

**REPORT OF CHIEF EXECUTIVE OFFICER  
ON THE COMPANY'S BUSINESS & PRODUCTION ACTIVITIES IN 2024  
AND BUSINESS & PRODUCTION PLAN FOR 2025**

**Attn to: Halong Canfoco's General Meeting of Shareholders**

- Pursuant to Enterprise Law no.59/2020/QH14;
- Pursuant to current Charter of Halong Canned Food Joint Stock Corporation;
- Pursuant to figures for Business production plan in 2024 approved by 2024 Annual General Meeting of Shareholders;
- Pursuant to the Consolidated Financial Statement 2024 audited by UHY Auditing and Consulting Co., Ltd and the actual business production situation of Halong Canned Food Joint Stock Corporation in 2024,

The Chief Executive Officer would like to present our report to the 2025 Annual General Meeting of Shareholders with the main contents as follows:

1. **Report on Business & production results and analysis of several fundamental items in 2024 (consolidated):**
  - 1.1 *Report on the business & production activities in 2024 (cited the figures in Consolidated financial statement 2024 audited by UHY Auditing and Consulting Co., Ltd) and comparison with the business & production plan in 2024 and with the actual 2023:*

*(Respectfully invite Esteemed shareholders to view the figures in the below table)*

*Calculated unit: VND Million*

ITEM	BUDGET 2024	ACTUAL 2024	ACTUAL 2023	COMPARISON	
				Actual 2024 / Actual 2023	Actual 2024 / Budget 2024
1 - Net revenue from sale of goods and rendering of services	712,290	681,811	741,582	92%	96%
- Domestic revenue	495,947	525,240	512,613	102%	106%
- Export revenue	216,343	156,571	228,969	68%	72%
2 - Net profit before tax	11,248	3,147	16,767	19%	28%
3 - Current corporate income tax expense	2,376	1,021	4,697	22%	43%
4 - Net profit after CIT	8,871	2,126	12,069	18%	24%

1.2 *Analysis of several fundamental items implemented 2024 compared to the actual 2023*

Calculated unit: VND Million

Item	The year 2024		The year 2023	
	YTD	Monthly average	YTD	Monthly average
Net revenue	681,810	56,818	741,582	61,799
Profit before tax	3,147	262	16,767	1,397
Profit after tax	2,126	177	12,069	1,006

Based on the two tables above (1.1 and 1.2), it can be seen that two fundamental items and the level of growth are as follows:

*a. Net revenue:*

Actual net revenue in the whole year 2024 is VND 681.811 billion, decreased by VND 30.479 billion in comparison with that of 2024's budget and decreased by VND 59.771 billion compared to net revenue of 2023 (VND 741.582 billion)

*In which:*

- + Revenue of domestic goods in 2024 stood at VND 525.240 billion, rose by VND 12.627 billion as opposed to 2023.
- + Revenue of export goods in 2024 reached VND 156.571 billion, a decline of VND 72.398 billion in comparison with that of 2023.

Monthly average net revenue in 2024 stood at VND 56.818 billion/ month, decreased by VND 4.981 billion/ month compared with that of 2023 to reach VND 61.799 billion/ month.

*b. Profit:*

*+ Profit before tax in 2024:*

Profit before tax in 2024 reached VND 3.147 billion, decreased by VND 8.101 billion compared with that of 2024's Budget and decreased by VND 13.62 billion compared to profit before tax in 2023 (at VND 16.767 billion)

The percentage (%) of Actual profit before tax/ Net revenue in 2024 was at 0.46%, a decrease of 1.80% compared to 2023.

Monthly average profit before tax in 2024 reached VND 262 million/ month, fallen by VND 1.135 billion in comparison with that of 2023 that was VND 1.397 billion/ month.

*+ Profit after tax in 2024:*

Profit after tax in 2024 was at VND 2.126 billion, a drop of VND 6.745 billion compared to Budget 2024 and a decrease of VND 9.943 billion compared with that of 2023 (at VND 12.069 billion).

The proportion (%) of Actual profit after tax / Net revenue in 2024 stood at 0.31%, which dropped by 1.32% compared to 2023.

Monthly average profit after tax in 2024 reached VND 177 million/ month, decreased by VND 829 million/ month compared with that of 2023 that was VND 1.006 billion/ month.

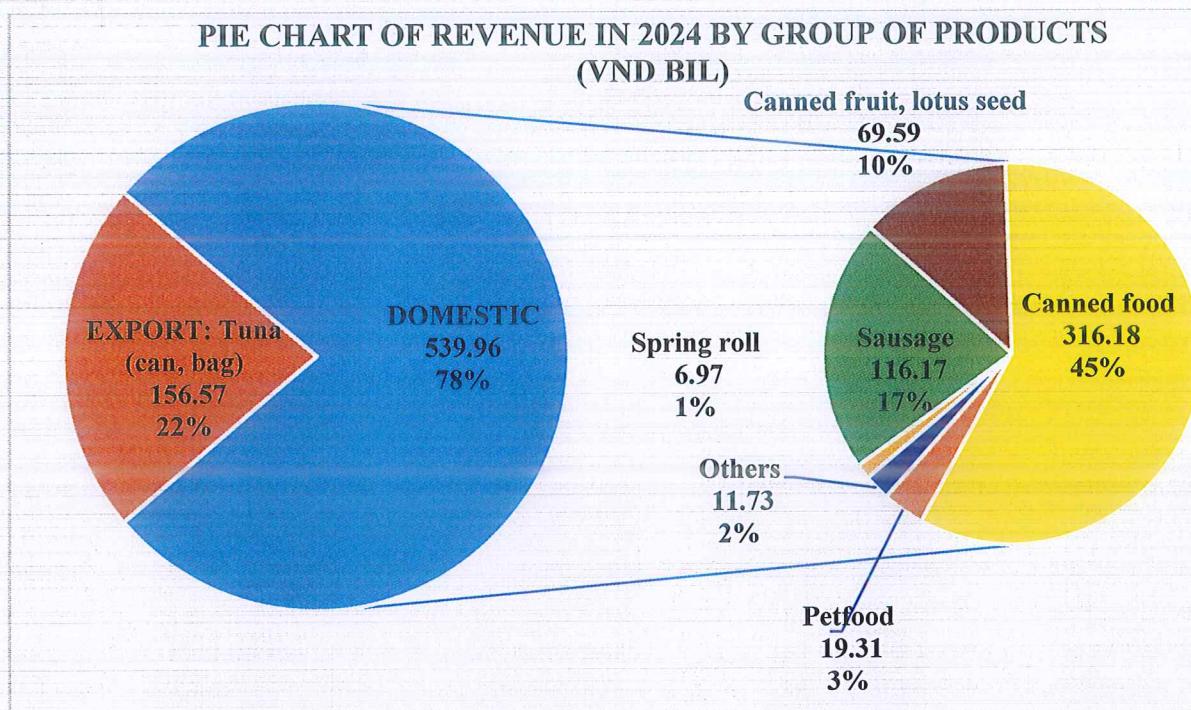
The year 2024, the world tension evolved various unpredictable and complicated developments with multiple risky and unknown factors. It can be clearly seen that military conflicts continue to escalate, strategic competition amongst major countries are more increasingly fierce, even many countries strengthen trade protectionism policies, and global supply chains are locally disrupted, adversely affecting peace, stability, and world economic growth as well. In addition, natural disasters and severe weather have seriously affected people's lives and socio-economic development across countries over the world. The world economy, however, is gradually stabilizing as global trade is gaining strength, inflationary pressures are gradually declining, financial market conditions are more loosen, and the labor market is recovering positively too.

In terms of the internal situation, the economy continuously tends to recover positively and grow impressively; the inflation is lower than its target; big balances are guaranteed; the results of various vital fields meet or exceed the set targets. The State Bank has also exercised monetary policy proactively, flexibly, promptly and effectively, contributing to supporting economic growth.

Under the governance of the Board of Management, the Executive Board made efforts to implement solutions to push up revenue, expand business operations, and diversify products and goods. At the beginning of the year, the Company's business situation did not improve much though, however, in the second half of the year, due to the impact of Typhoon No. 3 - Typhoon Yagi, it led to a dramatic increase in the demand for canned food. Quickly grasping this opportunity, the Company increased its production capacity and went up in sales revenue. Even though, the management was not really good, so the Company's business results in 2024, the Company did not achieve the revenue and profit targets assigned by the General Meeting of Shareholders, one of the main reason being that export revenue decreased sharply because the domestic supply of skipjack tuna was limited by regulations on the minimum size for exploitation stated in Decree 37/2024/ND-CP, affecting the production and export of canned tuna in Vietnam in general.

Besides, the Company is always interested in its image and brand development CANFOCO. The Company, in 2024, was considered to be one of the "**Top 50 most powerful brands in Asean 2024**", the Company's products was certificated "**2024 Vietnamese high-quality goods**" by the consumer's voting, and was ranked "**Top 10 the prestigious food Company in 2024 (for dry, instant food)**". This is the evidence for the trust and love from customers for the Ha Long Canfoco brand and would be serve as the big motivation for the Company to attempt much more not solely to improve product quality but also to increase production-business efficiency in the upcoming time.

To illustrate the development of the internal markets, exporting and group of products in 2024, BOD would like to invite Esteemed shareholders to refer to the following revenue pie chart:



During the year 2024, Halong Canned Food Joint Stock Corporation (Parent company) launched 08 new products into the market:

- + Group of canned fruit with 03 new brands (02 products for MV brands and one for Martine brand);
- + Group of cold products with 04 new products/ brands (Dried mackerel, squid pie,...)
- + Group of seasoning with 01 product.

During the year, apart from the main sales channels GT Channel, MT Channel, Café Channel, Ecom Channel, etc., the Company opened 02 CHBM Pate Cot Den Shops, 01 Central Kitchen in Ho Chi Minh City and 10 Nem Ha Long Shops in Hanoi in order to further develop other forms of direct sales to consumers and processed food business.

Halong Canfoco - Danang Co., Ltd (Subsidiary) has already got 3 new customers, hence, developed 36 new product codes at the customer's request.

To push up business activities through e-commerce platforms, on February 29, 2024, the Company established Cot Den Food One Member Co., Ltd with the initial charter capital of VND 1 billion, which is a subsidiary 100% owned by the parent company. In addition to trading products bought from the parent company, Cot Den Food Company also trades a number of other brands' products such as Barona, Hai Chau, Ajinomoto,... to diversify the product line and choices for consumers.

The Company has fully fulfilled its obligations to the State Budget, with a total payment of VND 35.5 billion to the State Budget. Regimes and policies for employees such as social insurance, health insurance, unemployment insurance are always taken care of and fully implemented by the Company's leaders. The Company continued to strengthen its relationship with the city, district, ward authorities and Departments of Hai Phong City. The Company fully provided labor protections, organized annual health-check to give employees a feeling of security in their work, have a long attachment to the company and ensure regular jobs for employees. Average income is at roughly VND 10.31 million/person/month at Halong Canned

Food Joint Stock Corporation in Haiphong (Parent Company) and VND 8.38 million /person/month at Halong Canfoco - Danang Co., Ltd (Subsidiary).

The Company proactively participated in charity programs for the local community. In the year 2024, Company coordinated the Women's Union to organize the scholarships program "Sail of Knowledge - Nurturing the talents" and give 20 scholarships to disadvantaged students but having achievements in study at Vietnam Maritime University and, Haiphong Management and Technology University, with VND 5,000,000 each. In the same program, the Company also gave out 20 scholarships, each worth VND 2,000,000, to excellent orphaned students studying at education institutions in the city, thereby the total amount of scholarships awarded by the Company is VND 140,000,000. Besides, the Company donated 15,000 trees equivalent to VND 150 million for a program "**One million trees for seas, islands and for verdant Vietnam**" hosted by HCMC Environment and Natural Resource Protection Association. These trees will be planted on outpost islands.

### **1.3 Investment:**

On 29<sup>th</sup> February 2024, the Company established Cot Den Food One Member Co., Ltd with the initial charter capital of VND 1 billion, 100% owned by Halong Canned Food Joint Stock Corporation.

### **1.4 Financial statement in 2024 (audited by UHY Auditing and Consulting Co., Ltd) includes:**

Financial statement of Parent Company; consolidated financial statement with detailed contents disclosed by Company on Company's website [www.canfoco.com.vn](http://www.canfoco.com.vn), State Securities Commission of Vietnam and Hanoi stock exchange's website. Respectfully invite Esteemed shareholders to update. The followings are brief summaries of several economic items of the Company:

*(Respectfully invite Esteemed shareholders to view the table below)*

#### **1.4.1 Balance sheet (briefed) on December 31<sup>st</sup> 2024:**

*Calculated unit: VND mil*

Item	Opening balance	Closing balance	Increased/decreased by	Rate
<b>A- CURRENT ASSETS</b>	<b>242,000</b>	<b>353,102</b>	<b>(111,102)</b>	<b>(31%)</b>
I. Cash and cash equivalents	22,143	13,399	8,744	65%
II. Short-term financial investments	7,502	-	7,502	100%
III. Current receivables	61,948	62,851	(903)	(1%)
IV. Inventories	145,314	274,032	(128,718)	(47%)
V. Other current assets	5,093	2,820	2272,84	81%
<b>B. NON-CURRENT ASSETS</b>	<b>44,658</b>	<b>49,748</b>	<b>(5,090)</b>	<b>(10%)</b>
I. Non - Current receivables	670	598	72	12%
II. Fixed assets	40,860	45,843	(4,983)	(11%)
III. Investment properties	-	-	-	-
IV. Long term assets in progress	-	-	-	-
V. Long-term financial investments	-	-	-	-
VI. Other long-term assets	3,128	3,306	(178)	(5%)
<b>TOTAL ASSETS</b>	<b>286,658</b>	<b>402,850</b>	<b>(116,192)</b>	<b>(29%)</b>

Item	Opening balance	Closing balance	Increased/decreased by	Rate
<b>A. CURRENT LIABILITIES</b>	<b>140,709</b>	<b>251,076</b>	<b>(110,368)</b>	<b>(44%)</b>
I. Trade payables	135,713	246,128	(110,415)	(45%)
II. Non-current liabilities	4,996	4,948	47.38	1.0%
<b>B. OWNERS' EQUITY</b>	<b>145,949</b>	<b>151,773</b>	<b>(5,824)</b>	<b>(4%)</b>
I. Capital	145,949	151,773	(5,824)	(4%)
II. Other fund	-	-	-	-
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>	<b>286,658</b>	<b>402,850</b>	<b>(116,192)</b>	<b>(29%)</b>

#### 1.4.2 Several basic fiscal items:

No.	Item	Unit	2024	2023
1	<b>Scheme of assets</b> - Non-current assets / Total assets - Current assets / Total assets		16% 84%	12% 88%
2	<b>Scheme of liabilities</b> - Current liabilities/ Total liabilities and owners' equity - Owners' equity/ Total liabilities and owners' equity		49% 51%	62% 38%
3	<b>Liquidity Ratios</b> - Quick ratios - Current ratio	time time	0.71 1.78	0.32 1.43
4	<b>Profit Margin</b> - The rate of profit before tax / Total assets - The rate of profit after tax / Net revenue - The rate of profit after tax / Charter capital		1% 0,3% 4%	4% 1% 24%

#### 1.5 Salary of Chief Executive Office and other managers

- In the year 2024, paying salary for Chief Executive Office was abide by Resolution no. 17B/2022/NQ-HDQT passed by the BOM dated June 07<sup>th</sup> 2022. Paying salary for Chief Accountant was abide by Resolution no. 08A/2022/NQ-HDQT passed by the BOM dated March 08<sup>th</sup> 2022 and Resolution no. 09/2024/NQ-HDQT passed on 20/6/2024.
- Salary cost for other managers was adhere to stipulations of the Company's Charter and other internal documents.

#### 2. Expectations of business production plan in 2025 and measures:

##### 2.1 Business production plan in 2025 (consolidated):

- *Basis of building up the business production plan in 2025:*

- Based on results achieved in 2024;
- It is expected that global economic growth, lower inflation and loosen monetary in many economies can provide a modest boost to global economic activities in 2025.

However, some risks remain from geopolitical conflicts and rising trade tensions in many countries.

- In condition of the anticipated index, inflation is controlled at a reasonable level, fluctuating between 3.5% and 4.5 (it is forecast that CPI, in 2025, will fluctuate between 4% and 4.5%);
- In condition of the orientation and policies of the Government such as prioritizing the economic growth, keeping macro-stability, controlling inflation; assuring big balances, economic restructuring. The movement of global supply chains is creating great opportunities for Vietnam to attract foreign investment in the industrial sector, especially in the processing, manufacturing and high-tech industries.... The National Assembly has set the target of the gross domestic product (GDP) growth rate in 2025 at 8%;
- Pursuant to current regulations, decrees of Government on fishing and trading tuna and Tuna market of Europe and America;
- In consideration of Vietnamese consumers' trends towards packed/ canned food, pet food ...;
- Based on Company's targets in 2025;
- Based on the capability of capital/ reserve/ production/ supply merchandise of the Company.

***BOD respectfully submits to AGM the business production plan, in 2025, of Company as follows:***

*(Respectfully invite Esteemed shareholders to view the figures in table below)*

**• The business-production plan in 2025 (consolidated):**

*Calculated unit: VND mil*

ITEM	ACTUAL 2024	BUDGET 2025	Budget 2025 / Actual 2024
<b>1 – Revenue from sale of goods and rendering of services</b>	<b>681,811</b>	<b>703,584</b>	<b>3%</b>
- Domestic revenue	525,240	563,112	7%
- Export revenue	156,571	140,472	(10%)
<b>2. Total profit before tax</b>	<b>3,147</b>	<b>13,231</b>	<b>320%</b>
3. Current CIT expense	1,021	2,759	170%
<b>4. Total profit after tax</b>	<b>2,126</b>	<b>10,472</b>	<b>393%</b>

*In which: The business production plan in 2025 consists of the business production plan of Halong Canned Food Joint Stock Corporation in Haiphong (Parent company), the business production plan of Halong Canfoco - Danang Co., Ltd (Subsidiary), and the business production plan of Cotden Food One Member Co., Ltd (Subsidiary). Respectfully invite Esteemed shareholders to refer the figures in 3 tables below:*

- The business production plan in 2025 – Halong Canned Food Joint Stock Corporation – Parent company:

Calculated unit: VND mil

ITEM	ACTUAL 2024	BUDGET 2025	Budget 2025 / Actual 2024
<b>1. Revenue from sale of goods and rendering of services</b>	<b>500,652</b>	<b>528,907</b>	<b>6%</b>
<b>2. Total profit before tax (*)</b>	<b>50,500</b>	<b>8,845</b>	<b>(82%)</b>
3. Current CIT expense	1,133	2,123	87%
<b>4. Total profit after tax</b>	<b>49,367</b>	<b>6,722</b>	<b>(86%)</b>

(\*) The actual profit before tax in 2024 includes VND 45 billion in dividends distributed from from Canfoco - Da Nang.

- The business production plan in 2025 - Halong Canfoco - Danang Co., Ltd (Subsidiary):

Calculated unit: VND mil

ITEM	ACTUAL 2024	BUDGET 2025	Budget 2025 / Actual 2024
<b>1. Revenue from sale of goods and rendering of services</b>	<b>226,402</b>	<b>211,153</b>	<b>(7%)</b>
- Domestic revenue	69,831	70,681	1%
- Export revenue	156,571	140,472	(10%)
<b>2. Total profit before tax</b>	<b>(3,152)</b>	<b>4,083</b>	<b>230%</b>
3. Current CIT expense	154	636	313%
<b>4. Total profit after tax</b>	<b>(3,307)</b>	<b>3,447</b>	<b>204%</b>

- The business production plan in 2025 of Cotden Food One Member Co., Ltd (Subsidiary).

Calculated unit: VND mil

ITEM	ACTUAL 2024	BUDGET 2025	Budget 2025 / Actual 2024
1. Revenue from sale of goods and rendering of services	4,675	14,220	204%
<b>2. Total profit before tax</b>	<b>(1,094)</b>	<b>303</b>	<b>128%</b>
3. Current CIT expense	-	-	-
<b>4. Total profit after tax</b>	<b>(1,094)</b>	<b>303</b>	<b>128%</b>

## 2.2 Several measures to implement the business-production plan in 2025 (consolidated):

- In 2025, BOD continues to stay focused on improving quality, diversifying, products, and packaging specifications to suit and diversify consumer choices, thereby increasing production capacity and maximizing revenue, meeting customer segments, and increasing the market share of the Company's products in the market.
- Taking solutions of management, controlling cost effectively to achieve approved targets. In the event that the market occurs complicated developments will proactively build up, readjust the business production plan appropriately.

- Rigorously managing production costs and sales costs, regularly analyzing the situation to material-reserving plan for production in accordance with the production plan, ensuring supply, reserve and usage of raw materials effectively, thereby reducing storage costs and inventory risks. Controlling the efficiency of cost through analyzing sales targets towards sustainable growth.
- Training, self-training to improve their professional competence, qualification and technical knowledge, thus, improving work productivity and efficiency.
- In consideration of export market/ products of Company (*Halong Canfoco - Danang Co., Ltd*):
  - + About the market: Owing to influence of Decree no. 37/2024/NĐ-CP, the Company remains to uphold and develop more customers in USA, members of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (Canada, Australia,...), the Middle East, Asia,... and develop export markets for pet food products.
  - + About the products: further diversifying the goods of canned tuna and continuously researching and developing the line of petfood.
- Take advantage of opportunities so as to maximize revenue, develop the market to effectively implement the 2025 production & business plan, implement the Company's orientation step by step for the 5-year period from 2022 to 2026. In addition, the Company also needs to ensure the best interests, benefits and rights of shareholders, fully perform obligations to the State budget, increasingly improve and enhance working conditions and income for employees, build up relationships between the Company and local authorities, Hai Phong city, actively participate in environmental protection, charity programs and community support as well.

All above are the evaluation report on the business production in 2024 and the orientation of the business production plan in 2025, CEO respectfully reports and submits to General Meeting of Shareholders for review and consideration, hopefully gaining the esteemed shareholders 's support and recommendation in order that CEO is able to reach targets approved by the Company's General Meeting of Shareholders.

Sincerely thanks and regards./.

CHIEF EXECUTIVE OFFICER



TRUONG SY TOAN