel, ... to increase high competitiveness and maintain position.
- Proactively monitor the market closely to make appropriate response strategies promptly.
- Research, select, evaluate and implement potential capital investment opportunities that can bring economic benefits and support the Company's production and business activities.
- Associate production with sustainable raw material plantation, helping the Company always proactively source input materials, stabilize production, and ensure product quality.
- Develop plan and unified plan implementation methods from the Board of Management to all departments of the Company. Assign norms to each stage of activity. Decentralize departments to be autonomous and responsible in production and business activities to maximize the dynamism and creativity of departments

* Investment and development

- Continue to restructure the existing investment portfolio; Focus resources on member units and affiliated units with advantages and products that have the potential to support the development of the Company's core system.
- Search for suitable partners to cooperate in developing strategies in the industries that the Company participates in.
- Continue to promote production and business activities in the business fields the Company has strengths in, promoting the activities of the linked distribution channel system to gradually dominate the market.

5. Assessment report related to the Company's environmental and social responsibilities

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

The company always conducts an environmental impact assessment report and commits to protecting the environment before operation. During operation, wastewater and waste management is carried out regularly and seriously. At the same time, the company always updates environmental legal regulations. Within the factory zone, in order to have a harmonious arrangement between production areas, the company has spent a lot of area planting trees and grass to create landscape and fresh air.

5.2. Evaluation related to employee issues

Human resources are one of the factors that determine the success of a business. The company always cares and values human resources issue in order to gain support, dedication, and long-term cooperation with employees through caring for and creating conditions for individual employees to have the opportunity to develop themselves. Employees in the company are always cared for and have appropriate policies to build long-term cooperative relationships.

The company always creates a friendly working environment, an united relationship between employees and company culture. In addition, HSL always cooperates with workers, ensuring stable employment and workers' lives, ensuring that workers enjoy all material and spiritual benefits according to law provisions.

The salary and bonus regime of the company's employees is always guaranteed to be worthy and fair. Employees are always encouraged and created conditions to improve their knowledge and skills for development.

In addition, the company always pays attention to occupational safety and hygiene through specific activities such as: periodic health checks for workers, fully equipped with labor protection gear,...

5.3. Evaluation of the Company's responsibility to the local community

Responsibility to the community is a consistent policy throughout the Company's activities with many different policies and activities. In the previous years, charity and relief programs distributed food, warm clothes, books, necessary items, etc. to local social protection centers and flood-affected areas, poor households in difficult areas in the Northern provinces were organized by the company and received enthusiastic support from all employees of the Company.

[End of this page]

IV. EVALUATION OF THE BOARD OF DIRECTORS ON THE COMPANY'S OPERATIONS

1. Assessment of the Board of Directors on the Company's operations

* About business activities:

In the context of being heavily affected by natural disasters, especially storm No. 3 (Yagi) in early September 2024, by the end of 2024, Vietnam's agricultural sector still achieved breakthrough growth, contributing significantly to the overall results of the entire economy. Agricultural, forestry and fishery production in 2024 grew positively in conditions with intertwined advantages and difficulties, challenges; including strong impacts from market fluctuations, severe hot weather, drought, storms in the Central Highlands and Central regions, saline intrusion in southern provinces and cities, storm No. 3 (Yagi) causing severe damage...

However, the Company's production and business activities in 2024 faced many difficulties. The main reason was that local raw materials were not enough to supply production, stemming from the fact that the area for planting crops such as corn, potatoes, and cassava has decreased significantly due to low economic efficiency, pushing up the cost of input materials, while the output has many fluctuations when the Company's customers, feed mills, reduce their demand for domestic inputs, instead using imported goods (such as corn and potatoes).

Facing great risks and pressure in adapting to market fluctuations and coordinating production and business activities to be flexible and effective, the Company's Board of Directors has implemented many solutions in 2024 to minimize difficulties, balance profits and revenue, strengthen internal resources and plan many strategies towards sustainable development. In 2024, the Board of Directors of the Company approved many major policies and decided on many important issues to implement the goals approved by the General Meeting of Shareholders, respond to the actual fluctuations and conduct inspections and supervision to ensure the interests of shareholders in accordance with the functions, tasks and powers, and at the same time perfect the corporate governance activities in accordance with the Charter, Internal Regulations on corporate governance and in accordance with the provisions of current laws.

* Regarding financial supervision and information disclosure:

The Board of Directors evaluates the establishment and expansion of relationships to seek and attract capital sources as well as cash flow to meet the Company's liquidity needs and growth goals have been implemented well. The accurate and timely disclosure of information to shareholders and transparency in all operations also helps attract and maintain good relationships with shareholders, facilitating capital mobilization for Company's business activities.

* About environmental and social responsibility:

The Board of Directors highly appreciates policies to encourage ideas and initiatives to save raw materials and effectively utilize electricity and water, contributing to costs reduction and increasing profit rates for Company as well as contributing to protect resources and the environment surrounding the Company's factories. The Board of Management has organized meaningful picnics and charity events to create the spirit of solidarity and social responsibility of the Company's employees.

2. Evaluation of the Board of Directors on the activities of the Company's Board of Management

The Board of Directors always monitors and directs the activities of the Board of Management to promptly resolve arising issues under the authority of the Board of Directors to create favorable conditions for the activities of the Board of Management. Through monitoring the activities of the Board of Management in 2024, the Board of Directors has the following opinions:

- The Board of Management has made remarkable efforts in the role of managing production and business activities, and at the same time properly implemented the business direction and orientation assigned by the General Meeting of Shareholders and the Board of Directors.
- Actively discuss and proactively report to the Board of Directors on progress in implementing production and business plans as well as difficulties and problems encountered, to promptly discuss and seek opinions to come up with the most effective methods
- Collaborate effectively with the Board of Supervisors and the Internal Audit Subcommittee to assess risks during operations and then come up with effective preventive solutions.
- Strictly implement the financial reporting regime in 2024, quarterly financial reports, and semi-annual financial reports.
- Always ensure that information is disclosed fully, transparently and promptly in accordance with the law on information disclosure on the stock market.

3. Plans and orientations of the Board of Directors

To achieve the goal of stable and sustainable development in the long term, the Board of Directors will continue to exercise its powers and duties in accordance with the provisions of current law and the Company's Charter, and at the same time plan for several key tasks in 2024 as follows:

• Closely follow the Resolution of the General Meeting of Shareholders to direct the implementation of production and business tasks in 2024 in accordance with the actual situation;

- Reorganize production towards building large production areas, focusing on solving the problem of imbalance between processing and raw materials. This is the basis for planning and linking with key raw material growing areas to reduce intermediaries and create opportunities to upgrade the product value chain;
- Develop plans and proceed to handle outstanding issues in 2024;
- Continue to seek to expand markets and develop key industries on the basis of promoting all the Company's resources;
- Develop the company system in an effective and sustainable direction, in parallel with control, risk management, maintaining achievements, protecting the rights of investors and shareholders
- Strengthen cooperative relations with investors, regularly update operational status on the Company's website;
- Maintain regular meetings and discussions on issues within the authority of the Board of Directors and strategic issues for the Company's development
- Continue to apply measures to improve management and risk management capacity to ensure the Company operates transparently, safely, effectively and in compliance with legal regulations.

[End of this page]

V. COMPANY ADMINISTRATION

1. Board of Directors

1.1. Members and structure of the Board of Directors (as of December 31, 2024)

No	Member	Position currently held	HSL ownership ratio		
1	Mr. Le Van Duc	O1/2023 – present: Chairman of the Board of Directors - Hong Ha Food Development Investment Joint Stock Company	3,11%		
2	Ms. Nguyen Thi Tuyet Nhung	• 01/2023 – present: Member of the Board of Directors - Hong Ha Food Development Investment Joint Stock Company			
3	 Mr. Le Anh Tuan 11/2017 - present: Business advisor: Gender Responsive Equitable Agriculture and Tourism (GREAT) Project 04/2021 - present: Member of the Board of Directors - Hong Ha Food Development Investment Joint Stock Company 				
4	Mr. Luu Chien Thang	 2020 - present: General Director -Elmaco Agricultural Products Joint Stock Company 04/2023 - present: Member of the Board of Directors - Hong Ha Food Development Investment Joint Stock Company 	0%		
5	 2020 - present: General Director - Hong Ha Food Development Investment Joint Stock Company 12/2021 - present: Member of the Board of Directors - Hong Ha Food Development Investment Joint Stock Company 12/2022 - present: General Director - Cuong Sinh Yen Chau JSC 		7,77%		

1.2. Subcommittees of the Board of Directors

Since March 2021, the Company has established an Internal Audit Subcommittee under the Board of Directors with the functions and tasks of advising and assisting the Board of Directors and General Director on internal auditing work, internal control and risk management.

The Internal Audit Subcommittee has conducted inspections and assessments of the adequacy and effectiveness of governance, risk management and internal control to help the Company achieve its strategic goals.

The Internal Audit Subcommittee provides in-depth analysis and recommendations independently and objectively based on data assessment, assessment of efficiency and effectiveness of resource used.

No	Name	Position	Qualification
1	Mr. Le Anh Tuan	Head of Internal Audit Subcommittee (cum independent member of the Board of Directors)	Master of Business Administration
2	Mr. Dang Quoc Hung	Member of Internal Audit Subcommittee (cum member of the Board of Supervisors)	Bachelor of Finance - Banking

1.3. Activities implemented by Board of Directors

During the course of business operations, the Board of Directors of the Company held regular and extraordinary meetings to promptly discuss issues within the authority of the Board of Directors and develop development strategies and plans. production and business plans and other important issues of the Company.

Information on the situation of production and business activities is always fully, promptly and accurately updated by the Secretary of the Board of Directors before meetings. The members of the Board of Directors usually disscuss and approve resolutions before implementation.

The members of the Board of Directors strictly comply with the provisions of the Company's Charter, internal regulations on corporate governance and current legal regulations. All members of the Board of Directors clearly demonstrate their roles and actively contribute to the development of the Company.

In 2024, the Board of Directors organized 13 meetings including regular and extraordinary meetings to approve strategic issues and operational plans of the Company with the full attendance of the Board members. Board of Directors meetings were organized and conducted in accordance with the

provisions of the Company's Charter and current laws. Board members actively participated and contributed ideas. Specifically, hereunder are the decisions passed by the Board of Directors:

No	Resolution No.	Date	Content
1	01/2024/NQ-HĐQT/HSL	04/01/2024	- Approval of the suspension of the private offering of shares
2	02/2024/NQ-HĐQT/HSL	26/01/2024	- Approval of the transactions between the Company and related parties in 2024
3	03/2024/NQ-HĐQT/HSL	08/03/2024	- Approval of the organization of the 2024 Annual General Meeting of Shareholders
4	04/2024/NQ-HĐQT/HSL	21/03/2024	- Approval of divestment in affiliated companies
5	05/2024/NQ-HĐQT/HSL	05/06/2024	- Approval of the selection of an auditing unit to review the 2024 Semi-Annual Financial Statements and audit the 2024 Financial Statements of the Company.
6	06/2024/NQ-HĐQT/HSL	13/06/2024	- Approval of the implementation of the plan to issue dividend shares 2022 and 2023
7	07/2024/NQ-HĐQT/HSL	11/07/2024	- Approval of the adjustments of some contents in Resolution No. 06/2024/NQ-HĐQT/HSL
8	08/2024/NQ-HĐQT/HSL	02/08/2024	- Approval of the final registration date for dividend share payment 2022 and 2023
9	09/2024/NQ-HĐQT/HSL	30/08/2024	- Approval of registration of charter capital increase, amendment of the Company Charter, registration of depository and listing of additional shares
10	10/2024/NQ-HĐQT/HSL	23/09/2024	- Approval of the registration of trading date of additional dividend shares 2022 and 2023
11	11/2024/NQ-HĐQT/HSL	07/10/2024	- Approval of the implementation of the Plan for issuing shares under the Employee Stock Option Program (ESOP) 2022
12	12/2024/NQ-HĐQT/HSL	26/11/2024	- Approval of adjustment of the ESOP Regulations and List of employees participating in the ESOP 2022
13	13/2024/NQ-HĐQT/HSL	19/12/2024	- Approval of temporary suspension of implementation of the Plan for issuing shares under the Employee Stock Option Program (ESOP) 2022

1.4. Activities implemented by the independent Board of Directors' members

The Company's Board of Directors always appreciates the participation and contributions of independent Board members in order to manage the Company well. Therefore, the Company always maintains the number of independent members of the Board of Directors in accordance with the law. Independent members of the Board of Directors are people with knowledge and experience in management and specialized knowledge, and their knowledge and experience contribute to improve the effectiveness of the decisions of the Board of Directors, especially the decisions of the Board of Directors related to investment and business in new fields or fields in which the independent Board Member is knowledgeable and proficient.

The participation of independent Board members helps ensuring transparency in the Company's organization and operations. Therefore, in the past year, independent members of the Board of Directors have helped the Company's Board of Directors provide a more comprehensive perspective, more inclusive of all interests of relevant entities, and bring make opinions and decisions to increase the effectiveness and feasibility of the Board of Directors' decisions, improve the efficiency of the Company's business operations, and ensure the rights and interests of the business and its partners and shareholders.

1.5. List of members of the Board of Directors with training certificates in corporate governance

2. Board of Supervisors

STT	Member	Position currently held	HSL ownership ratio
1	Mr. Duong Quan Anh	• 2020 - present: Head of Board of Supervisors – Hong Ha Food Development Investment Joint Stock Company	0%
2	Mr. Dang Quoc Hung	O4/2021 - present: Member of Board of Supervisors – Hong Ha Food Development Investment Joint Stock Company	0%
3	Ms. Bui Phuong Anh	 2022 – present: Legal expert – Hong Ha Food Development Investment Joint Stock Company 04/2023 – present: Member of Board of Supervisors – Hong Ha Food Development Investment Joint Stock Company 	0%

2.1. Members and structure of the Board of Supervisors

2.2. Activities implemented by Board of Supervisors

In 2024, the Supervisory Board held 04 meetings with an attendance rate of 100%. The Board of Supervisors has supervised and inspected the implementation of the 2024 business goals of the Board of Directors and the Board of Management; inspect and supervise compliance with the provisions of the Enterprise Law and the Company's Charter in managing and operating the Company's production and business activities; monitor and supervise the implementation of Resolutions of the General Meeting of Shareholders and the Board of Directors. In addition, the Supervisory Board also verifies the financial reports to evaluate the truthfulness and reasonableness of financial data, in accordance with current standards, accounting regimes and financial policies.

3. Transactions, remunerations and benefits of the Board of Directors, Board of Management and Board of

Supervisors

3.1. Salary, bonus, remuneration, benefits

The total income of the Board of Directors, Board of Management and Board of Supervisors of Hong Ha Food Development Investment Joint Stock Company in 2024 were as follows::

2 Nguyen Thi Tuyet Nhung Member of BOD 60.0	No	Name	Position	Income (VND)
2 Nguyen Thi Tuyet Nhung Member of BOD 60.0	I - B	oard of Directors		
	1	Le Van Duc	Chairman of BOD	127.336.000
3 Le Anh Tuan Member of BOD 60.0	2	Nguyen Thi Tuyet Nhung	Member of BOD	60.000.000
	3	Le Anh Tuan	Member of BOD	60.000.000

No	Name		Position	Income (VND)	
4	Nguyen Tuan Dung		Member of BOD am General Director	123.256.000	
5	Luu Chien Thang	Member of BOD		60.000.000	
II – 1	Board of Supervisors				
1	Duong Quan Anh		Head of BOS	36.000.000	
2	Dang Quoc Hung		Member of BOS	94.004.000	
3	Bui Phuong Anh	Member of BOS		105.256.000	
	tock transactions by insiders: None. ontracts or transactions with insiders in 2024				
No	Name of the related person	Relationship	Transaction	Value	
1	Cuong Sinh Yen Chau Joint Stock Company	Subsidiary	Property rental	934.290.500	
		company	Receive dividends	10.202.500.000	

2	Hong Ha Agriculture and Forestry Joint	Subsidiary	Loan	32.460.000.000
2	Stock Company	company	Receive loan interest	265.915.068

3.4. Evaluate the implementation of corporate governance regulations

In 2024, Hong Ha Food Development Investment Joint Stock Company has implemented and reported promptly as well as periodically published information on the company's governance situation quarterly, semi-annually and annually to investors.

With the goal of gradually approaching regional and world corporate governance standards, in the coming time the Company will continue to carry out the following tasks related to corporate governance:

***** Short-term plan

- Continue to update and fully disclose information in accordance with regulations for shareholders, customers, and investors on the Company's website.
- Continuously update, amend, supplement and comply with regulations on information disclosure and transparency according to the law;
- Participate in training courses on corporate governance organized by the State Securities Commission, Vietnam Stock Exchange and other reputable units.

* Long-term plan

- Continue to improve the governance model to enhance coordination between the Company and member units, and between members on the basis of ensuring consistency and enhancing compliance throughout the system.
- Promoting the Company's centralized management role and providing administrative support to member units in finance, human resources training, information technology, branding, investment, and basic construction throughout the system
- Regularly update knowledge of laws and good practices on corporate governance at home and abroad to apply to the Company's actual operations.
- Promote risk management, compliance and internal audit to provide information for corporate governance activities
- Continue to improve the effectiveness of the Internal Audit Subcommittee as an assistant to the Board of Directors.

VI. FINANCIAL STATEMENTS

1. Audit opinion

The financial statements presents fairly, in all material aspects, the consolidated financial position of Hong Ha Food Investment and Development Joint Stock Company as of December 31, 2024, as well as the consolidated results of its operations and consolidated cash flows for the fiscal year then ended, in accordance with accounting standards, the Vietnamese corporate accounging system, and the relevant legal regulations related to the preparation and presentation of consolidated financial statements.

2. Audited financial statements

The 2024 audited financial statements of Hong Ha Food Investment and Development Joint Stock Company has been fully posted on the Company's website. The link address to view the financial statements is: http://honghagroup.com.vn/bao-cao-tai-chinh-kiem-toan-nam-2024.

Hanoi, day 14 month 4 year 2025 HONG HA FOOD INVESTMENT AND DEVELOPMENT JOINT STOCK COMPANY LEGAL REPRESENTATIVE

