

No. : 15/BC-NST

Bac Ninh, April 22th, 2025

REPORT

On the Board of Directors' activities in 2024 and Orientation and Tasks in 2025

To: General Meeting of Shareholders

Pursuant to the Law on Enterprises dated June 17, 2020;

Pursuant to the current Charter of Ngan Son Joint Stock Company.

The Company's Board of Directors reports on 2024 activities and 2025 orientation and tasks at the 2025 Annual General Meeting of Shareholders as follows:

I. PERFORMANCE OF THE BOARD OF DIRECTORS AND RESULTS ACHIEVED IN 2024

1. Key Activities of the Board of Directors in 2024

The Board of Directors serves as the governing body responsible for overseeing the Company's business operations and affairs, holds full authority to act on behalf of the Company in making decisions and executing the rights and obligations that do not fall within the jurisdiction of the General Meeting of Shareholders.

In this capacity, the Board of Directors strictly adhered to authority and responsibilities as stipulated in the Company's Charter, as well as the regulations of the Party and the State. The Board of Directors executed functions and duties with determination, integrity, and prudence, ensuring the successful implementation of the Resolutions set forth by the 2023 General Meeting of Shareholders, particularly regarding the Company's production and business performance targets.

The Board of Directors closely collaborated with the Party Committee and socio-political organizations to foster strong consensus and a high level of commitment among the Company's leadership and workforce. Demonstrating composure and determination, the Board of Directors remained resolute in addressing challenges and overcoming obstacles. The Board of Directors proactively formulated and enacted sound policies and strategic decisions, reviewed and approved key proposals from the Executive Board, thereby establishing a solid foundation for the execution of operational activities. These measures facilitated the resolution of difficulties, stabilized business operations, and enabled the Company to exceed the performance targets set by the resolutions of the General Meeting of Shareholders. Moreover, the Board of Directors consistently exercised oversight, provided guidance, and ensured the effective implementation of resolutions issued by both the General Meeting of Shareholders and the Board of Directors.

In 2024, the Board of Directors convened a total of 10 meetings, including 4 regular sessions and 6 extraordinary sessions, and sought written opinions on 16 occasions. A total of 29 Resolutions and Decisions were issued. The Executive Board largely adhered to and diligently implemented the directives, guidance, and decisions of the Board of Directors.

2. Production and business results in 2024

In 2024, with the solidarity, determination, proactive creativity of the Company's Board of Directors and Employees, including the important role of the Board of Directors, the Company achieved the following results:

- Total realized revenue: 872.554 million VND, equivalent to 102% of the 2024 plan and 123% compared to the previous year.
- Realized pre-tax profit: 23.114 million VND, equivalent to 149% of the 2024 plan and 151% compared to the previous year.
- Expected dividend payout ratio for 2024: 10%, equivalent to 133% of the 2024 plan and 154% compared to the previous year.
- Average realized income per employee: 23,4 million VND, equivalent to 114% of the 2024 plan and 116% compared to the previous year.

3. Assessment of the Board of Directors' performance based on functions and responsibilities

In 2024, the Board of Directors continued to closely follow the regulations on its authority and responsibility, functions and tasks as well as the requirements and directions of state management agencies and superior agencies to implement activities according to the motto of complying with legal regulations; being flexible and creative in handling arising situations; strictly adhering to principles in management and supervision; creating maximum conditions to help the Board of Directors operate production and business activities smoothly and effectively.

The key aspects of the Board of Directors' performance in 2024 are as follows:

3.1. Proposal and Implementation of Shareholder-Related Matters and General Meeting of Shareholders' Authority.

In compliance with the Law on Enterprise and Law on Securities, the Company successfully organized the Annual General Meeting of Shareholders in April 2024. During this meeting, the Company approved the 2023 business performance results and determined key strategic decisions for 2024. The Board of Directors convened the meeting, prepared the agenda, and compiled necessary documents in accordance with the Company's Charter.

Based on this foundation, the Board of Directors reviewed and approved the Company's detailed business plan, providing specific directions and guidance to the Executive Board to ensure the successful implementation of the approved targets—particularly those concerning revenue, profit, dividends, and employee income.

Throughout the year, the Board of Directors ensured strict compliance with

disclosure regulations by keeping shareholders well-informed and making corporate activities publicly accessible. Shareholders received timely updates regarding the organization of the 2024 General Meeting of Shareholders, resolutions from both regular and extraordinary meetings, resolutions passed via written consultation, as well as the Company's quarterly, semi-annual, and annual financial statements, corporate governance reports, and annual reports. Additionally, all relevant corporate activities were regularly updated on the Company's website, allowing shareholders to stay informed.

3.2. Nomination of Candidates for the Board of Directors Election at the 2024 General Meeting of Shareholders in Compliance with the Company's Charter.

In accordance with the Law on Enterprise and Law on Securities, and Decree No. 155/2020/NĐ-CP, which provides detailed regulations for the implementation of certain provisions of the Securities Law, the Company, as a listed entity, is required to maintain a Board of Directors comprising five members, including at least one independent member.

On April 24, 2024, the Board of Directors convened an extraordinary meeting to unanimously introduce Ms. Vu Lan Huong - born on September 26, 1989, professional qualification: Master of Science in Money, Banking and Finance, with full qualifications and conditions to be nominated as an Independent Member of the Board of Directors at the 2024 General Meeting of Shareholders.

As a result, at the 2024 General Meeting of Shareholders, shareholders elected Ms. Vu Lan Huong as an independent member of the Board of Directors with an almost absolute approval rate.

3.3. Strengthening the Company's senior personnel

In June 2024, Mr. Pham Thanh Liem, the Company's Deputy Director, submitted a resignation request and terminated his employment contract with the Company for personal reasons. To promptly restructure the Company's leadership and ensure the smooth and efficient continuation of operations, the Board of Directors convened a meeting and reached a consensus on appointing a successor to Mr. Pham Thanh Liem. Consequently, on August 12, 2024, the Board issued Decision No. 605/QĐ-NST, appointing Mrs. Nguyen Thi Lan Anh as the Company's Deputy Director on an interim basis.

3.4. Change in Investment Policy, Investment Method, and Procurement Policy in Agricultural Production

In 2024, the implementation of investment and procurement activities at raw material branches did not achieve several predetermined targets; notably, the procurement volume reached only 79% of the minimum assigned level. Therefore, to ensure that the procurement volume meets the consumption requirements of the Company in 2025, the Board of Directors has unanimously approved changes to the investment policy, investment method, and procurement policy. Specifically:

- Investment method:
 - + All investment areas will engage in direct contract agreements;
 - + The Company will absorb the entirety of the produced goods, with farmers obligated to sell strictly according to the contracted production volume;
 - + The payment method will be conducted entirely via bank transfer;
- Investment policy:
 - + Policies that have not proven effective will be discontinued;
 - + A uniform policy will be applied across all investment areas by exclusively entering into one type of direct investment contract;
- Procurement Policy: The average purchase price from 2024 will serve as the basis for establishing the purchase and sale price for 2025, taking into account both the efficiency of the farmers and the Company's production costs. The purchase and sale price will remain fixed throughout the procurement process without any subsequent adjustments.

3.5. Regular Oversight of the Review and Completion of Documentation for the Reorganization and Disposal of Housing and Land Assets throughout the Company.

In 2024, during several meetings, the Board of Directors consistently directed the review and completion of documentation for the reorganization and disposal of housing and land assets across the Company, in full compliance with the provisions of Decree No. 67/2021/ND-CP.

3.5. Proposal and Decision on Matters Related to the Company's Finance, Stocks, and Bonds.

In terms of finance, The Board of Directors evaluated the Company's cash flow plan based on actual production and business operations, the capacity for mobilizing and financing capital, the ability to preserve and develop capital, the level of financial costs, and measures to reduce such costs. Based on this evaluation, the Board provided guidance for the Executive Board to focus on reducing financial costs, accelerating the capital turnover and inventory turnover, aligning cash flows closely with production and business needs, and actively expanding relationships to fully leverage financing incentives to enhance production and business efficiency. To achieve these objectives, the Board boldly removed the ceiling on the proactive capital formation limit, thereby enabling the Company to negotiate, deliberate, and select the best financing sources available at any given time. Moreover, the Board concentrated on managing the overall capital mobilization as stipulated, enhancing the efficiency of borrowing, ensuring a reasonable inventory level, and tightening credit management—especially concerning loans with potential for prolonged terms.

Regarding stock matters, in 2024, the Company did not engage in any significant activities related to its stocks or bonds. As for Ngan Son's current stock status, at the time of reporting, the reference price was 11.600 VND/per share, with a cap price of 12.700 VND /per share and a floor price of 10.500 VND/per share. The Earnings Per

Share (EPS) was reported at 1,63.

3.6. Decisions and Directives Concerning Production and Business Operations

a) Decision on the 2024 Production and Business Operations Plan Submitted for Approval at the General Meeting of Shareholders.

Since the end of 2023, the Board of Directors and the Board of Management have convened multiple meetings to assess the outlook for business operations in 2024. Guided by the orientation and support of the Vietnam National Tobacco Corporation, the Board of Directors unanimously resolved to pursue exceptionally high ambitions by implementing a business operations plan with the highest performance indicators to be submitted for shareholder approval. Consequently, in 2024, key indicators such as revenue, profit, and average earnings demonstrated double-digit growth compared to 2023.

b) Decision on the Pricing Framework for the Procurement of Investment Raw Materials, the Pricing Framework for Processing and Manufacturing, and Market Development and Marketing Strategies.

Based on proposals from the Company's Director, the Board of Directors, along with its Chairman, approved the pricing frameworks for procurement and production as well as market strategies. This approach, characterized by a flexible margin policy, is designed to facilitate smooth operations amid rapid market fluctuations while ensuring sound strategic management, cost control, and overall business efficiency. The timely resolutions by the Board empowered the Executive Board to adjust operations flexibly and proactively, seize opportunities, leverage strengths, and successfully meet the 2024 business operation targets.

c) Implementation of the Mandate to Supervise and Direct the Director and Other Managers in the Daily Business Operations of the Company.

The Board of Directors and Chairman consistently monitored the Company's business activities by actively participating in both briefing sessions and specialized meetings of the Executive Board. Specific directives were provided to ensure coordinated and timely support, particularly in areas such as organizational management, human resources, cooperation, external relations, market operations, finance, planning, asset management, and the formulation of internal regulations and policies. This robust oversight ensured the effective execution of daily business operations.

Moreover, the Board of Directors maintained a strong focus on the Company's legal framework, issuing timely directives for the review, amendment, and creation of new regulations and policies. As a result, in 2024, the Board issued nine regulations and one policy to support the Company's business activities.

3.7. Continued Implementation of Resolution No. 01-NQ/DUCPNS of the Party Committee and Proposal No. 85/DA-NST of the Board of Directors on

"Innovation and Restructuring of Organizational Structure, Management, and Governance Towards Modernization to Enhance Business Operations Efficiency in the New Context"

Implementation of Organizational Restructuring Based on Resolution No. 01-NQ/DUCPNS dated January 4, 2021, of the Party Committee of Ngan Son Joint Stock Company and Proposal No. 285/DA-NST dated April 29, 2021, of the Board of Directors on "Innovation and Restructuring of Organizational Structure, Management, and Governance Towards Modernization to Enhance Production and Business Efficiency in the New Context". In 2024, the Board of Directors directed the following actions to strengthen the organization:

- Establishment of the Development Investment Department:

In 2025, one of the Company's key objectives is to meet the set progress for investment and development activities. Therefore, it is essential to continuously renew the organizational structure in line with the Company's strategic goals at each stage. As a result, on November 12, 2024, the Board of Directors issued Decision No. 863/QD-NST to establish the Development Investment Department, thereby enhancing resources to accelerate investment and development efforts in 2025.

- Establishment of the Internal Audit Subcommittee : To prevent, detect, and address risks in order to ensure efficient and high-performance production and business operations, the Board of Directors approved the establishment of the Internal Audit Subcommittee. On November 1, 2024, the Board issued Decision No. 840/QD-NST to establish the Internal Audit Subcommittee under the direct supervision of the Board of Directors.

4. Activities of the independent members of the Board of Directors and the evaluation results of the independent members of the Board of Directors on the operations of the Board of Directors

4.1. Activities of the independent members of the Board of Directors

- The Board of Directors has 01 independent member in charge of the following tasks: Internal control and auditing; Internal audit; Shareholder management; Participation in market development activities.

- The independent member of the Board of Directors attended all meetings of the Board of Directors, actively contributing opinions and voting on the contents of the resolutions/decisions of the Board in an independent and objective manner.

4.2. Evaluation results of the independent members of the Board of Directors on the Board of Directors' operations

- The Board of Directors has fully performed prescribed functions and duties, in compliance with the law, the Company's Charter and the Resolutions of the General Meeting of Shareholders.

- The Board of Directors has organized and overseen the management of the Company through resolutions and decisions, either by direct voting at meetings or through written opinions.

- The Board's activities during the year focused on directing, supervising, and successfully completing the following key tasks:

- + Successfully organizing the 2024 Annual General Meeting of Shareholders;
- + Directing and supervising the Director in implementing the Board's resolutions;
- + Approving resolutions/decisions regarding the business production plan, budget, financial plan, investment plan, human resources, and corporate governance system, etc.

- + Directing the Company to exercise rights toward shareholders, including providing timely and full information, and ensuring dividend payments in accordance with the resolutions of the General Meeting of Shareholders.

- + Directing and supervising the Company in complying with legal policies, environmental protection regulations, and ensuring the welfare, income, and benefits for employees.

5. Conclusion

5.1. Some Existing Issues in the Board of Directors That Need Improvement

The implementation of the development investment tasks in 2024 has been slower than the planned schedule.

***Reasons:**

During the implementation of investments, numerous new regulations and requirements have been amended, supplemented, and newly enacted. In addition, there have been updates to environmental protection laws and fire safety regulations compared to previous guidelines. In order to carry out investment activities for new projects, the company must concurrently implement environmental investment components and address the recommendations from the fire safety authorities, which has led to delays in meeting the planned timeline.

5.2. Evaluation of the Executive Board's performance

The Board of Directors regularly (monthly, quarterly, or ad-hoc) monitors the progress of implementing the resolutions of the General Meeting of Shareholders and the Board of Directors. It also supervises the Director's execution of the Board's directives to ensure that all instructions are carried out in accordance with the company's regulations and legal requirements.

The Board of Directors evaluates that, in 2024, the Board of Management has made significant efforts to simultaneously implement a variety of integrated solutions in line with the Board of Directors's directives. This has helped the company overcome the challenges it faced during the year. Notably, the efforts included policies on modernizing business operations and production management, cost reduction, market and customer expansion, as well as policies related to employee income, welfare, and

job security. These measures have helped employees remain committed and connected to the company. Based on the achievements in 2024, the Board of Directors assesses that the Board of Management has successfully fulfilled the financial plan for the year.

II. THE DIRECTIONS AND TASKS OF THE BOARD OF DIRECTORS IN 2025

1. Some key indicators of the 2025 production and business plan

Based on the evaluation of the favorable and challenging factors, as well as the available resources of the company, the company has developed the following key production and business performance indicators for 2025:

- Revenue: 945.000 million VND, equal to 108% of the achieved results in 2024.
- Pre-tax profit: 26.000 million VND, equal to 112% of the achieved results in 2024.
- Average Income of Employees in 2025: 24 million VND/person/month, equal to 102% of the achieved results in 2024.
- Expected dividend payout ratio in 2025: 11%, equal to 110% of the payout executed in 2024.

2. Direction and Tasks of the Board of Directors in 2025

In 2025, the Board of Directors will continue to closely monitor the Company's operations to fully exercise its powers and responsibilities. This will include guiding key strategic decisions, resolving issues within its authority, and overseeing the day-to-day management activities of the company. The main areas of focus will include the following:

2.1. Group of shareholder-Related Content and Decisions from the General Shareholders' Meeting

- Ensure the timely and complete reporting of information to shareholders and regulatory authorities in accordance with the legal requirements, and handle the contributions and feedback from shareholders.
- Ensure the full payment of dividends in accordance with the resolutions of the General Shareholders' Meeting.
- Ensure the thorough and diligent implementation of other resolutions from the General Shareholders' Meeting, particularly those related to production and business targets, financial matters, and dividends, etc.

2.2. Group of Content Related to Finance, Stocks, and Bonds

- Direct the company to develop and standardize financial management systems, cash flow management, and debt management, while reviewing and amending regulations such as financial management, asset management, and debt management. These will serve as tools for supervision, management, evaluation, and guidance of financial activities throughout the year..
- Organize the monitoring of stock market trends to provide advice to the General

Shareholders' Meeting on optimal strategies in case of unfavorable developments for investors.

- Guide the business financing efforts to achieve even better efficiency.
- Organize research and promote solutions to resolve the accumulation of VAT that has not been deducted.

2.3. Group of Content Related to Production and Business Activities

- Closely monitor the production and business plans and day-to-day operations to provide timely guidance, direction, and support in order to successfully achieve the approved targets. Focus on cost reduction, particularly production and business costs, through production optimization and innovation.

- Invest in research and issue decisions related to the company's production and business activities within the authority of the Board of Directors, such as setting purchase prices, outsourcing, marketing solutions, market expansion, customer growth, and the development and restoration of raw material cultivation areas. Particular emphasis will be placed on enhancing production cooperation, resolving coordination bottlenecks, improving investment efficiency, and leveraging collaboration opportunities to develop the company's own products.

- Proactively strengthen relationships and partnerships with both domestic and international partners to explore opportunities for input and output in core areas as well as opportunities for product and service development.

- Prioritize and allocate resources for development investment activities, consistently identifying this as a core mission in the 2025 production and business plan.

- The Board of Directors will issue plans and take decisive action in requiring departments to develop and issue regulations that serve the management of the company's production and business operations. The implementation plan must include clear milestones for completion.

2.4. Group of Content Related to Investment, Development, and Digital Transformation

- Continue to provide strong direction for the implementation of investments in areas to ensure compliance with the new fire safety regulations.

- Establish policies and organize the application of a digital transformation plan that aligns with the overall situation of the company and adheres to the annual plan.

2.5. Group of Content Related to Organization and Personnel

- Focus on strengthening leadership and management personnel, such as the Board of Directors and the Board of Management, in accordance with regulations to ensure the full execution of assigned tasks, creating a leadership pipeline that meets the company's real-world demands.

- Direct the continued strengthening of middle-management personnel, refining regulations related to policies, rewards, and recognition, etc, ensuring transparency and consistency throughout the company.



- Organize research and review the organizational model of subordinate units, daring to pilot advanced management models, evaluating, summarizing, and innovating to continuously apply progress in management practices.

- Proactively collaborate more closely with the Party Committee, political-social organizations, and the Executive Board to create a unified, understanding, and cohesive environment, fostering high consensus among the leadership team and leveraging collective intelligence and experience throughout the company.

- On the Work of Monitoring and Supervision of All Company's Activities

Actively cooperate with the Company's Board of Supervisors in checking and supervising from a perspective that helps the Executive Board improve various aspects of operations, detecting potential risks early and providing directions for handling and mitigating them.

- On Monitoring the Implementation of Resolutions and Directives from the Board of Directors

Instruct the Board Secretary and relevant departments to closely monitor the progress of implementation, clearly defining responsibilities, deadlines, and rigorously overseeing the execution. Apply necessary penalties to ensure strict compliance, maximizing the effectiveness of the company's production and business operations..

2.6. Review and completion of documents for reorganization and handling of company properties

Continue to closely follow and implement the directives from state agencies, the Vietnam National Tobacco Corporation, and the local government's requirements to ensure that the reorganization and handling of properties and land within the company complies with the provisions of Decree 67/2021/ND-CP.

Dear General Meeting of Shareholders, the above outlines the activities of the Board of Directors in 2024 and the orientation and tasks for the Board of Directors in 2025 for the Ngan Son Joint Stock Company. We respectfully submit this for approval by the General Meeting.

We wish all shareholders and honored guests good health and happiness, and we wish the meeting great success.

Sincerely ./.

Recipients:

- General Meeting of Shareholders;
- Archived: Administrative, BOD' Secretary.

**O/B. BOARD OF DIRECTORS
CHAIRMAN**



Hoang Anh Tuan

