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| **YENBAI JOINT-STOCKS FOREST AGRICULTURAL PRODUCTS AND FOODSTUFF COMPANY** | **THE SOCIALIST REPUBLIC OF VIETNAM**  **Independence - Freedom - Happiness** |
| **BOARD OF DIRECTORS**  Draft |  |
|  | *Lao Cai, November 22, 2025* |

**REPORT OF THE BOARD OF DIRECTORS**

**AT THE 2025 ANNUAL GENERAL MEETING OF SHAREHOLDERS**

***Dear Shareholders!***

The Board of Directors of Yenbai Joint-Stocks Forest Agricultural Products and Foodstuff Company would like to report to the General Meeting of Shareholders on the activities of the Board of Directors in the fiscal year 2024 - 2025, and the direction of activities in the fiscal year 2025 - 2026, as follows:

**I. ACTIVITIES OF THE BOARD OF DIRECTORS FOR THE 2024-2025 FISCAL YEAR**

**1. Advantages and disadvantages**

***1.1. Advantages***

- Receive attention and favorable conditions from the Province, Departments - Branches - Sectors and localities.

- Have solidarity, unity of will, steadfastness in goals, determination to exceed the Company's production and business targets and plans.

***1.2. Difficulties***

- Input material prices are high, competition is fierce. Raw material areas are increasingly depleted.

- The consumer market decreased sharply in both output and price.

**2. Board of Directors' personnel**

- The Company's current Board of Directors consists of 08 members, including a full-time Chairman, 01 Board member who is also the Company's Director, 02 independent Board members, 02 non-executive Board members, 02 executive Board members, specifically the personnel include:

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| 1. Mr.: | Truong Ngoc Bien | - | Chairman of the Board of Directors | - Specialized |
| 2. Mr.: | Nguyen Huy Thong | - | Board of Directors Member | - Company Director |
| 3. Mr.: | Nguyen Xuan Hong | - | Independent Board Member | - Non-executive |
| 4. Mr.: | Tran Thanh Ha | - | Independent Board Member | - Non-executive |
| 5. Mr.: | Nguyen Quoc Trinh | - | Board of Directors Member | - Non-executive |
| 6. Mrs.: | Hoang Thi Binh | - | Board of Directors Member | - Non-executive |
| 7. Mr.: | Le Long Giang | - | Board of Directors Member | - Executive |
| 8. Mr.: | Nguyen Van Tru | - | Board of Directors Member | - Executive |

- The Board of Directors operates on the principle of collective leadership, individual responsibility, majority decision, and exercises rights and obligations according to the Company Charter, the Board of Directors' Operating Regulations, and legal regulations. Board members are assigned specific tasks based on the principle of promoting the strengths of each member, creating collective intellectual strength to fulfill the Board of Directors' responsibilities as prescribed in the most effective way.

**3. Supervisory work of the Board of Directors**

***3.1. Direct supervision of the Board of Directors***

- Members of the Board of Directors, according to assigned tasks, regularly visit each factory to grasp the production and business situation; Participate in market work, visit each customer and client to grasp the situation and have many opinions and suggestions to the Board of Directors and the Chairman of the Board of Directors in the areas they are responsible for, discuss with the Chairman of the Board of Directors to unify the direction of the Board of Directors.

- Every month, the Chairman of the Board of Directors visits the factories at least once to grasp the production and business situation, maintain weekly meetings between the Board of Directors and the Board of Management to promptly issue policies to handle urgent and important work, as well as advise and contribute ideas to the Board of Directors to propose effective solutions to overcome difficulties and successfully implement plan targets.

***3.2. Coordination with the Board of Supervisors***

The Board of Directors and the Board of Supervisors of the Company have had good coordination in all activities, specifically:

- The Board of Directors has created favorable conditions, such as providing full information, documents and reports for the Supervisory Board to perform its duties well. At the same time, the Board of Directors has accepted the opinions and recommendations of the Supervisory Board.

- The Board of Supervisors has fully attended the meetings of the Board of Directors, has coordinated well with the Board of Directors, and supervised all activities of the Company to ensure compliance with the law, the Company Charter and the rights and interests of shareholders.

- The outstanding performance of the Board of Supervisors has closely followed the departments and units to promptly detect limitations and shortcomings, provide guidance, reminders or give opinions and recommendations to the Board of Directors for correction and prevention.

- The Board of Directors and the Board of Supervisors regularly discuss and remind the Company's Board of Management and the Board of Management of factories to properly manage risks in production and business activities.

**4. Directing production and business activities**

***4.1. Meetings and resolutions of the Board of Directors***

- Board of Directors meetings are organized and conducted in accordance with the Company Charter and legal regulations. Minutes and resolutions of the Board of Directors are unanimously approved by the members, issued and archived in accordance with regulations.

- Resolutions of the General Meeting of Shareholders and resolutions of the Board of Directors are implemented synchronously, consistently and effectively.

- Resolutions of the Board of Directors for the 2024-2025 fiscal year are as follows:

| **No.** | **Resolution number** | **Time** | **Content** |
| --- | --- | --- | --- |
| 1 | **36/NQ-HĐQT** | 14/11/2024 | - Approve the documents for the 2024 Annual General Meeting of Shareholders. |
| 2 | **01/NQ-HĐQT** | 26/12/2024 | - Approve the estimated results of the implementation of the production and business plan for the fourth quarter of 2024 and the plan for the first quarter of 2025.  - Approve the implementation of dividend payment for the fiscal year 2023-2024.  - Approve the assignment of tasks to members of the Board of Directors. Regulations on the operation of the Board of Directors for the 2024-2029 term.  - Approve the appointment of the Company Director; Appointing a specialized Project Management Board Head. |
| 3 | **13/NQ-HĐQT** | 28/3/2025 | - Approve the estimated results of the implementation of the production and business plan for the first quarter of 2025 and the plan for the second quarter of 2025.  - Approve the report on adjusting the production and business plan for the 2024-2025 fiscal year;  - Approve the proposal on the plan to renovate Van Yen cassava factory. |
| 4 | **17/NQ-HĐQT** | 28/6/2025 | - Approve the estimated results of the implementation of the production and business plan for the second quarter of 2025 and the plan for the third quarter of 2025.  - Approve the appointment of Deputy Director of the Company in charge of forestry products. |
| 5 | **21/NQ-HĐQT** | 29/9/2025 | - Approve the estimated results of production and business performance in the 2024-2025 fiscal year and the production and business plan for the 2025-2026 fiscal year.  - Approve the organization of the 2025 Annual General Meeting of Shareholders. |

**\*** All meetings of the Board of Directors are convened in accordance with the law and the Company Charter. All issues are discussed democratically and voted with 100% consensus. All resolutions and decisions of the Board of Directors are fully and promptly notified to the Company's Board of Managements and the Supervisory Board and are fully implemented by the Company's Board of Managements and member units, achieving results higher than the set targets.

***4.2. Organization and personnel***

- Evaluation and handling of staff and workers:

+ The Board of Directors has instructed the Company’s Management Board to establish evaluation criteria for staff, including: Excellent performance, Satisfactory performance, Partially completed performance, and Unsatisfactory performance.

+ Result: In the final months of the fiscal year, the quality of performance evaluations improved significantly, revealing many issues in labor management across units. The evaluation results identified outstanding individuals with strong determination and commitment, who were subsequently considered for promotion to higher managerial positions. At the same time, proposals were made to demote certain managers with conservative mindsets who were resistant to change. In addition, several workers with poor discipline and low productivity were dismissed.

- Recruitment: At the beginning of the 2024-2025 fiscal year, the set target was not achieved and the results were still low. By the end of the fiscal year, many new and more drastic recruitment measures were implemented, so there were many positive changes.

- Planning, arrangement, guidance and training:

+ The Board of Directors has directed the Company's Board of Directors to implement planning and training in accordance with the process.

+ Results: During the fiscal year, the Management Board developed and implemented a plan for the succession planning and training of key personnel and management staff of the Company. The plan was closely followed and effectively directed across departments and factories. The number of employees included in the training and succession pool increased compared to previous years, creating a sustainable source of candidates for managerial positions in departments and factories.

- Arrangement and rotation work :During the fiscal year, the Board of Directors approved and appointed individuals to several key senior positions, including General Director, Deputy General Director, Project Management Director, as well as key managers of functional departments and factories. Most of the appointed individuals have made great efforts and successfully fulfilled their assigned duties, contributing to the stable and continued development of the Company’s operations.

***4.3. Rules and regulations***

- Company Charter, Internal regulations on corporate governance, Regulations on the operation of the Board of Directors: On November 25, 2024, the Chairman of the Board of Directors signed the sixteenth amendment to the Company Charter , amending the Internal regulations on corporate governance, Regulations on the operation of the Board of Directors, after adding 01 more member of the Board of Directors to participate in the management.

- Thoroughly implement the slogan "Quality - Prestige - Efficiency" for the Company's leaders and staff and factories.

***4.4. Investment Plans and Projects***

- The Board of Directors established a dedicated Project Management Board to implement development projects and actively directed efforts to research and seek new investment opportunities for the Company’s growth. Several field surveys were conducted in various localities. The Board also instructed the Management to search for partners to resume operations at the Phu Thinh Export Paper Processing Plant and the Van Chan Cinnamon Essential Oil Processing Plant.

- Result: The Project Management Board failed to accomplish its assigned tasks. No new projects were identified, and no feasible solutions were proposed to restore operations at the struggling plants. The main reasons were the limited capacity of the management team and the Project Management Board members, a lack of responsibility among certain individuals, insufficient initiative and creativity, and a failure to make concerted efforts to overcome difficulties.

***4.5. Remuneration and salary of the Board of Directors, Board of Management, and Board of Supervisors for the 2024-2025 fiscal year***

Remuneration and salary of the Board of Directors, Executive Board, and Supervisory Board for the 2024-2025 fiscal year will be implemented according to the Resolution of the 2024 Annual General Meeting of Shareholders, and will be specifically and detailedly shown in the audited annual financial report.

***4.6. Selection of auditing unit for fiscal year 2024-2025***

Implementing the Resolution of the 2024 Annual General Meeting of Shareholders. The Company selected Nhan Tam Viet Auditing Company Limited as the independent auditor for the 2024-2025 financial statements.

***4.7. Profit sharing***

In 2025, the Company paid dividends for the fiscal year 2023-2024 in accordance with the Resolution of the 2024 Annual General Meeting of Shareholders of **33%** in cash (VND 3.300/01 share).

***4.8. Directing production and business activities***

- The Board of Directors has closely followed the production and business situation to direct and promptly resolve arising issues, thereby having appropriate and effective solutions, resolutely directing the Company's Board of Managements to organize, deploy and operate production and business effectively.

- Executive Members of the Board of Directors: The executive members closely monitored the Company’s production and business activities, as well as market conditions. They provided firm direction and valuable advice to the Management Board, helping to identify solutions to overcome difficulties and successfully achieve the Company’s operational targets for each month, quarter, and the entire fiscal year 2024–2025.

- Non-executive of the Board of Directors: Based on their assigned areas of responsibility, the non-executive members remained actively engaged, making frequent visits to factories to assess production and business operations, conducting market surveys, and meeting with partners and customers to understand product consumption trends. They provided valuable recommendations and contributions to both the factories and the Company’s Management Board within their respective areas of responsibility as well as on general corporate matters.

**\* The Company's production and business results for the fiscal year 2024-2025**

Although there are some advantages but also many difficulties, the Board of Directors and the Board of Management of the Company are determined to achieve the following results:

Revenue reached: 656 billion VND, equal to 106% of the plan; Budget payment was 17 billion VND, equal to 100% of the arising amount; Profit after tax reached 50,4 billion VND, equal to 126% of the plan; Average income per employee reached 12,6 million VND/person/month/12,5 million VND/person/month of the plan, equal to 101%.

**5. General assessment**

***- Advantage:***

+ The activities of the Company's Board of Directors have been in compliance with the provisions of the Company's Charter and current laws.

+ The Board of Directors' supervision work is well performed, regularly capturing information, and has many solutions to direct the Company's operations to be stable. Timely issuing resolutions to direct the Company's Board of Directors in operating all production and business activities according to regulations.

+ The work of directing the development and implementation of the production and business plan basically completed the production plan for base paper, cassava starch, and dried cassava pulp for the entire fiscal year 2024-2025 , ensuring workers' income, and ensuring social insurance policies and employee benefits in accordance with regulations.

***- Disadvantages:***

+ Direction of organizational and personnel work: Recruitment and training of staff have not been effective; there is still a shortage of personnel, and the qualifications of some employees do not meet the required standards.

+ Direction of production activities: The procurement of raw materials has been insufficient for production and reserves, and prices remain high. Machinery and equipment frequently encounter minor breakdowns, with prolonged repair times. At certain times, technical–economic norms (for caustic soda and electricity) have exceeded the assigned quotas. Product quality has occasionally been inconsistent.

+ Direction of financial and accounting work: The efficiency in utilizing the Company’s capital sources has not been high.

+ Direction of inspection and supervision work: Oversight has been inadequate, with delays in detecting and rectifying shortcomings and errors in a timely manner.

+ Direction of market operations (input and output): Responses to market changes have sometimes lacked sensitivity, agility, and timeliness.

+ Direction of plans to address production difficulties at some factories: Implementation has been slow, below expectations, and without final results.

+ Direction of research and proposal of “new projects” for the Company’s development: No conclusive results have been achieved, and no pre-feasibility projects have been prepared for submission to the Board of Directors for consideration and approval.

+ Current Board of Directors: The Board currently consists of eight members, four of whom are elderly with declining health. Moreover, the number of members directly involved in the Company’s executive management is limited, which has constrained the Board’s ability to effectively direct the Company’s production and business operations.

***\* General assessment:*** Although there were still many shortcomings during the 2024–2025 fiscal year, under the decisive direction of the Board of Directors—particularly the Chairman guiding the Management Board in identifying causes and limitations and promptly implementing corrective measures—the Company’s production and business activities remained relatively stable. Production of linerboard paper reached 100% of the annual plan; cassava starch reached 101% of the annual plan; cassava pulp reached 100% of the annual plan; average income reached 101% of the annual target. The Company’s production and business activities generated a profit of VND 50,4 billion, exceeding the profit target set by the Annual General Meeting of Shareholders in 2024.

**II. DIRECTIONS OF OPERATIONS OF THE BOARD OF DIRECTORS FOR THE 2024-2025 FISCAL YEAR**

**1. Advantages and disadvantages**

**- Advantages:** The entire Company's staff and employees are united and believe in the leadership of the Party Committee, the Board of Directors, and the Company's Board of Management, determined to exceed the Plan's targets. The Company has enough capital for production and business.

**- Disadvantages:**

***- For cassava and cassava residue production:***

+ Cassava growing area decreased by 20-30% in the North , Central and Central Highlands due to the sharp decrease in cassava price of the previous crop, people stopped growing cassava and switched to growing other agricultural crops and fruit trees .Therefore , the supply of cassava in the next crop will decrease, not enough cassava for factories, so there will easily be competition to buy cassava between factories, the price of cassava will be higher than the same period last year , leading to an increase in production costs.

+ Chinese, Southeast Asian and world markets have seen sharp decline in demand, especially in China due to economic recession.

+ Consumption is mainly through official channels, so taxes are high. There is still a lot of cassava flour in stock in Chinese warehouses, so the selling price will decrease sharply.

+ Cassava factories in Laos have increased significantly. Cassava factories in Vietnam have increased their capacity, many cassava factories in Tay Ninh have extended their production time due to increased cassava imports from Cambodia .Therefore, the cassava starch output supplied to the market is large and early right from the beginning of the fiscal year.

+ The livestock industry is facing many difficulties, the demand for dry cassava pulp has decreased sharply, so the selling price of cassava pulp will decrease sharply.

Therefore, the production efficiency of cassava starch + cassava pulp production is reduced.

***- For paper production:***

+ The Taiwanese market has decreased sharply in both output and price. Meanwhile, domestic paper production has increased, Thanh Hoa paper factories have resumed production at nearly 100% and increased capacity .

+ The price of raw materials is increasing, due to the decreasing price in the near area, mainly purchasing from remote areas and fierce competition with other production units outside the company.

+ Prices of input materials and electricity for production are increasing.

As a result, output, selling price and production efficiency will be reduced.

***- Processing joss papers:*** Nguyen Phuc factory is unstable in terms of orders and materials due to limited partner capacity and spread out investment. Phu Thinh factory has great difficulty finding partners to process bamboo paper.

**2. Supervisory work of the Board of Directors**

***2.1. Direct supervision of the Board of Directors***

- Members of the Board of Directors, according to assigned tasks, strengthen their grasp of the production and business situation of the units, go to factories every month to supervise the work, regularly discuss with the Chairman of the Board of Directors and agree to participate with the Company's Board of Managements.

- The Chairman of the Board of Directors regularly visits factories to monitor the production and business situation, strengthens market activities, promptly detects existing difficulties, and quickly proposes solutions to overcome them and directs implementation. Maintains weekly meetings between the Party Committee, the Board of Directors and the Board of Management to promptly issue policies to handle urgent and important work .

***2.2. Coordinate with the Board of Supervisors:*** Effectively carried out control and monitoring tasks in a timely and comprehensive manner, particularly focusing on major issues and violations of State and Company regulations, identifying the causes, pointing out violations due to subjective faults, and proposing recommendations for corrective measures.

**3. Remuneration of the Board of Directors and the Board of Supervisors**

- Salaries of Board of Directors and executive Supervisory Board members are paid according to the Company's annual salary payment decision for the management department. Monthly payments are based on fixed unit prices and monthly production products.

- Allowances for executive and non-executive members of the Board of Directors and part-time members of the Supervisory Board for the 2025-2026 fiscal year are paid monthly as follows:

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| **Position** | **Amount/month** |
| **1. Board of Directors** |  |
| Member | 10.000.000 VND/person |
| **2. Board of Supervisors** |  |
| Member | 5.000.000 VND/person |

**4. Bonus for the Company's Board of Directors for the fiscal year 2025-2026**

In the 2025-2026 fiscal year, the world and domestic economic situation is in recession. Therefore, it is forecasted that there will be many difficulties in purchasing raw materials, besides, the price of materials is always high. Especially the consumer market, exchange rate, ... are all forecasted to have many difficulties. In order to motivate the Company's key staff to promote advantages, be sensitive to propose solutions to overcome difficulties to complete the 2025-2026 production and business plan, the Board of Directors submits to the 2025 Annual General Meeting of Shareholders the following bonus for the Company's Board of Directors:

- Basically complete the targets, at the same time manage the Company's production and business to achieve after-tax profit from over 45 billion to under 55 billion VND: Bonus level 5%profit after tax

- Basically complete the targets, at the same time manage the Company's production and business to achieve after-tax profit from 55 billion to under 65 billion VND: Bonus level is 6% of after-tax profit .

- Basically complete the targets, at the same time manage the Company's production and business to achieve after-tax profit from 65 billion VND to under 75 billion VND: Bonus level is 7% of after-tax profit .

- Basically complete the targets, at the same time manage the Company's production and business to achieve after-tax profit from 75 billion VND to under 85 billion VND: Bonus level is 8% of after-tax profit .

- Basically complete the targets, at the same time manage the Company's production and business to achieve after-tax profit of 85 billion VND or more: Bonus level of 9% of after-tax profit.

**5. Production and business orientation**

***5.1. Production and business orientation for the fiscal year 2025-2026***

(1) Building human resources: Strengthening assessment, recruitment, training, rotation, fostering, and promoting sufficient staff, enough leaders, professional staff, and direct workers to meet the Company's production and business needs.

(2) Capital finance: Strictly manage capital sources to create capital to maintain production and invest in the Company's development.

(3) Stabilize and develop current business.

(4) Develop and complete plans to restore inactive factories and seek proposals for one or two projects to develop the Company.

***5.2.* Main directions for the academic year *2025-2026***

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| + Revenue | : 625 billion. |
| + Budget payable | : = 100% of the incurred number. |
| + Profit after tax | : ≥ 45 billion. |
| + Average income  + Dividends | : ≥ 13,0 million VND/person/month .  : ≥ 20% |

**6. Main measures of the Board of Directors**

(1). Board of Directors' activities:

- Develop and approve the Company's medium-term development strategy and annual business production plan.

- Set out the Company's general direction, including market and technology development solutions.

(2). Supervision work:

- Strengthen the supervision of board members, coordinate with the Supervisory Board to fully and promptly grasp the Company's operational situation, especially existing problems and violations of State regulations and Company regulations, and quickly propose remedial measures.

- Monthly, non-executive members of the Board of Directors, according to their assigned duties, visit factories to supervise work, and regularly exchange views with the Chairman of the Board of Directors to unify directives for the Company's Board of Management.

- Board members regularly work with the Board of Management and the Company's administrators weekly to handle urgent and important tasks.

(3). Directing organizational and personnel work: Strengthen the evaluation, recruitment, training, guidance, and fostering of staff to improve their skills in many areas, and to train and enhance management capabilities. Provide direction for promoting and appointing truly capable personnel to recognize their contributions, and at the same time to encourage and motivate them, creating all conditions to help and support staff to have the opportunity to promote their strengths and overcome limitations. Resolutely direct the handling of violating or truly incompetent personnel. Propose many specific measures to recruit skilled labor.

(4). Directing financial work: Balance and effectively utilize capital. Continue to maintain good accounting practices as regulated.

(5). Directing production work:

- Direct the procurement of raw materials and fuel to ensure sufficient raw materials for production and appropriate reserves; ensure quality; reasonable purchase prices; complete procurement procedures. - Direct the repair and operation of machinery and equipment: Focus on maintaining stable machinery and equipment, ensuring good operation, monitoring, and timely repair in case of incidents.

- Direct productivity and quality: Maximize production capacity according to design, stabilize product quality, and maintain the Company's reputation and brand.

- Direct the reduction of production costs: Flexibly adjust purchase prices to suit each period. Effectively manage the technological process, focusing on finding measures to reduce the economic and technical norm system.

- Direct the work of product consumption market and debt collection: Strengthen the activities of 02 market teams, and implement solutions and measures to expand the sales market effectively. Be dynamic, flexible, and resolute in debt collection.

(6). Direct the development of plans, investment in renovation, and upgrading of the Company's facilities, machinery, and equipment. Determined to research at least one feasible new project to submit to competent authorities for approval and implementation upon completion of prescribed procedures for the Company's development.

(7). Direct the Board of Management to continue reviewing, amending, and supplementing the system of internal rules and regulations to suit the Company's management work, improve business production efficiency, and comply with legal regulations.

(8). Determined to direct the implementation of 3 determinations: "Determination - Resolve - Drastic action".

During the 2024–2025 fiscal year, the Company’s Board of Directors successfully achieved production targets and exceeded profit targets. These results were made possible through the unity, cooperation, and intelligence of each Board member, the efforts and determination of the Management Board, and the dedication of all employees. The Board also greatly appreciates the attention and support of shareholders across the country. On this occasion, the Board of Directors of the Forestry–Agricultural–Food Joint Stock Company sincerely thanks all shareholders for their trust and loyalty over the past years and hopes to continue receiving even greater support in the future.

The tasks for the 2025–2026 fiscal year are very demanding and complex; however, the Company’s Board of Directors will make every effort to closely supervise and guide all Company activities to successfully achieve all targets set by the 2025 Annual General Meeting of Shareholders.

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| ***Best regards ./.*** | **O/B. BOARD OF DIRECTORS**  **CHAIRMAN**  **Truong Ngoc Bien** |
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