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| **YENBAI JOINT-STOCKS FOREST AGRICULTURAL PRODUCTS AND FOODSTUFF COMPANY** | **THE SOCIALIST REPUBLIC OF VIETNAM**  **Independence - Freedom - Happiness** |
| No.:......./BC-BGD  (Draft) | *Lao Cai , November …, 2025* |

**REPORT**

**BUSINESS RESULTS FOR THE 2024-2025 FISCAL YEAR**

**PRODUCTION AND BUSINESS PLAN FOR THE 2025-2026 FISCAL YEAR**

**Submit to the 2025 Annual General Meeting of Shareholders**

Board of Managements of Yenbai Joint-Stocks Forest Agricultural Products and Foodstuff Company, would like to report to the meeting on the production and business results of the fiscal year 2024-2025 and the production and business plan of the fiscal year 2025-2026, specifically as follows :

**PART I**

**PRODUCTION AND BUSINESS RESULTS OF THE FISCAL YEAR 2024 - 2025**

**I. SITUATION CHARACTERISTICS**

**1. Advantages**

- The Company continues to receive attention and favorable support from the Province, as well as from relevant Departments, Agencies, and local authorities where the Company’s factories are located.

- The Company consistently benefits from the Board of Directors’ leadership, with regular, thorough, decisive, and timely guidance.

- The Company effectively implemented product output targets from the beginning of the fiscal year, while also ensuring adequate preparation to meet production requirements, particularly in terms of labor, capital, machinery and equipment, and technical materials.

- There is unity, shared determination, and steadfast commitment among all staff and employees to achieve the Company’s planned targets.

- The Company’s staff and employees continuously innovate, proactively apply creativity, and overcome all challenges to successfully fulfill their assigned tasks.

**2. Disadvantages**

*- For cassava production:*

+ Difficulty in purchasing raw materials: Due to fierce competition with factories in the region, productivity and output of fresh cassava in the region have decreased, transportation is difficult...

+ The consumer market is very difficult:

Selling prices have fallen sharply compared to the previous year. Chinese demand has dropped significantly due to the economic recession. Inventory levels in China and Vietnam remain high.

Some factories in Tay Ninh have extended production because they bought a lot of fresh cassava from Cambodia . The production season started early, so the supply increased, leading to a decrease in selling prices, slow consumption, and fierce competition in price and quality.

China has set up many technical barriers, so consumption incurs many costs and delivery is delayed.

Vietnam 's export management agency makes it difficult to issue C/O, leading to increased sales costs.

+ The market for dry cassava pulp consumption also decreased sharply in both quantity and price due to the impact of the decline in the livestock industry.

Therefore, the production of cassava starch products is not as effective as expected.

*- For paper production:*

+ Difficulty in purchasing raw materials: Prices increase due to sharp decrease in output from nearby areas, having to purchase from far away areas, competition with other production units, and increased transportation costs.

+ Prices of materials used in production are increasing, such as: caustic soda, color, sulfur, electricity...

+ The market for consuming paper products and joss paper is difficult because the demand in Taiwan is not increasing, Taiwanese customers continuously request price reductions and demand for quality improvement. Domestic paper factories reduce prices to sell products and compete directly with the Company on price.

+ The impact of storm No. 10 caused property damage as well as production stoppage, reducing output in the last month of the fiscal year.

*- For processing:*

+ Phu Thinh factory stopped production because it could not find a new partner .

+ Nguyen Phuc processing factory : Few orders, not enough production . In addition, partners do not supply orders and accessories on time.

**II . PRODUCTION AND BUSINESS RESULTS**

**1. Results of implementing plan targets**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **No.** | **Indicators** | **Unit** | **Plan** | **Perform** | **Same period** | **Compare %** | |
| **Plan** | **Same period** |
| 1 | Output | Ton |  |  |  |  |  |
| - | *Base paper* | *Ton* | 21.600 | 21.608 | 20.716 | 100 | 104 |
| - | *Exported votive paper* | *Ton* | 3.260 | 3.116 | 2.980 | 96 | 104 |
| - | *Tapioca starch* | *Ton* | 32.250 | 32.418 | 32.569 | 101 | 99,5 |
| - | *Dried cassava pulp* | *Ton* | 5.550 | 5.500 | 6.597 | 100 | 83 |
| 2 | Total revenue | Billion VND | 618 | 656 | 592 | 106 | 111 |
| 3 | Submit to the budget | Billion VND | 21,4 | 16,9 | 23 | 100% Incurred | 100% Incurred |
| 4 | Direct export | Million USD | 15,4 | 13,6 | 15,4 | 88 | 88 |
| 5 | Profit after tax | Billion VND | 40 | 50,4 | 31 | 126 | 162 |
| 6 | Average Income | Million VND/person/month | 12,5 | 12,6 | 11,7 | 101 | 107 |

**2. Company Development**

- The Company's market capitalization is about **600** billion VND.

- Stock value on the stock market is relatively stable. Shareholders' capital is preserved.

**3. Results of implementing personnel and workforce morale**

***3.1. Labor quality assessment:***

During the past fiscal year, labor quality assessment showed positive developments, highlighting many issues in labor management across units. The results identified exemplary 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. Additionally, several workers with poor discipline and low productivity were dismissed.

***3.2. Recruitment:***

The Board of Directors directed, and the Management Board implemented, more decisive and enhanced recruitment measures. As a result, the Company has basically met both the quantity and quality targets for labor. Specifically, during the fiscal year, eight employees with university or college qualifications were recruited and assigned to accounting positions or technical training roles at the Company’s factories.

However, at certain times, recruitment stagnated, with no new hires to meet demands, including both skilled and unskilled labor, resulting in labor shortages at some factories and insufficient personnel for training.

***3.3. Planning and training work:***

The Board of Directors directed, and the Management Board executed, succession planning and training according to the proper procedures. The number of employees included in the training and succession pool increased compared to previous years, providing a source of candidates for managerial positions in departments and factories.

Nevertheless, there were instances where training procedures were not fully followed. Some trainees had shortened training periods and did not complete all production stages, resulting in a few individuals being unable to fully meet job requirements after appointment.

***3.4. Staff rotation and reassignment:***

During the fiscal year, the Board approved and authorized appointments to key senior positions, including General Director, Deputy General Director, Project Management Director, and key managers in functional departments and factories. Most of the appointed individuals made great efforts and successfully fulfilled their assigned duties, maintaining stable and growing production performance.

However, some appointments were somewhat forced, and insufficient training time resulted in underperformance, leading to subsequent demotion.

***3.5. Workforce morale:***

During the fiscal year, the Management Board implemented various motivational initiatives, including messages emphasizing: “Strengthen unity, continue innovation, resolutely overcome all difficulties, and strive to stabilize and develop the Company according to Uncle Ho’s teaching: Nothing is difficult if you are determined; dig mountains and fill seas, with determination you will succeed”; strictly uphold the slogan “Quality – Prestige – Efficiency”; and embrace the three-fold spirit of determination: “Determined – Committed – Resolute.” As a result, the morale of most employees improved positively, fostering collective effort and perseverance to overcome challenges and accomplish the tasks set by the General Meeting of Shareholders.

However, some departments, factories, and individuals still lacked full determination and decisiveness, resulting in less-than-optimal outcomes.

**4. Implement projects and plans**

- The Board of Directors established a Project Management Board, composed of the Company’s Management Board and heads of functional departments. The Management Board developed operational regulations and assigned specific duties to each member, designating project sourcing as one of the four key responsibilities of the Company’s Management Board.

- Regarding the recovery of struggling factories: Efforts are actively underway to identify potential partners and markets to develop and implement plans to restore operations at the two underperforming factories: the Phu Thinh Processing Plant and the Van Chan Cinnamon Essential Oil Processing Plant.

- Regarding new projects: The Company has been actively seeking new projects to support corporate development. Several projects with products similar to the Company’s current production have been explored in depth. However, these projects are not yet fully suitable for the Company given its current challenging circumstances. The Management Board continues to focus on in-depth research and analysis to complete the development of pre-feasibility studies for potential projects.

**5. Production performance results**

***5.1 . Results of raw material and fuel purchasing:***

From the beginning of the fiscal year, each unit independently developed procurement plans for the entire year and for each specific month. Efforts were made to expand procurement areas and diversify types of raw materials. Procurement zones were assigned to each factory, with coordination and mutual support in times of difficulty. Payment procedures for raw materials were fully completed in accordance with regulations.

Purchase prices were flexibly adjusted to closely follow market prices, avoiding price pressure from agents, while inventory levels were maintained at a moderate level to ensure quality before being used in production.

As a result, raw material procurement at all factories met the planned targets, providing sufficient supply for continuous production, and no factory had to halt operations due to material shortages.

Despite these achievements, some limitations remain: the purchase price of paper raw materials was higher than the allocated cost, requiring the purchase of a large quantity of chips and wood from distant areas. The planning for cassava procurement during difficult periods was not always accurate, local cassava supply was limited, and comprehensive solutions to address this issue have not yet been fully implemented.

***5.2 . Machinery and equipment repair work :***

***- For the production of base paper:***

+ Machinery and equipment have been basically repaired to operate stably.

+ Regularly checked, supervised, and promptly directed measures to completely overcome existing problems in the production process.

+ Monthly direct the Board of Managements to develop plans and solutions for repairing and renovating equipment, maintaining the stability of equipment . Up to now, the equipment has been operating relatively stably.

***- Regarding the Joss Paper segment:*** During the year, the Board of Managements has worked with partners many times , issued official dispatches urging the complete repair of equipment, not patchwork repairs like in previous years, so the equipment operates relatively stably.

***- For cassava starch + cassava pulp production:*** Major repairs of good equipment before the production season so that during the season, machinery and equipment operate relatively stably, with few incidents, and repair costs are lower than in previous years.

***Besides, there are still some limitations:*** Progress of phase 2 paper equipment repair is slow. The director is still not really determined, leading to the processing partner not fully fulfilling its commitment, there is still broken equipment, lack of spare parts affecting the operation of the processing factory.

***5.3 . Implement productivity and quality improvement:***

***- For base paper production:***

+ Focused on directing the increase of productivity of all types of paper, the current result is that the productivity of bamboo paper must reach over 10,5 tons /line/day, and that of ordinary paper over 16 tons/day. The proportion of bamboo paper is always maintained at 40-50%, always prioritizing the increase of bamboo paper output and export paper if the consumption market is good.

+ Actively sought solutions to improve product quality, ensuring that it meets customer requirements in a reasonable manner to maintain the Company's reputation. Strictly handled cases of product quality violations. Currently, product quality basically meets customer requirements.

***- For processing:***

***+*** Be determined with partners, only accept medium and easy orders, refuse difficult orders, and orders with few types of goods to facilitate processing. As a result, during the year, processing productivity increased, factory operations were stable, ensuring enough jobs for workers, and income was more stable than in previous years.

+ Regularly launching emulation movements at the factory, increasing labor productivity, the factory always completes its tasks or better.

***- For cassava starch + cassava pulp processing:***

+ Training on the production process for the new season has been conducted for direct workers and cassava factory management staff.

+ Factory staff visited and studied other production units to learn and implement improvements for machinery and equipment, aiming for better performance and efficiency.

+ The factory has maintained stable machinery and equipment operations according to proper procedures, achieving a productivity of 260 tons/day, with whiteness and moisture levels meeting the required standards, and production output exceeding the planned targets.

***Some limitations :***

- Base paper productivity is still unstable and uneven among factories, and there are still customer complaints about quality .

- Daily processing productivity has not met expectations, lack of determination with partners so orders are often delayed, lack of materials so the yearly output does not meet the plan.

- The quality of cassava starch products in many batches does not reach the required whiteness and turns yellow when left in the warehouse for a long time.

***5.4 . Reduce production costs :***

The Management Board has made efforts to identify multiple solutions to reduce production costs, issuing new procedures for raw material procurement, processing, and production that are suitable for the actual conditions. The results are as follows:

- Paper base + votive paper processing: Factories all focus on improving processing and equipment repair stages, so the economic and technical standards are lower than last year. Every item is truly profitable, ensuring that the established profit criteria are met.

- Cassava starch + cassava pulp: All economic and technical standards have decreased, production costs have decreased sharply compared to the same period, average production costs in the fiscal year are guaranteed, maintaining profits according to plan.

***Limits:​***

- The price of raw paper materials is the highest in recent years, and effective measures to reduce prices have not been found.

- The price of cassava and firewood is still high at some times.

***5.5 . Consumer market work***

*-* The Board of Managements maintains the operation of the market teams, assigning the deputy directors in charge of production areas to be team leaders to proactively develop plans to consume suitable products. In addition, the Board of ManagementsRegularly grasp the consumer markets, proactively seek new customers, choose customers with stability and strong finances.

- During the year, the number of customers consuming bamboo paper increased, the average paper inventory was low. Contacted more Chinese customers to import tapioca starch and consumed all products before the new production season.

- Product prices are flexibly adjusted, close to market prices.

***Limits:***

- Have not found many more customers to export base paper.

- Cassava starch selling price is still lower than expected, inaccurate prediction of market fluctuations at some points in the fiscal year .

**6. Capital management, accounting**

- The Company’s accounting operations have been well-managed. Inspections and guidance provided to the units have been more detailed and specific, with appropriate corrective measures applied.

- Capital has been preserved and grown; during the fiscal year, there were no violations in financial management.

- Monthly and quarterly cumulative production and business performance have been regularly analyzed and reported to the Chairman of the Board of Directors, with specific proposals made regarding product sales.

***Limits:***

Market analysis for product consumption remains inadequate. There has been insufficient initiative in proposing measures to accelerate collections and reduce outstanding paper-related receivables.

**7. Implement the Plans**

***(1) Cassava factory renovation plan:*** Basically completed the installation and renovation of equipment in September 2025 according to the approved plan .

***(2) Paper equipment renovation plan:*** Conducted 05 surveys , completed the pre-feasibility plan and submitted it to the Board of Directors for approval. Continue to develop feasibility plans for each factory and organize implementation from October 2025.

***(3) Plan to renovate cassava biogas pond :*** The feasibility plan has been completed and approved by the Company’s Board of Directors, with implementation scheduled for 2026.

**8. Other works**

***8.1 Safety Work:*** Fire Prevention and Fighting (FPF), Occupational Safety, Environment, Storm and Flood Prevention, and Security

- Occupational safety measures were not strictly implemented, resulting in a serious accident at the Yen Binh Factory.

- The fire prevention plan at Van Yen Factory has completed equipment installation, but acceptance, handover, and official confirmation of completion by the competent authorities have not yet been carried out.

- The environmental permit dossier for Van Yen Cassava Factory has been completed and submitted to the competent authorities in accordance with regulations. Automatic wastewater monitoring systems have been installed. All factories have obtained environmental permits as required.

***8.2 . Inspection and guidance work.***

Inspection and guidance work is carried out regularly, but the inspection is not thorough and there are not many thematic inspections .

The guidance for units to overcome the acceptance and handover of stages has changed in a positive direction , cases of process violations have been strictly handled, violations have decreased significantly, and technical standards have decreased.

***8.3 . Emulation and reward work.***

Every month and every quarter, the Company and factories have summarized and launched emulation activities. Emulation activities have been carried out according to regulations, evaluating and classifying units based on prescribed criteria and objective difficulties. Therefore, emulation and rewards have had a relatively positive effect on production and business .

**9. General assessment**

Although some limitations and shortcomings remained during the fiscal year, under the decisive and thorough direction of the Board of Directors, the Company basically achieved its production plan targets: cassava starch reached 101%, cassava pulp 100%, linerboard paper 100%, revenue 106%, and average income 101% of the fiscal year plan. Therefore, the Company’s production and business activities were relatively stable, and notably, the production and business results exceeded the profit target assigned by the General Meeting of Shareholders (VND 50,4 billion achieved vs. VND 40 billion planned).

**PART II**

**PRODUCTION - BUSINESS PLAN FOR THE FISCAL YEAR 2025 - 2026**

**I. SITUATION ASSESSMENT**

**1. Advantages**

- Continue to receive attention and support from all levels and sectors in the province.

- All officers, employees and workers in the Company have solidarity, unity of will, steadfastness in goals, and determination to complete the plan.

- Production service conditions have been fully prepared, such as labor , capital, main materials, machinery and equipment...

**2. Disadvantages**

*- For cassava and cassava residue production:*

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

+ Consumption is mainly official so tax increases, therefore selling price decreases.

+ Cassava factories in Laos, Cambodia and Thailand have increased significantly. Factories in Vietnam have increased their capacity, thus the cassava starch output supplied to the market is large.

+ Cassava growing area has decreased due to last year's price drop. In many places, people have switched to growing other crops, so supply will decrease and raw material prices will increase due to competition with many other production units.

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

Therefore, it is expected that in the coming fiscal year, production costs will increase and selling prices may continue to decrease, and production efficiency will not be high.

*- For paper production:*

+ Raw material sources are increasingly depleted, competition pressure is great, area and output are gradually narrowed, transportation is very difficult. Meanwhile, the Company's demand is growing due to increased product output and units outside the company expanding production, leading to high prices of raw materials and fuels due to the decreasing proximity, mainly purchasing from remote areas and fierce competition with other production units outside the company.

+ The Taiwanese market has not increased in output or price. Meanwhile, domestic paper production has increased sharply.

+ Prices of input materials for production are increasing.

As a result, production costs will increase, selling prices will decrease , and production efficiency may not be high.

*- Processing joss papers:* Nguyen Phuc factory is unstable in terms of orders and materials. Phu Thinh factory has difficulty finding partners to process bamboo paper.

- Unstable exchange rates (*Chinese Yuan, Taiwan Dollar, US Dollar* ) greatly affect the Company's export products.

- Machinery and equipment are getting older, technology is outdated, and often broken.

**Situation assessment: It can be said that in the fiscal year 2025-2026, the Company's production items will continue to face difficulties. However, the Board of Managements is still determined to organize and implement the assigned plan targets.**

**II. PLAN FOR THE 2025-2026 FISCAL YEAR**

**1. Key indicators of the fiscal year 2025-2026 .**

***- Output:***

+ *Base paper* **22.500** tons. In which: TB paper = 10.125 tons *(45%) ;* export paper = 4.500 tons ( 20 % ) ; other paper = 7.875 tons (35%) .

*+ Joss paper* : **3.300 tons** .

*+ Tapioca starch* : **40.000** tons.

*+ Dried cassava pulp*: **7.000** tons.

***- Revenue*** : **625** billion.

***- Pay the budget*** : **28** billion

***- Direct export***  : **16,8** million USD

***- Production and business results*** : **Profit 45 billion VND**.

***Average income*** : **≥ 13,0** million VND/person/month.

**2. Human resource organization.**

- Strictly conduct evaluations of staff and workers to identify individuals with competence, qualifications, and discipline, focusing on providing guidance and training. At the same time, identify those with poor discipline or weak capabilities for removal, creating opportunities to recruit and allocate better personnel.

- Recruit personnel with university degrees, focusing on majors such as food chemistry, forest product processing, and accounting. College-level recruitment primarily targets majors in electromechanics and other relevant fields.

- Strengthen on-the-job training for management and technical staff to replace outgoing personnel and fill gaps caused by transfers or leaves.

- Implement rotation and reassignment of managerial staff across departments and factories to train them in new tasks, enabling them to handle multiple responsibilities in preparation for the Company’s development projects.

- Effectively manage workforce morale by communicating the Company’s policies and directives to all employees.

**3. Implement plans and projects.**

- Implementing plans to renovate paper production lines .

- Develop a plan to restore operations of Phu Thinh Processing Factory and Van Chan Cinnamon Factory.

- Build a new pre- feasibility project to develop the company.

**4. Inspection and guidance work.**

- Functional departments fully implement inspection and guidance content according to each assigned field.

- Focus on checking and controlling important contents in production and business accounting to ensure compliance with regulations.

**5. Financial and accounting work.**

- Balance the use of capital effectively, prepare good capital for production and business.

- Check and supervise the implementation of accounting documents in accordance with regulations .

- Advise the company's Board of Managements on accounting and debt settlement.

**6. Safety work :** Fire prevention and fighting, occupational safety and health, environment, storm and flood prevention and security .

Ensure absolute safety, do not let any incidents happen that affect people, property and the surrounding environment .

**7. Emulation and reward work.**

- Conduct periodic performance reviews of all key personnel across the Company every six months.

- Launch production and labor emulation movements to encourage outstanding completion of monthly and quarterly targets.

- Evaluate and classify employees on a monthly basis in accordance with regulations, ensuring fairness and objectivity, thereby motivating workers to actively participate in production and achieve excellence.

**III. MAIN IMPLEMENTATION MEASURES**

**1. Effectively implement personnel organization work.**

***1.1. Personnel evaluation work:***

- The Company’s Board of Managements shall issue a labor evaluation and classification process applicable throughout the Company, establishing clear and well-defined evaluation criteria with high differentiation, ensuring transparency and consistency across all units.

- Each month, all units must seriously monitor and assess the competence, qualifications, and sense of responsibility of each individual. The responsibility for evaluation is assigned to heads of units, such as department managers, division heads, and plant directors. They must not avoid responsibility, hesitate, or rely passively on higher authorities.

- The evaluation process must ensure fairness and accuracy - recognizing and encouraging high-performing employees while strictly warning, reminding, or disciplining those with poor discipline or weak capabilities.

- The Human Resources and Administration Department (HR-AD) shall be responsible for guiding and supervising the monthly employee evaluation and classification, proactively proposing commendations for outstanding employees and recommending disciplinary actions, including termination, for underperforming ones.

- The Company’s Reward and Discipline Council shall consolidate evaluation results, review and classify employees, and make decisions on rewards for outstanding workers or propose disciplinary actions, including dismissal, for weak performers.

***1.2. Recruitment:***

- The Board of Managements and the HR-AD Department shall continue to recruit employees for departments and all factories, prioritizing candidates with professional qualifications that match the Company’s requirements, to train and prepare for future development projects. Recruitment should focus on hiring additional direct labor for the paper factories.

- The HR-AD Department shall actively seek and recruit candidates from professional schools, training centers, employment service websites, and industrial zones, meeting and persuading candidates to join the Company. The department must proactively propose solutions to overcome recruitment challenges and report weekly results to the Company’s Board of Managements.

- Heads of functional departments and plant management are encouraged to actively search for qualified workers within local areas and neighboring regions, referring suitable candidates to the Company’s HR-AD Department. Recruitment results will be linked to the monthly performance evaluation of each responsible manager.

***1.3. Planning and training work:***

- Continue implementing the training and development plan as directed by the Board of Directors. Employees with technical expertise must be assigned to work and receive hands-on training across all production stages - from processing lines to electromechanical teams - to gain comprehensive knowledge of production and equipment in accordance with the Company’s training program. The training duration should be applied flexibly depending on the production characteristics of each factory and the capability of each individual, with the requirement that employees in the planning pool must fully grasp all processes before being appointed to higher positions.

- Assign department heads and plant directors the responsibility for staff training. They must provide regular guidance, support, and motivation, while promoting the Company’s development policies and training procedures, creating favorable conditions for those in the training pool to work effectively, demonstrate their abilities, and overcome challenges to complete their tasks.

- The Company’s Board of Managements shall proactively meet with and understand the circumstances of employees in the training pool, communicate the Company’s policies, and encourage them to commit to long-term employment.

- Monthly, department heads and plant directors must submit detailed evaluation reports on the training progress of each individual. These evaluations must be constructive, fair, accurate, and free from favoritism or avoidance of responsibility.

- The Human Resources and Administration Department shall be responsible for conducting monthly and quarterly inspections, evaluations, and written reports on training results to the Company’s Board of Directors and the Board of Management.

***1.4. Mobilization and appointment :***

- Based on the results of the personnel planning and training program, the Company’s Board of Managements shall develop a plan for the transfer, appointment, and placement of qualified personnel across the organization.

- Functional departments and factories shall take initiative in preparing and proposing staff transfer and appointment plans to functional offices or factories, ensuring proper job-person fit, in response to requests from the Board of Directors or the Company’s Management Board.

- Employees included in the training and development pool must undergo rotational assignments across multiple positions to gain diverse experience, preparing them for future Company projects or to replace staff who retire or resign.

- The Company’s Board of Managements, functional department officers, and plant directors shall be responsible for providing guidance and support to ensure newly appointed personnel perform effectively and fulfill their assigned duties without negatively affecting unit performance.

- Strict actions shall be taken against any personnel exhibiting conservative attitudes or failing to comply seriously with Company directives.

**2. Ideological Work for Staff and Workers**

***2.1. Implementation of the 2025–2026 Production and Business Plan:***

- The Board of Managements has implemented the 2025–2026 performance contracting plan across the entire Company. Official decisions on the assigned targets have been issued so that each factory can finalize its own performance contract plan by early October 2025.

- The Company and all factories must complete their Employee Conferences before October 15, 2025.

- The Company’s Board of Directors focuses on communicating the key principles of the Company’s contracting policy, with the goal of increasing labor productivity, improving product quality, upholding the Company’s reputation, thereby enhancing efficiency and raising employee income.

***2.2 Dissemination of Resolutions:***

- The Company’s Board of Managements promptly conveys the directives and orientations of the Board of Directors and the Party Committee to key factory personnel, emphasizing the necessary content and completion deadlines depending on the urgency of each matter.

- Continue to disseminate the Company’s major policies regarding production and business plans, especially the core objectives of increasing output, reducing production costs, improving production processes, and raising employee income.

***2.3. Ideological Work for Management Staff:***

- Implement effectively the theme of the Party Congress: “Strengthen unity, continue innovation, resolutely overcome all difficulties, and strive for stable development of the Company in the spirit of Uncle Ho’s teaching: Nothing is difficult if one’s will is strong; with determination, mountains can be moved and seas filled.”

- Continue to strictly follow the slogans “Quality – Reputation – Efficiency” and “Stop giving lengthy excuses. Focus on proposing corrective actions and determination to implement.” Continue promoting innovation in thinking and combating conservatism and stagnation among all key company personnel.

- Implement the “Three Resolutes” across all levels - Determination of Will, Determination in Action, Determination in Execution - from the Company’s Board of Managements down to all departments and factories. Each unit must set out clear monthly and quarterly targets, with corresponding action plans and timelines to achieve them.

- Reaffirm the importance of consistently applying the six-step working process among all key managers throughout the Company.

- At the current stage, the focus will shift from merely guiding and persuading to prioritizing decisive disciplinary action combined with motivation and education. Therefore, any case of deliberate negligence, carelessness, or violation of company policy will be subject to strict disciplinary measures - including dismissal or reassignment if necessary.

***2.4. Workers' ideological work :***

- Continue disseminating information about the Company’s overall situation and current difficulties to encourage collective effort in overcoming challenges.

- Continue extensive communication with all employees regarding the paper production equipment renovation plan and the associated labor restructuring at the factories. Actively understand workers’ thoughts and aspirations, address concerns, and resolve legitimate requests in a timely and transparent manner.

**3. Project and Solution Development**

- The Company’s Board of Managements has strictly adhered to its assigned responsibilities, with the General Director focusing on exploring and developing new solutions and projects for the Company’s growth, while specific technical and operational tasks are delegated to the Deputy Directors in charge of respective areas.

- The Project Management Board has been reorganized, with a revised operational charter and clearly defined duties for each member.

- The Project Management Board holds weekly and monthly meetings to review project research results, develop detailed work plans, and regularly report progress to the Board of Directors. All project research and exploration activities must be well-documented, specific, and closely aligned with the feasibility requirements of each project.

- Continue researching and developing effective proposals for the resumption of production at Phu Thinh Paper Processing Factory and Van Chan Cinnamon Processing Factory.

- Continue studying and preparing a pre-feasibility study for potential production and business projects based on the Company’s current strengths.

**4. Implement renovation plans .**

***4.1. Renovation plan for Van Yen cassava factory:***

- Complete training and guidance for operating the new equipment, finalize acceptance testing for both no-load and load trials to ensure stable production operation and achieve the objectives outlined in the improvement plan.

- Evaluate the results and effectiveness of the improvement plan, summarize lessons learned, and use the findings to better prepare for future improvement projects.

***4.2. Plan for renovating paper production equipment phase 3:***

- Develop and implement a feasibility plan for each factory.

- Establish project management teams led by a Deputy General Director, including implementation teams and key technicians directly responsible for carrying out the equipment improvements, with clearly defined duties for each member.

- Improvements will be carried out sequentially at each factory, and expansion to other factories will only proceed after successful evaluation and verification that the objectives have been met.

- Implementation timeline: From October 2025 to May 2026.

**5. Production work.**

***5.1. Raw material work:***

***- Paper raw materials:***

+ Assign the Deputy Director in charge of forestry products to take the lead in developing the procurement plan for paper raw and auxiliary materials for the 2025–2026 fiscal year. The plan must ensure an adequate supply for current production needs as well as for increased capacity after the completion of Phase 3 of the paper equipment improvement project, with appropriate inventory reserves.

+ The Board of Managements and the Planning & Business Department must closely monitor the situation of raw material supply to proactively adjust production volume, pricing, and allocation among factories.

+ Maintain procurement zoning for each factory to prevent overlapping or encroachment between procurement areas.

+ On a quarterly and monthly basis, based on weather conditions and harvest seasons, set specific procurement volume targets for each factory to ensure sufficient supply for production and reasonable reserves at each stage. Assigned officers must monitor and inspect daily performance to ensure targets are met.

+ Continue to expand the dealer network, particularly in nearby areas with high output and good-quality raw materials. In the 2025–2026 fiscal year, the average tax invoice ratio for raw and auxiliary materials should reach 40%, in compliance with current regulations.

+ Delegate members of the Board of Managements and officers from the Planning Department to directly oversee raw material procurement at each factory, promptly resolving any issues reported by the units. Implement flexible purchasing prices and coordinate raw material redistribution among factories to prevent any production stoppages due to shortages.

***- For cassava raw materials:***

- Assign the Van Yen Cassava Factory to develop a highly feasible procurement plan, specifying the procurement timeline, locations, and target volumes for each region. Priority should be given to peak harvest months (December and January). The plan must ensure the required production volume with contingency reserves.

- Continue expanding procurement areas and increasing the number of local dealers to ensure sufficient raw material supply for production.

- Apply flexible purchasing prices depending on timing, but ensure alignment with product selling prices to maintain profitability according to assigned quotas.

- Strengthen inspection and supervision of raw material weighing, quality assessment, and storage to ensure compliance with proper procedures.

- Develop effective measures for focused procurement in nearby regions with high-quality cassava to secure a stable supply for production.

***5.2. Productivity and quality:***

***-* *For base paper:***

+ The average productivity of base paper must reach 65 tons per day, including 16 tons/day for regular paper and 10.5–11 tons/day per production line for “Trúc Bách” paper. The monthly plan must be achieved at a “Good” level or higher. After completing equipment upgrades, productivity targets will increase to 22 tons/day for regular paper and 15 tons/day per line for “Trúc Bách” paper.

+ Strictly comply with the production process and the handover procedure between production stages. Strict disciplinary actions will be taken against individuals or collectives who violate procedures.

+ The Planning – Sales Department must assign staff to regularly inspect product quality at both the warehouse and the production stage, ensuring compliance with approved standards. If products do not meet quality samples, factories are prohibited from warehousing or shipping them. A written report must be made and submitted to the Company for handling.

+ Factories must require technical and warehouse staff to continuously check each shift and closely supervise the product acceptance process before storage. Products not meeting quality standards must not be delivered to customers. If there are customer complaints, the factory must promptly acknowledge and rectify them. In cases of returned goods, the factory management board must resolve the issue and deduct the related personnel’s income accordingly.

***-* *For processing joss paper* :**

+ The productivity of joss paper is 3,1 people/container/month, 10 tons/day to ensure 15 containers/month.

+ Focus on recruiting and training skilled workers with good productivity, arranging reasonable overtime but in accordance with regulations.

***- For cassava starch and cassava pulp products* :**

+ Determine the average productivity of the whole factory at over 330 tons of starch/day, of which line 1 is over 200 tons of starch/day, line 2 is over 130 tons/day.

+ During the main season, we must maximize the capacity of the production lines, increasing daily productivity by 5-10% to 345-350 tons/day.

+ The pulp production line maintains an average output of over 65 tons of dry pulp/day.

***5.3. Reduce production costs:***

***- Reduce paper production costs:***

+ On a daily, 5-day, and 10-day basis, each factory and the Company must calculate the specific production cost. When any cost fluctuations occur, they must be addressed promptly.

+ Factory Directors and relevant Company departments will be held accountable before the Company’s General Director if their cost reduction plans fail to achieve expected results.

***- Reduce cassava production costs:***

+ Each factory must calculate material consumption norms by shift and by day to determine the actual production cost, serving as the basis for setting product prices. If difficulties arise, they must be resolved immediately-no complacency or prolonged inefficiency is acceptable.

+ The Planning – Sales Department, in coordination with the Supervisory Board, must regularly monitor, inspect, and evaluate the factory’s compliance with established norms and jointly determine the actual cost of each batch.

+ Each factory must develop monthly, quarterly, and annual cost plans to ensure that peak-season profits offset low-season costs, maintaining overall profitability.

***5.4. Repair and operation of machinery and equipment:***

***- Paper machinery and equipment:***

+ At the beginning of each month, factories must allocate one full day for comprehensive maintenance and repair, focusing especially on paper forming and drying systems. Throughout the month, all factories must ensure stable, long-term machine operation to maintain average productivity.

+ During equipment upgrading projects, factory management, technical staff, and electromechanical workers must fully absorb training and technology transfer, study operating principles and mechanical structures, and ensure they can independently operate or repair the equipment immediately after handover.

***- Machinery and equipment for processing joss paper:***Continue to urge Partners to repair, replace, and supplement according to the content of the working minutes between the two parties.

***- Cassava machinery and equipment:***

+ Reestablish equipment records for newly invested, upgraded, or repaired production lines, and issue updated operating manuals.

+ Strictly conduct load testing and acceptance trials after repairs or upgrades; any issues must be corrected immediately before the main production season begins.

+ Develop and implement refresher training programs for equipment management and operation, especially for newly installed machinery. Strictly discipline any employee who operates carelessly and causes equipment damage.

+ Monitor machine performance daily, ensure sufficient spare parts and replacement materials, and minimize downtime, especially during peak production periods.

+ Continue researching and benchmarking equipment and technologies used in other factories to identify potential improvements and applications.

**6. Promote the consumption of goods.**

***- For base paper:***

+ Ensure that all products produced are sold according to the planned targets.

+ Regularly conduct market visits to stay informed about the actual market situation, including other paper manufacturers and processing units, and propose timely recommendations.

+ Expand the customer base so that directly exported paper accounts for over 20% of total output and Trúc Bách paper accounts for over 45%.

+ Actively follow up and enforce payment collection from customers, especially those with overdue or difficult debts, by applying specific and strict measures.

+ Promptly adjust product plans to match market demand, focusing on producing and selling Trúc Bách paper and export paper to reduce inventory levels.

+ Reduce the average monthly receivables to around 10 billion VND. For customers with large outstanding debts, limit further deliveries, even if it means accepting higher inventory levels.

***- For processing joss paper:***

+ Base production and sales efforts on the monthly consumption plan to ensure all output is sold.

+ In accordance with partnership contracts and meeting minutes between the Company and its partners, maintain regular communication and follow-up to ensure timely delivery of orders, spare parts, and materials, meeting the target of 15 containers per month.

+ Continue seeking new partners for Phú Thịnh Factory to diversify production and sales channels.

+ Frequently remind and urge customers to settle payments on time as per contractual commitments.

***- For tapioca starch*:**

+ Closely monitor market demand and pricing trends. On a weekly and monthly basis, develop sales plans aligned with market conditions and profit targets, and report promptly to the Chairman of the Board and the General Director.

+ Continue expanding the customer base to increase sales volume and achieve better pricing. Strengthen domestic market development efforts by seeking new local customers.

+ Regularly inspect the quality of stored products-any batches showing decline in whiteness or elasticity must be prioritized for sale to maintain overall quality standards.

**7. Regularly Emphasize Safety Work: Fire Prevention, Environment, Labor Safety, and Security**

- The inspection team shall frequently conduct on-site checks and reminders on the implementation of safety measures, especially fire prevention and control (FPC) and public security. Any factory management failing to comply with safety regulations shall be recorded and proposed for disciplinary action.

- Environmental treatment must strictly follow established procedures, focusing on wastewater treatment in accordance with the Company’s directives and guidance.

- Strengthen coordination with local authorities to maintain public order and security in the areas surrounding the company’s factories.

**8. Focus on inspection and guidance work.**

- Monitor and assess the implementation of technical-economic norms, input prices of raw materials, fuel, and supplies at all factories.

- Every 10 days, relevant departments must assign staff to supervise and verify inventories of raw materials and production supplies. The Planning & Business Department shall regularly monitor production processes and summarize compliance with established norms every 5 days.

- The Company’s Board of Managements must frequently inspect and supervise operations to ensure timely corrective measures are implemented when issues arise.

**9. Reporting, Finance, and Accounting Work**

- Review and consolidate all accounting documents, especially payment records for raw materials and supplies from previous fiscal periods. The Accounting Department must assign staff to reinforce supervision and reminders; any delays or negligence must be recorded and proposed for disciplinary action or personnel replacement.

- Weekly, the Chief Accountant shall compile total expenses and report directly to the General Director, with the goal of minimizing costs and projecting overall company performance up to each reporting date. The Planning and Accounting Departments must provide regular reports to the General Director on material usage, finances, and the procurement and sale of materials and products.

- The Accounting Department shall develop a detailed plan for debt recovery, focusing especially on customers with weak financial capacity or high default risk.

**10. Emulation and reward work.**

- Conduct periodic reviews of key personnel across the company every six months. The Board of Managements and the Administration – Human Resources Department shall guide individuals to prepare self-assessment reports on their performance over six months and the entire fiscal year, submitting them to Administration – Human Resources Department and the Board of Managements prior to the review process. All reviews must be conducted under the supervision of the Company’s Board of Managements and witnessed by employees from each unit.

- Launch monthly and quarterly incentive movements, tracking units with outstanding achievements in productivity, product quality, technical-economic norms, machinery operation, management, and overall business efficiency, to provide appropriate recognition and rewards.

- Continue promoting to all employees the purpose and benefits of the commendation and incentive program.

**IV. RECOMMENDATIONS**

To ensure effective management of the Company’s production, business, and investment activities in the 2025-2026 fiscal year, achieving assigned targets, the Board of Managements respectfully proposes to the Shareholders’ General Meeting to consider the following:

1. Continue to develop and finalize a new feasible project to drive Company growth.

2. Develop and implement investment plans for equipment and technology upgrades, aiming to stabilize production and improve business efficiency. Continue researching and implementing plans to restore operations of struggling factories.

3. Regarding bonuses for the Company’s Leadership Board in the 2025-2026 fiscal year:

- If the profit after tax is from 45 billion VND to under 55 billion VND , basically completing the plan targets - Bonus for the Company's Executive Board is 5% of after-tax profit.

- If the profit after tax is from 55 billion VND to under 65 billion VND, basically completing the plan targets - Bonus level is 6% of profit after tax.

- If the profit after tax is from 65 billion VND to under 75 billion VND and basically completes the plan targets - Bonus level is 7% of profit after tax.

- If the profit after tax is from 75 billion VND to under 85 billion VND and basically completes the plan targets - Bonus level is 8% of profit after tax.

- If the profit after tax is from 85 billion VND or more and basically completes the planned targets - Bonus level is 9% of profit after tax.

The 2025-2026 fiscal year is expected to remain challenging for the production of the Company’s product lines. However, given the Company’s advantages - a well-established management model, innovative mindset, experienced leadership team, transparent and sound financials, skilled workforce, modern machinery, effective management and incentive mechanisms, and a tradition of unity, dynamism, and creativity - we are confident in successfully achieving and even exceeding the planned targets for 2025-2026.

This concludes the draft report on production and business results for the 2024-2025 fiscal year and the production-business plan for the 2025-2026 fiscal year, submitted for consideration by the 2025 Annual General Shareholders’ Meeting.

Best regards.

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|  | **O/B. BOARD OF MANAGEMENTS** |