

**HOA VIET
JOINT STOCK COMPANY**

No.: 212/BC-CPHV

**THE SOCIALIST REPUBLIC OF VIETNAM
Independence - Freedom - Happiness**

Dong Nai, April 16, 2025

**ANNUAL REPORT
YEAR 2024**

To: Hanoi Stock Exchange

I. General information

1. General information

- Trading name: **HOA VIET JOINT STOCK COMPANY**
- Business registration certificate No.: 3600262193, 9th registration change on 01/9/2020.
- Charter capital: VND 128,530,520,000.
- Owner's capital: VND 150,580,000,000.
- Address: Long Binh Ward - Bien Hoa City - Dong Nai.
- Telephone: 0251.398.1631 - Fax: 0251.398.1630
- Website: www.hoavietjsc.com
- Stock code: HJC
- Establishment and development process of the Company

Hoa Viet Joint Stock Company, a member unit of Vietnam National Tobacco Corporation, was established on the basis of equitizing Nam Tobacco Material Company under Decision No. 123/2004/QD-BCN dated 04/11/2004 of the Minister of Industry (now the Ministry of Industry and Trade).

After equitization, from a small-scale production unit with mainly manual operations, the Company boldly invested in technology, improved equipment, developed products, expanded markets, reorganized the organization, and trained human resources to produce raw tobacco materials with stable quality, upgrading services for processing and separating raw tobacco materials to meet the requirements of domestic and foreign customers.

On 22/9/2015, the Hanoi Stock Exchange decided to approve the registration of trading common stocks of Hoa Viet Joint Stock Company at the Hanoi Stock Exchange.

2. Business lines and locations of the business

2.1. Business lines

- Growing tobacco plants.
- Marine aquaculture: breeding and aquaculture of aquatic products and seafood.
- Manufacturing tobacco products.
- Agent, broker, auction: commercial brokerage. Import-export entrustment services.
- Wholesaling agricultural and forestry raw materials (excluding wood, bamboo, and bamboo) and live animals: consumption of raw tobacco materials and other



agricultural products. Trading in tobacco seeds.

- Wholesale of food: wholesale of all kinds of confectionery.
- Wholesale of beverages: wholesale of purified water, mineral water, soft drinks, alcohol, beer.
- Wholesale of tobacco products (only operating when fully meeting the business conditions prescribed by law).
- Wholesale of solid, liquid, gaseous fuels and related products: wholesale of gasoline, oil, coal (operating outside the province)
- Wholesale of materials and other installation equipment in construction: wholesale of construction materials (operating outside the province)
- Other specialized wholesale not classified elsewhere: trading, import and export of raw tobacco materials, agricultural supplies.
- Warehouses and storage of goods: warehousing business, logistics services and bonded warehouses (only operating when fully meeting the business conditions prescribed by law).
- Restaurants and mobile food services: food services.
- Real estate business, land use rights of the owner, user or lessee- details: Real estate business (operates only when fully qualified under the provisions of law).
- Consulting, brokerage, auction of real estate, auction of land use rights: Real estate brokerage (operates only when fully qualified under the provisions of law).
- Travel agency (operates only when fully qualified under the provisions of law).

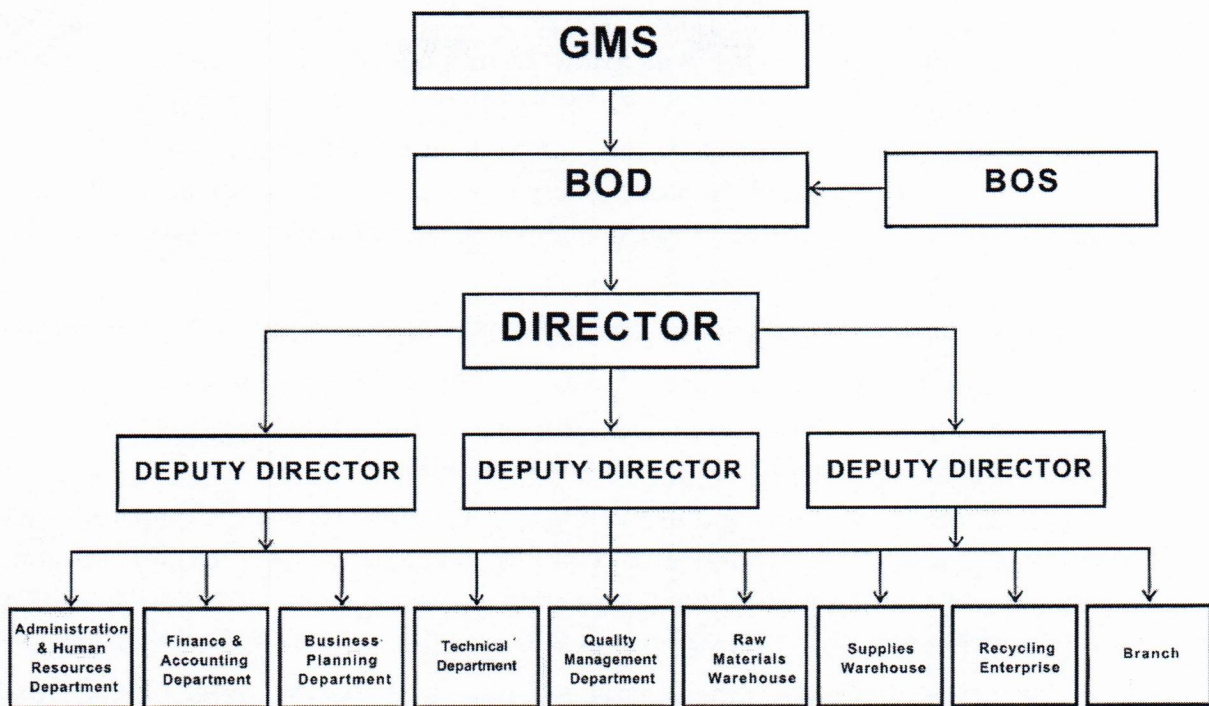
2.2. Location of business

In the Central, Central Highlands, and Southeast regions, including the provinces of: Quang Nam, Gia Lai, Dak Lak, Ninh Thuan, Tay Ninh.

3. Information about governance model, business organization and managerial apparatus

- Governance model: The Company's governance mechanism is structured according to a line-functional model. Pursuant to Point a, Clause 1, Article 137 of the Law on Enterprises 2020, the Company's Charter, and relevant regulations, Hoa Viet Joint Stock Company adopts a governance model comprising the General Meeting of Shareholders (GMS), the Board of Directors (BoD), the Board of Supervisors (BoS), and the Board of Management (BoM).

- Management structure: The Company operates as a joint-stock enterprise; therefore, the management apparatus structure is as follows:



- Subsidiaries, associated companies: None.

4. Development orientation

4.1. Main objectives of the Company

- Strive to become the leading manufacturer and supplier of tobacco materials and stem removal pre-processing services in the Vietnamese market by 2030.

- Sustainable development cooperation coupled with environmental protection and responsibility to the community.

- Gradually stabilize and enhance operational capacity, competitiveness, and production and business efficiency in accordance with the Company's existing resources, based on maximizing the benefits of shareholders.

4.2. Development strategies in medium and long term

- Focus on developing a professional, dynamic, creative, and highly responsible workforce, meeting the needs of innovation and keeping up with the development momentum of the industry and society.

- Given the current context of the industry, the Company identifies improving the quality of products and services as a prerequisite for the Company's existence and development, specifically as follows:

+ Investment in raw material production: Improve farming processes and better control the production process to create raw materials that suit customer tastes. Minimize the levels of raw materials that may be inventoried.

+ In the field of stem removal pre-processing: Research and improve machinery and equipment, creating stability and uniformity for recovered products, ensuring product quality meets the technical specifications required by customers. Better control foreign matter during the stem removal pre-processing. Continue to research and improve the working environment at the stem removal plant.

+ Design stem removal pre-processing service packages that are appropriate for

the current actual situation. Take advantage of strengths in warehousing, support services, or preferential pricing policies for traditional and large customers to compete with competitors.

- Raw material consumption: is one of the Company's central tasks. Actively seek domestic and export consumption customers to consume the Company's raw materials. Maintain relationships with traditional export customers, proactively seek new customers to expand the market.

4.3. Sustainable development goals (Environment, society, and community)

- Always adhere to the legal regulations related to environmental protection and sustainable tobacco production in the Company's production operations to ensure the health of employees, partners, and local communities.

- Continue researching the use of clean energy to serve the Company's business operations, such as electricity from rooftop solar panel systems for use in stem separation processing and the Company's cold storage system. Convert from firewood-burning kilns to electric kilns, contributing to the goal of environmental protection.

- Annually, the Government, Trade Union, and Youth Union of the Company participate in poverty reduction, supporting farmers in the Company's growing areas to effectively implement the industrialization movement serving agriculture and rural development by contributing funds to build rural transport systems, build pumping stations, support damage caused by virus epidemics and natural disasters on tobacco plants, build gratitude houses, and donate savings books to families in need.

5. Risks

- Extreme weather factors affecting agricultural production activities.

- The Company is facing difficulties and obstacles in requesting competent authorities to consider and determine appropriate land lease rates to serve as the basis for signing land lease contract appendices and fulfilling financial obligations in the land area under Quarter 8, Long Binh Ward, Bien Hoa City, Dong Nai Province. This issue leads to a very large financial risk. During the review of the Company's financial statements, the auditor issued a qualified opinion due to the inability to assess the impact of the above issue on the figures and information presented in the Company's financial statements. At the same time, competent courts at all levels have accepted and processed the Company's lawsuits and appeals and canceled the administrative decisions of the Director of the Dong Nai Province Tax Department. Currently, the Company is still working with the Provincial People's Committee and departments of Dong Nai Province to agree on and determine the land lease unit price, serving as the basis for the Company to complete its financial obligations to the state in accordance with regulations.

- Competition among enterprises in the field of tobacco raw material processing due to the decreasing domestic raw material output, in parallel with the fact that cigarette companies mainly import stemmed raw materials. The Company must regularly pay wages for work stoppage to employees due to the shortage of stem separation processing materials, which is not enough to maintain the operation of the processing line.

- Long-standing outstanding debts (bad debts) have arisen, which are uncollectible, and some debts have not been handled for debt write-off in accordance with regulations.

II. Operational situation in 2024

1. Production and business activities

Unit: Billion VND

Indicators	Actual in 2023	Plan for 2024	Actual in 2024	Comparison (%)	
				Actual in 2024/ Actual in 2023	Actual in 2024/ Plan for 2024
1. Total revenue	610.354	639	854.261	140.0	133.7
2. Profit before tax	11.263	13.2	16.203	143.9	122.8
3. Profit after tax	8.880	10.6	12.711	143.1	119.9

The production and business results in 2024 are as follows: Total revenue in 2024 reached VND 854.3 billion, equivalent to 133.7% compared to the year's plan and 140% compared to the previous year; the Company's after-tax profit reached VND 12.7 billion, equivalent to 119.9% compared to the year's plan and 143.1% compared to the previous year.

2. Organization and Human resource

a) List of the Board of Management:

List of resume summaries	Information
1. Mr. Luong Huu Hung - Gender: - Date of birth: - Place of birth: - Nationality: - Qualification: - Position at the Company: - Position at other organizations: - Percentage of ownership of voting shares:	Male 23/8/1975 Phu Tho Vietnam Master of Economics Director, Member of the BOD No 20.038%
2. Mr. Nguyen Duc Luong - Gender: - Date of birth: - Place of birth: - Nationality: - Qualification: - Position at the Company: - Position at other organizations: - Percentage of ownership of voting shares:	Male 09/11/1963 Ha Nam Vietnam Bachelor of Economics Deputy Director No 0.169%
3. Mr. Phan Quoc Toan - Gender: - Date of birth: - Place of birth: - Nationality: - Qualification:	Male 28/5/1976 Nghe An Vietnam Food Chemical Engineer

List of resume summaries	Information
- Position at the Company:	Deputy Director, Member of the BOD
- Position at other organizations:	No
- Percentage of ownership of voting shares:	0.02%
4. Mr. Nguyen Nguyen Quoc Vu	
- Gender:	Male
- Date of birth:	12/11/1983
- Place of birth:	Ninh Thuan
- Nationality:	Vietnam
- Qualification:	Bachelor of Accounting
- Position at the Company:	Chief Accountant
- Position at other organizations:	No
- Percentage of ownership of voting shares:	0

b) Changes in the Board of Management:

- From 31/8/2024, Mr. Nguyen Duc Luong - Deputy Director of the Company terminated his labor contract.

c) The number of employees present as of 31/12/2024 is 266 employees.

- The Company adheres to all legal regulations regarding policies on social insurance, health insurance, unemployment insurance, labor protection, and training, and ensures that all safety equipment is provided for its employees.

3. Investment activities, project implementation

3.1. Major investments

The Company's investments in 2024:

No.	Field	Total value (VND)
1	Cost of purchasing machinery and equipment	6,065,677,925
2	Cost of basic construction repairs	10,333,560,404
3	Cost of maintenance and regular repair of refrigeration system	1,927,193,500
4	Cost of regular repair of stem removal line	3,389,866,294
5	Environmental Cost	330,000,000
6	Cost of regular maintenance and repair of forklifts and cars	652,445,273
7	Inspection Cost	93,220,000
8	Cost of purchasing office equipment	124,160,000
9	Costs of repairing and purchasing equipment at Branches	587,235,222
	Total	23,503,358,618

3.2. Company's subsidiaries, affiliated companies: None

4. Financial situation

4.1. Financial situation

Unit: Million VND

No.	Indicators	Year 2024	Year 2023	% increase (+)/ decrease (-)
<i>A</i>	<i>B</i>	<i>1</i>	<i>2</i>	<i>3</i>
1	Total asset value	315,688	260,009	21.41
2	Net revenue	852,499	608,694	40.05
3	Profit from business activities	16,078	11,203	43.52
4	Other profit	124	59	110.17
5	Profit before tax	16,202	11,262	43.86
6	Profit after tax	12,711	8,880	43.14
7	Dividend payout ratio	0	0	0

- As of 31/12/2024, the Company has not distributed profits for 2024; accordingly, basic earnings per share may be adjusted, depending on the appropriation of the Company's funds from after-tax profit after being approved at the General Meeting of Shareholders. Earnings per share in 2023 have been restated due to the impact of profit distribution in 2023 according to Resolution No. 78/NQ-CPHV dated 31/12/2024 of the Annual General Meeting of Shareholders.

4.2. Major financial indicators

No.	Indicators	Unit	Year 2024	Year 2023	Increase/ Decrease
1	Solvency ratio				
	Current ratio	times	1.97	2.37	(17.05)
	Quick ratio	times	0.62	1.79	(65.48)
2	Capital structure ratio				
	Debt/Total assets ratio	times	0.43	0.34	26.34
	Debt/Owner's Equity ratio	times	0.85	0.55	53.27
3	Operation capability Ratio				
	Inventory turnover	turns	6.61	13.23	(25.67)
	Total asset turnover	turns	2.96	2.56	12.79
4	Profitability indicators				
	Profit after tax/ Net revenue Ratio	%	1.49	1.46	2.78
	Profit after tax/ Total capital Ratio	%	7.01	5.15	42.97
	Profit after tax/ Total assets ratio	%	4.03	3.42	18.02
	Profit from business activities/ Net revenue Ratio	%	10.07	11.10	(9.34)

5. Shareholders structure, changes in owner's investment capital

5.1. Shares

- Total number of shares outstanding: 12,853,052 shares.
- Type of shares outstanding: 12,853,052 common shares.

5.2. Shareholders structure

No.	Shareholders	As of 23/01/2024		
		Number of Shareholders	Number of shares owned	Percentage held
I	Domestic shareholders	462	12,853,052	100
1	State (Vietnam National Tobacco Corporation)	1	9,778,162	76.08
2	Individual members: BOD, BOS, Chief Accountant	4	39,013	0.30
3	Individuals	472	1,837,680	14.30
4	Domestic organizations	2	1,198,197	9.32
II	Foreign shareholders	0	0	0
	TOTAL	479	12,853,052	100

* Information of major shareholders

- Shareholder list of major shareholders (Ownership ratio $\geq 5\%$)

No.	Shareholder's name	Address	Number of shares owned	Percentage (%) owned
1	Vietnam National Tobacco Corporation	No. 30 Nguyen Du, Nguyen Du Ward, Hai Ba Trung District, Hanoi	9,778,162	76.08
2	Saigon Tobacco Company Limited	Lot C45/I, Street No. 7, Vinh Loc Industrial Park, Binh Chanh District, Ho Chi Minh City	838,738	6.53
	TOTAL		10,616,900	82.61

c) Changes in owner's investment capital

The company did not increase its share capital in 2024.

d) Treasury share transactions

Number of treasury shares: 0 shares.

e) Other securities: None.

6. Environment-Social-Governance (ESG) Report of the Company

6.1. Impact on the environment

Total direct and indirect GHG emission: None

Measures and initiatives to reduce GHG emission: None

6.2. Management of raw material sources

a) Total amount of raw materials used to produce and package the organization's main products and services during the year.

- Total amount of raw materials used: 19,667,523 kg

- Total amount of products: 13,532,810 kg

b) Report on the percentage of recycled raw materials used to manufacture the organization's main products and services: None

6.3. Energy consumption

a) Energy consumption - directly and indirectly:

Electricity (kwh)	DO oil (liters)	Gasoline (liters)	LPG (kg)	Steam (tons)
6,451,391	27,424	29,880	40,400	10,972

b) Energy saved through energy-efficient initiatives: None

c) Reports on energy-saving initiatives: None.

6.4. Water consumption

a) Water Supplies and Amount of Water Used

- Water Supplies: Dong Nai Water Supply Joint Stock Company.

- Amount of water used: 100,952 m³, supplied for living activities, cooking, production, fire prevention and fighting, cold storage, warehouse construction, equipment cleaning, factories...

b) Percentage and total amount of water recycled and used

The company has separated the rainwater and wastewater drainage lines. All domestic wastewater and production wastewater generated during operations, approximately 18-20 m³/day and night, are collected and treated at the company's wastewater treatment system with a capacity of 150 m³/day and night.

Total amount of wastewater treated in 2024: 7,835 m³ (2023: 5,660 m³).

6.5. Compliance with the law on environmental protection

The Company has never been penalized for non-compliance with environmental regulations, which demonstrates that compliance with environmental standards and laws is very important for the Company's business operations. Compliance with environmental standards and laws not only helps the Company avoid fines and legal risks, but also ensures the sustainability of business operations in the long term, builds trust and reputation with customers and the community, and helps protect the environment, improve product quality, and increase production efficiency.

a) No. of times of being penalized for violations due to non-compliance with laws and regulations on the environment: None.

b) Total amount of money due to being penalized for violations due to non-compliance with laws and regulations on the environment: None.

6.6. Policies related to employees

a) No. of employees, average salary for employees

The average No. of employees in 2024 is 266.5 people, reaching 99.8% compared to the year's plan; the average salary is 18,113,009 VND/person/month, reaching 131.4% compared to the year's plan.



b) Labor policies to ensure the health, safety and welfare of employees

Strictly implement the Regulations on Distribution of Salary and Bonus to ensure that they are appropriate to the level of contribution of each individual, in order to maintain, promote positive work motivation and increasingly improve labor productivity.

- Fully equip employees with personal protective equipment and implement good control of the working environment as prescribed. Organize periodic health checks, detect occupational diseases, and vaccinate employees against disease prevention.

- Participate fully in compulsory insurance types as prescribed, and also increase 24/24 accident insurance for employees.

- The company always strives to improve and enhance the quality of mid-shift meals to ensure the reproduction of labor for employees during the working process. In addition, the Company also implements other preferential policies for employees in the spirit of the collective labor agreement that has been signed

c) Operations of employee training

In 2024, the Company organized 11 refresher courses and training courses to improve professional skills and professional qualifications, with a No. of 460 students.

6.7. Reports related to Responsibility for local community

Community investment operations and other community development operations, including financial support for the community:

In 2024, the Company participated in investment and community development activities such as: Supporting people affected by storm No. 3 Yagi with 120 million VND; Giving Mid-Autumn Festival gifts to children at the K.860 military unit's kindergarten worth more than 10 million VND; Giving 20 gifts to the People's Committee of Long Binh Ward worth 05 million VND.

6.8. Report on green capital market activities under the guidance of the State Securities Commission: None

III. Report and Assessment of the Board of MANAGEMENT

1. Assessment of operating results

The Company has exceeded the targets set in 2024, specifically as follows:

- Total revenue in 2024 reached 854 billion VND, equivalent to 133.7% compared to the year's plan and 140% compared to the previous year. In which:

- + Revenue from selling raw materials: the data above shows that revenue in 2024 reached 124.3% compared to the set plan, 134% compared to the previous year, the reason:

- The cigarette manufacturing companies that signed the contract in principle performed well in terms of the signed contract output, and many partners bought additional output.

- Grasping the needs of cigarette companies, the Company also bought and delivered 1,157 tons of commercial goods (without stocking), contributing to creating additional revenue and profit in the year.

+ Revenue from stem processing: in 2024, the Company produced 13,632 tons of stem, an increase of 67.1%; revenue reached 91.2 billion, an increase of 80.3% compared to the plan and an increase of 60.2% compared to the previous year;

+ Revenue from warehouse leasing and other services: in 2024, 32.8 billion was achieved, an increase of 34.9% compared to the plan and an increase of 13.7% compared to the previous year; the reason is that the Company has flexibly arranged and arranged the rational use of warehouses and sought customers to lease warehouses for a short period of time when the Company's goods have been sold out.

- Profit after tax in 2024 reached 12.7 billion VND, equivalent to 119.9% compared to the year's plan and 143.1% compared to the previous year.

- The ratio of profit after tax/BQ equity in 2024 is 7.01%, an increase of 32.6% compared to the plan and an increase of 36.12% compared to the previous year.

- Budget payment in 2024 increased by 13.2% of the plan and increased by 30.3% compared to the previous year.

- Progress achieved: The financial situation in 2024 also had positive changes. The main financial indicators all had growth compared to 2023 due to the Company's strengthening, monitoring, and urging of debt recovery and specific financial planning. The Company ensures financial autonomy by managing cash flow and costs well; maintaining reasonable outstanding debt, meeting short-term solvency in a timely manner. Although the efficiency of capital use is still low compared to the general level of the industry, the Company has made efforts to exceed the production and business plan assigned by the Corporation and the General Meeting of Shareholders.

2. Financial situation

a) Assets

Unit: Million VND

No.	Indicators	Year 2024	Year 2023	% increase/ decrease
A	B	1	2	$3 = 1/2 \times 100$
1	Short-term assets	264,204	207,805	27.14
	- Cash and cash equivalents	3,791	10,171	(62.73)
	- Short-term financial investments		56,000	
	- Short-term receivables	71,486	84,985	(15.88)
	- Inventory	181,166	50,849	256.28
	- Other short-term assets	7,761	5,800	33.81
2	Long-term assets	51,484	52,204	(1.38)
	- Fixed assets	48,530	51,316	(5.43)
	- Long-term assets in progress	568	525	(8.16)
	- Other long-term assets	2,386	364	555.19
	TOTAL ASSET VALUE	315,688	260,009	21.41

* Assessing the efficiency of using assets and overdue receivables affecting production and business results:

- Short-term assets increased by 27.14% compared to the beginning of the year, equivalent to 58.14 billion VND. Mainly: Inventory increased by 256.28%, equivalent to an increase of 130.3 billion VND due to some orders being transferred through the first quarter of 2025, the company has made efforts to overcome difficulties, however, due to objective factors, the consumption of goods has not yet reached the desired level as planned; Other short-term assets increased by 33.81% (VAT is still deductible); short-term financial investments decreased due to the Company using capital for re-production.

- Long-term Assets decreased by 4.7%. Mainly from the depreciation of fixed Assets reducing by 4.97 billion VND, new investment in fixed Assets increasing by 02 billion VND.

- Short-term receivables decreased by 15.88%, equivalent to a decrease of 13.5 billion VND. The Company has actively collected debts due and some overdue debts carried over from previous years, so the cash flow has improved. In the total receivables, there are still outstanding bad debts that have not been financially processed according to current regulations (accounting for 22.18%).

- In 2024, the rate of return on total Assets improved, increasing by 18.02% compared to the previous year. Currently, some Assets that are not needed at the dissolved and inactive planting areas have not been processed and arranged, which is significantly affecting the efficiency of the Company's Asset utilization.

b) Situation of payables:

No.	Indicators	Year 2024	Year 2023	% increase/ decrease
A	B	1	2	$3=1/2*100$
1	Liabilities	134,290	87,618	53.27
	- Short-term liabilities	134,290	87,618	53.27
	- Long-term liabilities			
2	Owners' equity	181,398	172,392	5.22
	- Capital contributions and development investment fund	150,580	150,580	0
	TOTAL CAPITAL	315,688	260,009	21.41

- Current debt situation, large fluctuations in debts: As of 31/12/2024, the Company has paid off all debts due, the remaining amount is debts that are not yet due.

- The Company no longer has overdue debts, exchange rate differences, and loan interest do not affect the production and business results in 2024.

3. Improvements in organizational structure, policies, and management

- The Company's Charter and 06 internal management regulations have been reviewed, amended, and supplemented in accordance with current legal regulations.

- The Company continues to improve its organizational structure through training, recruitment, and appointment of departmental management positions.

- Implemented the arrangement and streamlining of the organizational structure at the Petiole Processing Enterprise (merging 05 teams into 04 teams) and Tay Ninh Branch (merging 03 production teams into 02 teams).

- Applying human resource management and budget estimation software in the Company.

- Implementing the digital transformation process, synchronously deploying digitization in each department.

4. Development plans in the future

Based on the results achieved in 2024, the evaluation and analysis of advantages, difficulties, and potential occurrences in 2025, as well as based on current market needs, the Company anticipates the following plan for 2025:

No.	Indicators	Unit	2025 Plan
1	Total revenue	million VND	985,049
2	Profit before tax	million VND	17,510
3	Profit after tax	million VND	13,808
4	Budget payment	million VND	4,652

Orientations and solutions to implement the 2025 plan

The company always closely monitors market developments, promptly providing optimal solutions in production and business management and administration:

a) Solutions for production organization

- It is forecasted that in 2025, the competitive situation of buying and selling in the planting areas will still be fierce, the company needs to build flexible, proactive production plans to meet the production plan with large fluctuations.

- During the peak production period, the company may not be able to fully meet the material and human resource conditions, specifically: the warehouse system does not have enough space to store raw materials, the production line operates continuously, there is not enough labor to produce 03 shifts/day; therefore, it is necessary to develop specific plans and solutions to ensure continuous production operations.

b) Solutions for investment and raw material procurement

b.1. Solutions for investment and development of raw material areas

- Investment solutions

+ Continue to build, expand, and increase the cultivated area of Burley and Madole brown tobacco varieties to gradually meet orders.

+ Continue to select suitable planting areas with high-quality raw materials; select reputable Enterprises, investors, and direct production farmers closely associated with the Company to sign contracts for investment in raw material production.

+ Continue to invest cash for the entire contracted area (the investment value per hectare varies depending on the form of investment); invest in supplies of fertilizers and plant protection drugs for the entire directly invested area to create the best production

conditions for tobacco farmers.

- + Invest in fertilizers in the form of indirect investment (if any) to minimize the risk of enterprises using uncontrolled fertilizers.

- + Develop a plan to organize purchasing and reasonable pricing to better manage products, save costs, and have more competitive prices.

- Farming solutions

- + Continue to implement solutions to improve raw material quality and increase the rate of meeting customer standards.

- + Continue to strictly control the tobacco production process to maintain and improve the yield and quality of raw materials to meet customer requirements, with some specific solutions as follows:

- The Branches shall strictly control the ridging and planting density of farmers, and only distribute fertilizers after the Technicians confirm the planting density.

- To improve the Nicotine content in raw materials, it is necessary to strengthen the recommendation for farmers to implement the following measures well: Ensure a planting density of (47-50 x 100) cm, or (50 x 95) cm; control the topping and bud removal stages well, and apply fertilizers correctly and sufficiently according to the norms.

- Continue to advise farmers to let the leaves ripen to over-ripen right from the bottom leaves to produce more high-value products; remove the lower and leaves to limit low-grade raw materials and reduce drying costs.

- Focus on improving leaf quality in the drying stage: Avoid oven compression that causes the leaves to be mixed in color; maintain sufficient yellowing time, limit green or pale green dead leaf defects; avoid raising the temperature too high during the midrib drying stage to avoid burning the sugar (reddish-brown color) and do not close the vent too early/put out the fire when the midrib is not completely dry to reduce the rate of live midribs and midribs that are brown-black, especially for the half-top leaves.

b.2. Raw material purchasing solutions

- Investment raw material purchasing solution

- + Strengthen the inspection and supervision of Branches during the purchasing, classification and delivery process to limit downgrading and loss in trading and delivery;

- + Develop a price plan and purchasing plan to respond to the competitive purchasing situation in the Branches' areas;

- + Strictly control the raw material import stage to avoid mixed-grade raw materials and high humidity to facilitate blending, creating high-quality and uniform products.

- Commercial raw material purchasing solution.

- + According to the plan for 2025, the Company does not have any orders, so there is no plan to purchase commercial raw materials.

c) Solutions for consumption and market

- Classify target customer groups and target markets, and proactively offer

solutions to improve the quality of goods and services, pricing policies, etc. to maintain cooperative relationships;

- Deploy synchronous solutions: strictly control the production process of investment materials; continue to arrange and streamline personnel at the Branches to reduce production costs; improve the quality of blending according to orders; ensure standard midrib separation; store midrib-separated materials in a cool warehouse before delivery;

- Improve the quality and diversify the products supplied to customers:

- + Do a good job of forecasting the needs and trends of customers' use of raw materials to research and develop new products to đón đầu thị trường;

- + Research diversifying product offerings to customers: leaf materials, separated midrib materials, various by-products, etc.

- + Enhance research and ingredient blending to create large, uniform, and stable batches, facilitating customer use and maintaining drug grades.

d) Solutions for science and technology activities

- Continue collaborating with partners to implement the program of harvesting fully ripe leaves to produce flavored and semi-flavored materials, with the expected sales volume accounting for at least 40% of the total material volume under BATV.JV orders.

- Continue applying drip irrigation systems to replace traditional flood irrigation in the Company's tobacco growing regions.

- Deploy the construction and commissioning of 06 100% electric curing barns; including 02 barns in the Gia Lai growing region, 02 in Dak Lak, and 02 in Tay Ninh.

- Implement a sustainable curing wood origin tracing program on 100% of the area under direct investment in Gia Lai Branch (500 ha); Tay Ninh Branch (390 ha) and Dak Lak: 650 ha; accounting for 50% of the total area implemented in the 2024 - 2025 crop season.

- Continue enhancing annual technical improvement initiatives, primarily focusing on improving the efficiency of the midrib separation line.

- Optimize the maintenance for critical machine clusters to reduce downtime, minimize processing losses, cut costs, increase labor productivity, and improve the performance of the midrib separation line.

- Apply automation to the tobacco midrib separation production process to enhance management efficiency and optimize production operations. The automation system enables real-time monitoring and control of the production process, ensuring accuracy and stability in each stage.

e) Solutions for finance - accounting and inspection control

- Research and develop flexible trade discount policies, negotiate with customers on early or delayed payment terms in economic contracts to optimize costs and generate financial revenue for the Company.

- Develop appropriate financial solutions to minimize procurement and preservation costs, improve investment efficiency, and conduct procurement in growing areas, with

plans for inspection and supervision from the beginning of the financial year. Notify specialized departments and units for coordination to stabilize and develop raw material areas, meeting the Company's objectives.

f) Solutions for organization - labor and wages

- Continue implementing personnel planning, proactively developing training plans, fostering the Company's workforce in skills, professional knowledge, and programs related to digital transformation; applying scientific, technological, and technical advances to production; and using information technology to increase labor productivity.

- Implement reasonable labor arrangement and allocation during the Company's production stages, paying particular attention to the rotation, supplementation, and support of personnel among affiliated units during peak production times.

g) Solutions for the management system, restructuring, and business arrangement

- Continue implementing personnel planning, proactively developing training plans, and fostering the Company's workforce in vocational skills, professional knowledge, and programs related to digital transformation.

- Effectively execute the assignment, appointment, and rotation of personnel; create conditions for personnel to be trained and tested in practice to improve leadership and management capacity.

- Continue to effectively control the implementation of labor norms in production and business activities.

- Review and restructure human resources, continue to transfer non-essential tasks to outsourced services (general labor, security, transportation, etc.); and simultaneously research and develop appropriate labor policies to attract qualified and highly skilled human resources.

5. Explanation from the Board of Management regarding the audit's qualified opinion.

Because the People's Committee of Dong Nai Province and the Company have not agreed on the land lease unit price and have not signed a land lease contract appendix to determine the land lease unit price. The Company has proposed to the competent state authority to resolve the land lease unit price in accordance with the provisions of the law, specifically:

- Determining the land lease unit price for the period of 01/01/2011 to 31/12/2015 as stipulated in Clause 7, Article 15 of Decree No. 46/2014/ND-CP dated 15/5/2014 (amended and supplemented by Clause 4, Article 3 of Decree No. 135/2016/ND-CP dated 09/9/2016) and Clause 2, Article 8 of Circular No. 77/2014/TT-BTC dated 16/6/2014 (amended and supplemented by Clause 1, Article 4 of Circular No. 333/2016/TT-BTC dated 26/12/2014) is no more than 15% compared to the land lease unit price of the period from 01/01/2006 to 31/12/2010.

- Determining the land lease unit price for the period of 2021 - 2025 as stipulated in Clause 4, Article 3 of Decree No. 135/2016/ND-CP dated 09/9/2016 (amending and supplementing Clause 7 and Clause 8, Article 15 of Decree No. 46/2014/ND-CP).

- In the content of Official Letter No. 11818/BTC-QLCS dated 15/10/2021 of the Department of Public Property Management under the Ministry of Finance, in response to the determination of land lease unit prices sent to the Company. Accordingly, the

Ministry of Finance excerpts legal regulations in Decree 46/2014/ND-CP dated 15/5/2014 and Circular No. 77/2014/TT-BTC dated 16/6/2014 to respond to the determination of the adjustment level of the land lease unit price for each cycle not exceeding 15% compared to the land lease unit price of the previous stabilization period.

- Disagreeing with the notices of the Dong Nai Province Tax Department, the Company filed a lawsuit with the People's Court of Dong Nai Province, which was accepted in document No. 110/2021/TLST-HC dated 07/12/2021, the first instance trial was conducted according to document No. 11/2023/QĐXXST-HC dated 27/3/2023 and pronounced in the First Instance Judgment No. 17/2023/HC-ST dated 30/5/2023.

- Disagreeing with the First Instance Judgment of the People's Court of Dong Nai Province, the Company filed an appeal to the High People's Court in Ho Chi Minh City for appellate trial, which was conducted in document No. 5815/2023/QĐPT dated 01/11/2023, in the Appellate Judgment No. 130/2024/HC-PT dated 01/03/2024 of the High People's Court in Ho Chi Minh City, it was ruled to accept the lawsuit of Hoa Viet Joint Stock Company and cancel the administrative decisions of the Director of the Dong Nai Province Tax Department, including: Notice No. 2863/TB-CT dated 14/4/2020 of the Director of the Dong Nai Province Tax Department on land lease unit prices; Notice No. 5546/CT-QLHKDCNTK dated 18/6/2020 of the Director of the Dong Nai Province Tax Department on correcting the Notice on land lease unit prices No. 2863/TB-CT dated 14/4/2020; Notice No. 783/TB.CT.QLHKDCNTK dated 20/11/2020 of the Director of the Dong Nai Province Tax Department on payment of tax collection (collection of land rent). Accordingly, the two parties agreed to determine the land lease unit price in accordance with legal regulations, as a basis for signing an appendix to the contract on the land lease price according to the agreement that the parties have signed.

- On Date 22/4/2024, the Company issued document No. 227/CPHV-TCKT proposing that the Dong Nai Provincial People's Committee consider and approve the decision to adjust the land lease unit price for the 2011-2015 period to no more than 15% compared to the land lease unit price for the 2006-2010 period.

- On Date 09/12/2024, the Company issued document No. 779/CV-TCKT providing comments on the draft content for signing the land lease contract adjustment. Accordingly, the Company disagreed with the land lease unit price stated in the draft land lease contract adjustment and continued to request that the competent authorities consider and resolve the Company's proposal. Currently, the departments and branches have not continued working with the Company.

- In the event that the determined land lease unit price does not comply with the provisions of the law, causing damage to the Company, the Company will continue to initiate legal proceedings, bringing the matter to a competent state agency for resolution to protect its legitimate rights and interests, as well as preserve state capital invested in the Company.

6. Report on the Assessment report related to environmental and social responsibilities of the company

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

The Company always implements environmental protection measures effectively, constantly researches, innovates, applies scientific and technical advances to production, and develops plans to minimize fuel use in production to contribute to better

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environmental protection.

The Company was granted Wastewater Discharge Permit No. 2367/GP-UBND on Date 30/7/2007. Decision No. 2685/GP-UBND on Date 07/9/2015 regarding the extension of the wastewater discharge permit into the water source (2nd extension and adjustment) and Decision No. 200/GP-UBND on Date 20/7/2020 regarding the extension of the wastewater discharge permit into the water source (3rd extension).

The periodic wastewater quality monitoring results in Date 2024 show that all parameters meet the QCVN 40:2011/BTNMT standards (column A; $K_f=1.1$; $K_q=0.9$).

6.2. Assessment report related to Policies related to employees

The average number of employees in Date 2024 is 266.5 people, reaching 99.8% compared to the plan and 101.8% compared to the implementation in Date 2023. Despite facing many difficulties in production and business activities, the Board of Directors and the Management Board of the Company pay great attention to ensuring the lives of employees; the average income of employees in Date 2024 is 18.113 million VND/person/month, an increase of 31.4% compared to the plan and an increase of 31.2% compared to Date 2023.

- Organizing and implementing the resolution of labor Policies effectively, ensuring transparency, in accordance with the Company's regulations and the law, without any disputes or lawsuits occurring during the year.

6.3. Assessment report related to Corporate responsibility for the local community

The Company's Policies are aimed at ensuring quality requirements for products and services, with concern and focus on environmental protection, and sustainable development. Specifically, as follows:

- Control from the source of raw materials put into production to finished product packaging. Applying, maintaining and improving the quality management system according to ISO 9001:2015 standards.

- Implementing the Sustainable Tobacco Programme (STP - Sustainable Tobacco Programme) to create safe products and services and contribute to environmental protection.

- The company has established a three-party commitment with the local government and tobacco farmers regarding the implementation of soil conservation, water conservation, and minimization of air pollution from tobacco production activities, as well as other requirements related to the ecological environment.

- Fulfilling responsibilities to the community by actively contributing funds to social and charitable activities.

IV. Assessments of the Board of Directors on the Company's operation

1. Assessments of the Board of Directors on the Company's operation aspects

The Company's operation aspects in the year 2024 are assessed and mentioned in section II of the report, specifically as follows:

- Regarding the implementation of production and business activities: The Company

has exceeded the plan targets assigned by the General Meeting of Shareholders.

- Regarding personnel organization: There have been changes in the Executive Board's personnel, as mentioned in section II.2, section V.1.a. The number of officials and employees in the Company is stable, without much fluctuation.

- Regarding the raw material investment situation:

- + The area for the 2023-2024 crop season significantly increased, with the actual planted area of 2,665 ha, a 23.3% increase compared to the plan and a 34.2% increase compared to the previous year. In particular: The flue-cured Virginia area is 2,438.5 ha, a 27.5% increase compared to the plan, a 30.3% increase compared to the previous year; the Burley tobacco area is 123 ha, reaching only 88.7% of the plan, but nearly a 51% increase compared to the previous year; the Madole area is 93.2 ha, exceeding 3.6% of the plan and a 54.6% increase compared to the previous year.

- + In 2024, the Company purchased 6,874 tons of raw materials on the invested area in the growing regions, exceeding 12.6% of the plan and a 39.7% increase compared to the previous year.

- + Field yield: Flue-cured Virginia tobacco reached an average of 3.02 tons/ha, exceeding 6.1% compared to the plan and a 2.2% increase compared to the previous year; Burley tobacco reached 2.89 tons/ha, exceeding 4.2% of the plan and a 3.1% increase compared to the previous year; the average field yield reached 2.2 tons/ha, exceeding 7.8% of the plan and a 12.2% increase compared to the previous year.

- + Regarding the quality of raw materials: Flue-cured Virginia tobacco: The raw material has good ripeness, the leaves have high porosity, the Nicotine content slightly increased in Gia Lai and slightly decreased in Tay Ninh; the combustibility is from average to good. Burley tobacco: The quality of raw materials is maintained at a fairly good level, highly appreciated by all customers: large leaves, slightly thin, many physiological spots; characteristic color and flavor; the Nicotine content slightly increased compared to the previous crop. Madole tobacco: the quality is maintained at a stable level, meeting the requirements of domestic customers well.

- + Regarding the purchase price of raw materials: The average purchase price of all types of raw materials for the 2023-2024 crop season tended to increase compared to the previous crop. Specifically: Compared to the previous year, the average purchase price of flue-cured Virginia tobacco increased by 5.8%; the purchase price of Burley increased by 7.1% and Madole increased by 1.2%.

- Regarding the financial situation: The Company's finances are transparent and sound.

- Owner's capital: No change.

- Shareholders structure: Little fluctuation, no change in the shareholding ratio of major shareholders.

- Providing information to shareholders: Always comply with the provisions of law.

- Responsibilities to the environment and society: The Company always complies with the State's environmental protection laws, fully complies with the regulations of management agencies on environmental protection, and strictly manages the source of supplies and raw materials for production so as not to affect the environment. Waste and

scraps during the production process are classified by the Company according to regulations and contracts are signed with qualified and specialized units for classification and treatment. The Company actively participates in social activities and supports the community.

2. Assessments of the Board of Directors on the Company's operation

Despite numerous difficulties in 2024, the Company achieved positive results. With these outcomes, and through oversight, the Board of Directors assesses the performance of the Company's Board of Directors in 2024 as follows:

- The Board of Directors has surpassed the production and business targets assigned by the General Meeting of Shareholders and the Board of Directors;
- The Board of Directors has fully complied with the provisions of the law and the Company's Charter, adhering to internal regulations issued by the Board of Directors in managing production and business;
- The Board of Directors has fully the contents of the Resolution and decisions of the Board of Directors, deploying them to each manager, professional department, and Branch.
- Applying digital transformation to work management and personnel management, thereby facilitating timely and effective management and administration of business operations.

3. Plans and orientations of the Board of Directors

- The Board of Directors continues to adhere to the goals, orientations, and strategies of the Company as mentioned in section I.4 of the report for implementation.
- The Board of Directors directs and supervises the implementation solutions for the 2025 production and business plan of the Board of Directors to complete the assigned production and business plan tasks. Simultaneously, the Board of Directors directs and supervises the company in the following:
 - + Effectively implement the Resolution of the General Meeting of Shareholders and the Resolution of the Board of Directors;
 - + Comply with the Charter, regulations, and internal rules. Strictly adhere to the State's legal regulations on policies and systems.
 - + Actively apply scientific and technical advancements in tobacco production to reduce labor, materials, and fertilizer costs, thereby enhancing the competitiveness of crops and the Company's capabilities.
 - + Continue to improve the corporate governance structure in accordance with advanced corporate governance practices and current legal regulations.
 - + Develop plans, costs, and operational efficiency for the Company's production and business activities when tax policies and land lease rates change.
 - + Pay special and regular attention to training and preparing human resources to ensure continuity and development.

V. Corporate governance

1. Board of Directors

a) Members and structure of the Board of Directors

List of summary resumes	Information
1. Mr. Chau Tuan - Gender: - Date of birth: 01/13/1964 - Place of birth: - Nationality: - Qualification: - Position at the Company: - Position in other organizations: - Percentage of voting shares:	Male 13/01/1964 Thai Nguyen Vietnam Bachelor of Economics Chairman of the Board Deputy General Directors of Vietnam National Tobacco Corporation. Chairman of the Board of Cat Loi Joint Stock Company. 36.08%
2. Mr. Luong Huu Hung	As above (Information as in section II.2.a)
3. Mrs. Nguyen Dieu Huong - Gender: - Date of birth: 02/13/1972 - Place of birth: - Nationality: - Qualification: - Position at the Company: - Position in other organizations: - Percentage of voting shares: - Dismissal:	Female 13/02/1972 Quang Nam Vietnam Bachelor of Economics Member of the Board of Directors Deputy General Directors of Vietnam National Tobacco Corporation 20% 21/02/2024
4. Mr. Tran Quang Ha - Gender: - Date of birth: - Place of birth: - Nationality: - Qualification: - Position at the Company: - Position at other organizations: - Percentage of ownership of Voting shares: - Appointment:	Male 23/6/1976 Hanoi Vietnam Master of Business Administration Member of the Board of Directors Head of Strategy and Business Planning Department of Vietnam Tobacco Corporation 20 21/02/2024
5. Mr. Dinh Tien Loc - Gender: - Date of birth: 06/23/1976 - Place of birth: - Nationality:	Male 21/4/1967 Ho Chi Minh City Vietnam

List of summary resumes	Information
<ul style="list-style-type: none"> - Qualification: - Position at the Company: - Position at other organizations: - Percentage of ownership of Voting shares: 	Chemical and Food Engineering Engineer Member of the Board of Directors Head of Technology Department of Saigon Tobacco Company 6.53%
6. Mr. Phan Quoc Toan	As above (Information as provided in Section II.2.a)

b) Subcommittees of the Board of Directors: None

c) Activities of the Board of Directors

In 2024, the Board of Directors held 08 meetings and issued 35 Resolutions as follows:

No.	Resolution/ Decision No.	Date	Content
1	06/QD-CPHV	25/01/2024	Promulgating the Regulation on information disclosure of Hoa Viet Joint Stock Company
2	12/NQ-CPHV	21/2/2024	Approving policies for short-term loan contracts with a value of less than 50% of charter capital
3	13/QD-CPHV	21/2/2024	Appointment of concurrent officers and persons in charge of corporate governance
4	16/NQ-CPHV	21/2/2024	Assignment of duties of members of the Board of Directors
5	24/NQ-CPHV	26/2/2024	Approval of the total investment in the automatic fire protection system of the warehouse 2,160 m ² Branch of Hoa Viet Joint Stock Company in Gia Lai
6	34/NQ-CPHV	22/3/2024	Extension of the time for holding the 2024 Annual General Meeting of Shareholders
7	35/NQ-CPHV	22/3/2024	Approving the plan to divide the bidding package and selecting the contractor for the automatic fire protection system of the 2,160 m ² warehouse Hoa Viet Joint Stock Company Branch in Gia Lai
8	39/NQ-CPHV	02/4/2024	Board of Directors meeting on 02/4/2024
9	63/NQ-CPHV	09/5/2024	Approval of the plan to repair and upgrade the floor of Warehouse 5 & 6 and equip Warehouse No. 2 with anti-insect nets
10	67/NQ-CPHV	14/5/2024	Approving the 2024 financial plan of Hoa Viet Joint Stock Company

No.	Resolution/ Decision No.	Date	Content
11	79/QD-CPHV	21/5/2024	Promulgating the operation regulations of the Board of Directors of Hoa Viet Joint Stock Company
12	80/QD-CPHV	21/5/2024	Promulgating internal regulations on corporate governance of Hoa Viet Joint Stock Company
13	82/NQ-CPHV	21/5/2024	Board of Directors meeting on 21/5/2024
14	84/NQ-CPHV	03/6/2024	Approving the policy of buying more raw materials for Gia Lai dried yellow tobacco that has been preliminarily processed and separated from stalks and 200 tons of stalks
15	90/NQ-CPHV	12/6/2024	Resolution of the Board of Directors meeting in the second quarter of 2024
16	106/NQ-CPHV	12/7/2024	Session of the third quarter of 2024
17	112/QD-CPHV	18/7/2024	Promulgating the norms of waste of tobacco raw materials that have been preliminarily processed and separated from the stems stored in the cool warehouse of Hoa Viet Joint Stock Company
18	123/NQ-CPHV	21/8/2024	Approving the policy of borrowing capital over 50% of the charter capital
19	126/QD-CPHV	27/8/2024	Termination of labor contract
20	146/QD-CPHV	23/9/2024	Consolidation of the Debt Settlement Council of Hoa Viet Joint Stock Company
21	147/QD-CPHV	23/9/2024	Consolidation of the Asset Liquidation Council of Hoa Viet Joint Stock Company
22	155/NQ-CPHV	26/9/2024	Approving the policy of cooperation plan to renovate and upgrade the sheet tobacco production line of Hoa Viet Joint Stock Company
23	160a/NQ-CPHV	09/10/2024	Approval of the policy of liquidating assets on the land to hand over the site to the Land Fund Development Center to implement the Xuan Dong Kindergarten project (Be Bac branch)
24	161/NQ-CPHV	11/10/2024	Approving the policy on personnel work at branches
25	165/NQ-CPHV	15/10/2024	Approval of the policy to purchase plastic pallets

No.	Resolution/ Decision No.	Date	Content
26	178/QD-CPHV	28/10/2024	Promulgating the Regulation on purchase, sale and delivery of tobacco raw materials of Hoa Viet Joint Stock Company
27	171/NQ-CPHV	17/10/2024	Session of the fourth quarter of 2024
28	174a/QD-CPHV	22/10/2024	Approving the review, introduction, and supplementation of the personnel planning for the period 2021-2026, 2026-2031 of Hoa Viet Joint Stock Company
29	185/QD-CPHV	30/10/2024	Regarding the appointment of officials (Director of Tay Ninh Branch)
30	186/QD-CPHV	30/10/2024	Regarding the appointment of officials (Director of Ninh Thuan Branch)
31	196/QD-CPHV	19/11/2024	Sending delegations of officials on foreign business trips
32	199/NQ-CPHV	19/11/2024	Session on 19/11/2024
33	293/NQ-CPHV	24/12/2024	Session on 24/12/2024
34	242/QD-CPHV	27/12/2024	Decision on termination of labor contract
35	243/QD-CPHV	30/12/2024	Decision on dismissal of the Company's Chief Accountant

d) Activities of the Board of Directors independent members: None

e) List of members of the Board of Directors with corporate governance training certificates: None.

2. Board of Supervisors

a) Members and structure of the Board of Supervisors

Summary of Biographical Information	Information
1. Mr. Dao Xuan Lap - Gender: - Date of birth: - Place of birth: - Nationality: - Qualification: - Position at the Company: - Position at other organizations: - Percentage of ownership of Voting shares:	Male 20/01/1965 Nghe An Vietnam Bachelor of Economics Head of the Board of Supervisors None 0.074%
2. Mr. Le Hoan Vu - Gender: - Date of birth:	Male 28/01/1969

Summary of Biographical Information	Information
- Place of birth: - Nationality: - Qualification: - Position at the Company: - Position at other organizations: - Percentage of ownership of Voting shares:	Tien Giang Vietnam Master of Business Administration Member of the Board of Supervisors Deputy Head of Inspection and Control Board of Vietnam National Tobacco Corporation 0%
3. Mr. Nguyen Huu Hong Son - Gender: - Date of birth: - Place of birth: - Nationality: - Qualification: - Position at the Company: - Position at other organizations: - Percentage of ownership of Voting shares:	Male 24/03/1967 Vinh Long Vietnam Bachelor of Economics Member of the Board of Supervisors Deputy Head of Finance and Accounting Department of Saigon Tobacco Company 0

b) Assessments of the Board of Supervisors

- Meetings of the Board of Supervisors

No.	Member of the BOS	Number of meetings attended	Attendance rate	Voting rate	Reasons for absence
01	Dao Xuan Lap	02	100%	100%	-
02	Nguyen Huu Hong Son	02	100%	100%	-
03	Le Hoan Vu	02	100%	100%	-

- Fully implemented the contents and work program of the Board of Supervisors set out in 2024, which was approved by the Annual General Meeting of Shareholders in 2024; inspected and supervised the organization and implementation of the Resolution of the Annual General Meeting of Shareholders in 2024, the Resolutions and Decisions of the Board of Directors issued in 2024 according to the functions and tasks of the Board of Supervisors.

- Review and examine loan application documents serving production and business operations at the Company in 2024.

- Inspect the implementation of regulations in the construction investment of the "Automatic Fire Protection System at Gia Lai Branch."

- Review and prepare reports on the performance of production, business, and operations of the Board of Supervisors in 2023, the first 6 months of 2024, and the year 2024.

- Report on the performance of production, business, and operations of the Board of Supervisors to the Annual General Meeting of Shareholders in 2024.

- Examine the implementation of labor and salary in 2023 and formulate a labor and salary plan for 2024.

- Evaluate the financial statements of Hoa Viet JSC for 2023, Quarter 1/2024, Quarter 3/2024, and the first 6 months of 2024.

- Review contents related to the Land Recovery Decision and compensation for assets on land by the People's Committee of Dong Nai province in Xuan Dong commune, Cam My district, Dong Nai province, managed and used by Hoa Viet JSC.

- Review the list of proposed audit firms for financial statements to be submitted to the 2024 Annual General Meeting of Shareholders.

- Inspect and supervise the trading of Bangladesd raw tobacco materials at Hoa Viet JSC.

- Inspect and review investment, production, procurement, and delivery activities of raw tobacco materials for the 2022-2023 and 2023-2024 crop seasons at the Company's branches.

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

a) Salary, rewards, remuneration and benefits

No.	Name	Position	Salary, Remuneration, and Other Benefits	Executive Board Management Bonus	Total Income
BOARD OF DIRECTORS					
1	Chau Tuan	Chairman of The Board of Directors	132,000,000	85,684,000	217,684,000
2	Luong Huu Hung	Board of Directors' members	731,155,000	65,070,000	796,225,000
3	Tran Quang Ha	Board of Directors' members	91,000,000	0	91,000,000
4	Đinh Tien Loc	Board of Directors' members	108,000,000	57,123,000	165,123,000
5	Phan Quoc Toan	Board of Directors' members	638,855,000	52,056,000	690,911,000

No.	Name	Position	Salary, Remuneration, and Other Benefits	Executive Board Management Bonus	Total Income
6	Nguyen Dieu Huong	Former Board of Directors' members	17,000,000	57,123,000	74,123,000
Total			1,718,010,000	317,056,000	2,035,066,000
BOARD OF SUPERVISORS					
1	Dao Xuan Lap	Head of the board	573,192,500	47,602,000	620,794,500
2	Le Hoan Vu	Member of the Board of Supervisors	70,000,000	47,602,000	117,602,000
3	Nguyen Huu Hong Son	Member of the Board of Supervisors	62,000,000	47,602,000	109,602,000
Total			705,192,500	142,806,000	847,998,500
BOARD OF DIRECTORS AND CHIEF ACCOUNTANT					
1	Luong Huu Hung	Director	As above	As above	As above
2	Nguyen Duc Luong	Deputy Director	342,056,454	52,056,000	394,112,454
3	Phan Quoc Toan	Deputy Director	As above	As above	As above
4	Nguyen Nguyen Quoc Vu	Former Chief Accountant	453,027,500	38,081,000	491,108,500
Total			795,083,954	90,137,000	885,220,954

b) Share transactions by internal shareholders: None

c) Contracts or transactions with internal shareholders

Internal shareholders have no contracts or transactions with the Company. Transactions and sales contracts between the Company and related parties are presented in the Company's financial statements attached.

d) Evaluation of the implementation of regulations on Corporate Governance

The Company always complies with regulations on corporate governance as prescribed by law.

VI. Financial Statements

1. Auditor's opinions

** Basis for qualified auditor's opinions*

As detailed in Note 16 of the Financial Statements, in the past, the Company has received notices of land rent arrears from the Dong Nai Provincial Tax Department, including Notice No. 783/TB-CT.QLHKDCNTK dated November 20, 2020, on land rent arrears (land rent arrears) for the period 2011 - 2015 with an amount of about VND 22.6 billion; Notice No. 675/TB-CT.QLHKDCN&TK dated June 2, 2021, on the collection of land and water surface rent for the period 2016 - 2020 with the amount of 16.97 billion VND and on August 19, 2021, Dong Nai Provincial Tax Department sent Official Dispatch No. 7056/CTDON-QLHKDCNTK on correcting the content of the dispatch and the problem in determining the land rent price of Hoa Viet Joint Stock Company, recording the content "According to the opinion of the Company, the amount has been paid in the period from January 1, 2016 to the date of payment. December 31, 2020, is VND 8,785,470,000, the above amount if the unit has paid the State budget, in accordance with the provisions of the Tax Law (no late payment according to the notices of provisional land rent payment from January 1, 2016, to December 31, 2020, and Notice No. 675/TB-CT.QLHKDCN&TK dated June 2, 2021, of Dong Nai Tax Department, the unit has paid the full annual land rent and additional land rent due to price difference".

During the period from 2021 to 2024, the Dong Nai Provincial Tax Department sent Notice No. 675/TB-CT.QLHKDCN&TK dated June 2, 2021, Notice No. 100/TB-CTDON dated May 5, 2022, Notice No. 108/TB-CTDON dated May 5, 2023, and Notice No. 103/TB-CTDON dated April 25, 2024, regarding the payment of land rent and water surface rent. According to the above notifications, the annual land and water surface rent amount that the company must pay is 11.59 billion VND. The Company has declared and paid land rent for 1.75 billion VND, short of the notice of 9.84 billion VND. By the time of issuing the accompanying financial statements, the Company had received Judgment No. 130/2024/HC-PT dated March 1, 2024, of the High People's Court in Ho Chi Minh City with the verdict "Accepting the lawsuit request of Hoa Viet Joint Stock Company, declaring to cancel the administrative decisions of the Director of the Dong Nai Provincial Tax Department including Notice No. 2863/TB-CT dated April 14, 2020, of the Director of the Dong Nai Provincial Tax Department on land rental price; Notice No. 5546/TB-QLHKDCNTK dated June 18, 2020, of the Director of the Dong Nai Provincial Tax Department on correcting the notice on land rental price No. 2863/TB-CT dated April 14, 2020, Notice No. 783/TB-CT.QLHKDCNTK dated November 20, 2020, of the Dong Nai Provincial Tax Department on land rental payment (land rental arrears collection); After receiving Judgment 130, the Company is continuing to make recommendations and work with competent authorities in Dong Nai province to negotiate and agree on land rental price as the basis for signing contract appendices of land rental contract No. 47/HTDT dated October 12, 2009 to accurately determine the amount of land rental payable, as a solid basis for recording in the Financial Statements. The accompanying financial statements do not include any adjustments necessary to account for the effects of the above matters.

*** Qualified Audit Opinion**

Based on our audit, except for the matter described in the "Basis for Qualified Opinion" paragraph, nothing has come to our attention that causes us to believe that the accompanying financial statements do not present fairly, in all material respects, the financial position of the Company as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with Vietnamese

Accounting Standards, the Vietnamese corporate accounting system and the relevant statutory requirements applicable to financial reporting.

2. Audited financial statements

Attached are the audited 2024 Financial statements, including: Balance Sheet; Business performance report; Cash flow statement; Explanation of Financial statements./.

Recipients:

- As above;
- BOD, BOS;
- Person to disclose information;
- Archives: Secretariat, BOD.

**ON BEHALF OF THE BOARD OF DIRECTORS
CHAIRMAN**



Chau Tuan

