

Long Xuyen, date 05 month 4 year 2025

**REPORT OF THE BOARD OF GENERAL DIRECTORS
ON BUSINESS OPERATIONS IN 2024**

Dear General Meeting,

Dear Esteemed Shareholders,

The Board of General Directors of An Giang Agriculture and Foods Import-Export Joint Stock Company (referred to as the "Company" or "AFIEX") would like to present the report on the Company's business operations in 2024 and propose the business plan for 2025 with the following key points:

I. BUSINESS CONTEXT IN 2024

In 2024, the global economy continued to face numerous difficulties and challenges due to unpredictable geopolitical developments, severe impacts of natural disasters and climate change, increasing competition, and the introduction of stricter standards and regulations by developed countries regarding supply chains, raw materials, labor, and environmental requirements for imported products. As a result, most economies experienced lower-than-expected growth due to declining demand, while inflation, although cooling down, remained high, and monetary policies remained tight.

Domestically, consumer demand recovered slowly and showed signs of further deceleration, continuing to affect production and business activities.

The Company's leadership closely monitored market developments and promptly implemented business strategies to ensure stable operations. As a result, AFIEX maintained profitability in 2024.

1. Business Performance Report

1.1. Comparative Table of Business Performance Indicators:

The following table presents a comparison between the actual business performance and the planned targets for 2024:

Indicator	Unit	Actual 2024	Planned 2024	% Achievement vs. Plan
Total Net Revenue	Million VND	2.093.447	2.596.800	80,6%
Total Expenses	Million VND	2.058.555	2.559.486	80,4%
Profit Before Tax	Million VND	34.892	37.314	93,5%
Corporate Income Tax	Million VND	6.880	7.163	96,0%

Indicator	Unit	Actual 2024	Planned 2024	% Achievement vs. Plan
Profit After Tax	Million VND	28.012	30.151	92,9%
Rice Export				
Export Turnover	Million VND		1,96	0,0%
Export Volume	Tons		3.000	0,0%
Feed Ingredient Imports				
Import Turnover	Million VND	0,084	1,44	5,8%
Import Volume	Tons	44,6	750	5,9%
Aqua Feed Consumption	Tons	32.854	27.175	120,9%
External Sales	Tons	27.927		
Internal Consumption	Tons	4.927		

The company's business performance in 2024 was affected by inflation and strong fluctuations in raw material prices. The revenue, pre-tax, and post-tax profit targets did not meet the planned goals. The details are as follows:

- The production of livestock and aquaculture feed reached 120,9% of the plan. The increase in production was mainly in aquaculture feed due to the recovery of the export market for pangasius fish. Farmers reinvested, leading to higher feed sales. On the other hand, the disease situation in the pig herd in Vietnam remained difficult to control, and the unstable selling price of poultry affected the output of livestock and poultry feed.

- The food sector faced many difficulties in terms of market demand, and depreciation costs of fixed assets remained high. Although the company took advantage of favorable prices for production and business activities, output still did not meet expectations.

- The slaughtering business at the Forestry and Animal Processing Enterprise remained stable.

- Pig farming at Vinh Khanh Livestock Farm showed some improvement but still faced difficulties due to a low total herd size. Additionally, aging infrastructure posed risks for disease recurrence, leading to high production costs.

- The company's pangasius farming segment performed well in the last months of the year. Production costs decreased due to lower feed prices, and the shortage of raw pangasius fish, driven by the rebound in export demand, helped increase selling prices, generating profits.

- The investment and capital contribution activities with Saigon – An Giang Trading Co., Ltd. yielded lower-than-expected returns compared to the previous year.

1.2. Key Financial Indicators Table:

Indicators	Unit	2023	2024
1. Liquidity Ratios			

Indicators	Unit	2023	2024
+ Current Ratio: (Current Assets / Short-term Liabilities)	Times	1,39	1,11
+ Quick Ratio: (Current Assets - Inventory) / Short-term Liabilities	Times	1,18	0,98
2. Capital Structure Ratios			
+ Debt to Total Assets Ratio:	Times	0,61	0,76
+ Debt to Equity Ratio:	Times	1,57	3,19
3. Activity Ratios			
+ Inventory Turnover (Cost of Goods Sold / Average Inventory)	Vòng	13,5	11,9
+ Total Asset Turnover (Net Revenue / Average Total Assets)	Times	1,9	1,3
4. Profitability Ratios			
(Net Profit After Tax / Net Revenue)	Times	0,01	0,014
(Net Profit After Tax / Equity)	Times	0,06	0,059
(Net Profit After Tax / Total Assets)	Times	0,02	0,014
(Operating Profit / Net Revenue)	Times	0,01	0,016

1.3. Evaluation of Business Performance in 2024:

a. Achievements:

Implementing the resolutions of the 2024 Annual General Meeting of Shareholders, the Board of General Directors and the Board of Management made significant efforts in management and operations, achieving the following progress:

- Despite general difficulties, the company's business operations were not disrupted, ensuring continuous production and product distribution.
- During the year, financial investments were restructured, contributing to improved business efficiency.

b. Shortcomings:

- The Animal and Aquatic Feed Enterprise faced objective difficulties and was passive in calculating raw material reserves, leading to high production costs and consumption challenges.
- The Food Export Enterprise encountered a shortage of manpower, unstable procurement processes, and a lack of diversification in distribution channels, resulting in low sales volume and limited efficiency.

2. Financial Situation:

2.1. Asset Situation:

By the end of 2024, the company's total assets reached VND 1.994 billion, an increase of 72,7% compared to the beginning of the year.

- Short-term assets increased by 71,3%, mainly due to:
 - Cash and cash equivalents surged by 612% (an increase of VND 31,8 billion).
 - Accounts receivable decreased by 36,2% (a reduction of VND 290 billion).
 - Short-term financial investments soared by 3.597% (an increase of VND 914,5 billion).
 - Inventory increased by 29,8% (an increase of VND 43,3 billion).
- Long-term assets increased by 80,4% (an increase of VND 140,4 billion), mainly due to:
 - Long-term receivables surged by 380% (an increase of VND 190 billion).
 - Long-term financial investments decreased by 85,7% (a reduction of VND 41,3 billion).

2.2. Liabilities Situation:

Total liabilities increased by 115,3% (an increase of VND 813 billion), with notable changes in:

- Payables to suppliers increased by 129,4% (an increase of VND 83,4 billion).
- Other short-term payables surged by 6.697,6% (an increase of VND 734,6 billion).

2.3. Investment Report:

During the year, the company made financial investments totaling VND 200 billion.

3. Improvements in Organizational Structure, Policies, and Management:

3.1. Improvements in Organizational Structure:

The company continued to restructure its personnel system based on clear task assignments aligned with professional competencies. A transparent salary and bonus policy was implemented, linking compensation to business performance, work efficiency, and individual and unit competencies. This approach fostered motivation for dedication and growth across the company's operations.

3.2. Improvements in Policies and Management:

- Renewed and supplemented the workforce while enhancing training programs to improve employees' professional knowledge, expertise, and technical skills.
- Focused on refining internal governance and institutional capacity by strengthening control measures and tightly managing input materials, raw materials, and other costs. These efforts aimed to reduce expenses, maintain competitive pricing, and improve business efficiency.
- Maintained a quality management system in accordance with international standards for food processing and animal feed production.

II. BUSINESS PLAN FOR 2025:

1. Assessment of Opportunities and Challenges in 2025:

1.1. Opportunities:

- In 2025, rice exports are expected to have many opportunities due to the increasing global demand for food. Additionally, Vietnamese rice is highly preferred by consumers in various countries.
- The seafood sector is projected to recover and grow in key export markets such as the U.S., EU, China, South Korea, and others. This will boost Vietnam's seafood exports and create opportunities for aquaculture businesses and animal feed production.

1.2. Challenges:

- Overall, in 2025, global economic risks remain a concern. Business activities, production, and import-export operations will continue to face negative impacts from geopolitical hotspots, military conflicts, and political instability worldwide. Inflation in major economies is likely to remain high due to continued tight monetary policies. The slow growth in global trade and rising geopolitical tensions will further impact Vietnam's economic recovery.
- Animal disease risks remain a challenge, and unstable livestock product prices will significantly affect animal feed production.
- Climate change will make fish farming conditions more difficult, requiring the company to improve farm management and aquaculture techniques to enhance competitiveness in both quality and cost.
- The company's grain purchasing and processing facilities have not yet fully met the market demand for high-quality rice.

2. Business Plan and Implementation Solutions for 2025:

Based on the identified opportunities and challenges, the Board of Management has outlined the following solutions to achieve the key business targets for 2025:

- Total revenue: VND 2,523,519 million
- Pre-tax profit: VND 39,950 million

Implementation Solutions for 2025:

The company will continue to implement a comprehensive restructuring strategy, optimizing resources, ensuring a transparent delegation of authority, timely performance evaluation, and accountability. The Board of Management has proposed the following solutions:

2.1. Human Resources Solutions:

- Continue restructuring and recruiting personnel based on expertise and strengths.
- Focus on training programs to update employees' knowledge and skills. Foster a positive work environment that encourages creativity and innovation to attract and retain talent.
- Promote effective teamwork across all departments.

2.2. Management and Operations Solutions:

- Continuously improve products, services, and business processes to meet customer demands.
- Review and update company policies and procedures to align with new market conditions.

- Focus on developing strategic product lines with high sales and profitability.
- Strengthen risk management measures in raw material procurement, debt collection, warehousing, and production to optimize costs and enhance competitiveness.
- Build and maintain long-term relationships with customers to boost revenue and market positioning.
- Continue collaborating with industry experts to adopt advanced management solutions.

2.3. Investment Solutions:

The company will continue pursuing investment plans as soon as funding is secured, including:

- Expanding the animal feed processing plant to increase production capacity.
- Upgrading rice processing plants to improve efficiency and product quality.
- Renovating pig farms, fish ponds, and wastewater treatment systems to enhance biosecurity and sustainability.
- Installing rooftop solar power systems to supply energy for the animal feed and rice processing plants.

2.4. Financial Solutions:

- Develop a strict financial management strategy, including financial planning, cost monitoring, cash flow management, and securing funding sources.
- Continue seeking medium- and long-term investment or collaboration opportunities, both domestically and internationally.

Dear Shareholders!

The above report presents the business performance results for 2024 and the business plan for 2025 prepared by The Board of General Directors. We respectfully submit this report to the General Meeting of Shareholders for approval.

Sincerely,

Recipients:

- General Meeting of Shareholders;
- BOD, BOS;
- Archive.

GENERAL DIRECTOR



Tang Vu Giang