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Bac Ninh, April 22, 2025

REPORT
Activities of the Board of Supervisors in 2024 and orientations and tasks in 2025

To: - Shareholders;
- Delegates attending the General Meeting.

Pursuant to the duties and powers of the Board of Supervisors as stipulated in the current Charter of Ngan Son Joint Stock Company;

Pursuant to the operational performance and the audited financial statements for 2024 of Ngan Son Joint Stock Company;

Pursuant to the results of the inspection and supervision conducted by the Board of Supervisors in 2024.

In accordance with the tasks assigned by the General Meeting of Shareholders, and in the execution of the powers and duties of the Board of Supervisors as defined in the Law on Enterprise and the Company's Charter, the Board of Supervisors of Ngan Son Joint Stock Company respectfully submits the report to the General Meeting of Shareholders (GMS) regarding the activities of the Board of Supervisors in 2024 and the proposed tasks for 2025, as follows:

I. Activities of the Board of Supervisors in 2024

1. Structure and number of members of the Board of Supervisors

At the 2024 Annual General Meeting of Shareholders, the shareholders voted to elect 03 members to the Board of Supervisors. The Board of Supervisors then held a meeting to elect the Head of the Board of Supervisors according to regulations and announced at the General Meeting, including:

- | | |
|-------------------------|------------------------------------|
| 1. Mr. Tran Anh Tam | - Head of the Board of Supervisors |
| 2. Ms. Ngo Thi Thu Phuc | - Member |
| 3. Mr. Nguyen Dinh Dung | - Member |

During 2024, there were no changes in the personnel of the Board of Supervisors.

2. Activities of the Board of Supervisors in 2024

- The Board of Supervisors assigned specific tasks to each member to ensure the completion of the duties delegated by the General Meeting of Shareholders, in accordance with the functions and responsibilities outlined in the Company's Charter as well as the current Law on Enterprises.

- The main responsibilities of the members are as follows:

+ Mr. Tran Anh Tam - Head of the Board of Supervisors: Responsible for the overall activities of the Board of Supervisors, representing the Board of Supervisors in signing and issuing reports and documents; organizing the assignment of tasks to members; developing the annual work plan for the Board of Supervisors; overseeing the implementation of the annual planning process; monitoring the exercise of rights and responsibilities by the Board of Directors and the Director of the Company; preparing reports to evaluate the financial statements for the first six months and year-end, as well as other reports.

+ Ms. Ngo Thi Thu Phuc - Member of the Board of Supervisors: She supervises the management and operations of the Board of Directors and the Director in the following areas: Cash (*cash, bank deposits*); Production costs, product and service costs, administrative expenses, selling expenses; Payables; Use of borrowed capital; Use, preservation, and development of business capital, effectiveness of capital and asset utilization by the Company; Other tasks as assigned by the Board of Supervisors.

+ Mr. Nguyen Dinh Dung - Member of the Board of Supervisors: He supervises the management and operations of the Board of Directors and the Director in the following areas: Revenue, cost of goods sold for products and services; Profit distribution after tax, the establishment and use of the Company's funds; Receivables; Evaluation of financial indicators to assess operational efficiency, and the use and preservation of the Company's capital; Other tasks as assigned by the Board of Supervisors.

The members of the Board of Supervisors have carried out their duties with a sense of responsibility, in accordance with the principles of independence and caution, always prioritizing the interests of shareholders and the development of the Company.

Regarding the remuneration, compensation, and operational expenses of the Board of Supervisors: Salaries, bonuses, compensation, and other benefits for the Board of Supervisors are in accordance with the Company's remuneration policy, in compliance with the provisions and guidelines of Decree 53/2016/ND-CP and Circular 28/2016/TT-BLĐTBXH issued by the Ministry of Labor, Invalids, and Social Affairs, which provides guidance for the implementation of Decree 53/2016/ND-CP. Administrative expenses related to the operations of the Board of Supervisors comply with the Company's internal regulations.

II. Board of Supervisors' performance

In 2024, the Board of Supervisors developed a work plan, assigned specific tasks to each member, and carried out their duties of inspection and supervision of the Company's activities in accordance with the provisions of the Company's Charter and relevant legal regulations..

1. Performance results

In accordance with the activity program of the Board of Supervisors approved by the Annual General Meeting of Shareholders of Ngan Son Joint Stock Company, in 2024, the Supervisory Board carried out the following key tasks:

- Conducted an assessment of the Company's financial reports, including the financial statements for the first half of the year and the annual financial statements;

- Prepared the Board of Supervisors's annual activity report, the activity program for the following year, and proposed the Company to audit the annual financial statements for approval by the General Meeting of Shareholders;

- Coordinated with the Board of Directors to successfully organize the annual General Meeting of Shareholders;

- Regularly monitored the implementation of the resolutions of the General Meeting of Shareholders and the Board of Directors, as well as supervised the execution of the Company's Director in accordance with the Board of Directors's directives, ensuring that all directives from the Board of Directors were within their authority and carried out by the Director in compliance with the Company's Charter and applicable laws;

- Supervised the implementation of the Company's business plan by the Director: The business plan was executed by the Director on a monthly basis through coordination meetings or written directives outlining tasks to be carried out. Specific issues were raised in each area, with monthly performance assessments and requests for clarification on any unresolved issues to ensure smooth execution and the successful completion of the business plan as assigned by the General Meeting of Shareholders and the Board of Directors;

- Coordinated with inspection and audit teams; collaborated with independent auditors regarding the review of the semi-annual financial statements, inventory checks, and the preparation of the annual financial statements;

- Coordinated with departments to revise the company's regulations and policies to ensure that all activities comply with legal requirements;

- The company's information disclosure activities have been conducted in accordance with the provisions of the Securities Law, the State Securities Commission, and the Hanoi Stock Exchange regulations for listed companies.

2. Relationship of the Board of Supervisors with the Board of Directors and the Board of Management

The Board of Supervisors maintains regular communication with the Board of Directors and the Board of Management of the Company. The Board of Supervisors is invited to attend and provide input during both regular and ad-hoc meetings of the Board of Directors, as well as the quarterly meetings of the Board of Management.

The Board of Directors and the Board of Management have facilitated the Board of Supervisors in carrying out duties of inspection and oversight in accordance with the established plan and legal regulations.

III. Results of production and business activities, activities of the Board of Directors and Board of Management of the Company in 2024

1. Results of production and business activities

The Board of Supervisors concurs with the assessments made by the Board of Directors and the Board of Management regarding the Company's performance in 2024. At the end of 2024, the Company has achieved the following key targets:

Summary table of key performance indicators for 2024



No.	Indicator	Unit	Plan 2024 (Resolutions of GMS)	Actual 2024	Compare Actual/Resolutions (%)
1	Total Revenue	Million VND	858.000	872.554	102
2	Pre-tax profit	Million VND	15.500	23.114	149
3	Tax Contribution (Corporate Income Tax)	Million VND	3.100	4.623	149
4	Expected dividend payout ratio	%	7,5	10,5	140

- Total revenue and other income reached 872.554 million VND, equivalent to 102% of the 2024 Plan.

- Pre-tax profit reached: 23.114 million VND, equivalent to 149% of the 2024 plan.

- Tax Contribution (Corporate Income Tax) reached 4.623 million VND, equivalent to 149% of the 2024 plan.

- Expected dividend payout ratio is 10,5%, equivalent to 140% of the 2024 plan .

- Return on Equity (ROE) reached 9,75%, equivalent to 45,5% compared to the previous year's net profit.

2. Financial situation of the Company

Accounting and Financial Work: The Company has established a systematic accounting process from the Company's office to company's affiliated units. The accounting books are recorded clearly, in compliance with the Company's regulations, and in accordance with the current accounting standards and legal requirements.

Through control activities, the Board of Supervisors assesses the financial situation of the Company in 2024 as sound, with the figures in the financial statements reflecting a true and fair view of the Company's financial position. The Company's documents are carefully circulated and stored to ensure their legality and validity.

2.1. Some of the Company's financial indicators for 2024

No.	Indicator	Unit	Period report	The same period in the previous year	Compare	
					Increase/ decrease	Percentage %
1	Business performance Ratio					
	- Gross profit margin (GOS)	%	15,21	17,33	-2,13	87,7
	- Return on Sales (ROS)	%	2,10	1,71	0,39	122,8
	- EBITDA to Total Revenue Ratio	%	4,52	4,53	-0,01	99,8
	- EBITDA to Total assets Ratio	%	13,35	8,63	4,72	154,8
	- EBIT to Total Assets Ratio (BEP)	%	9,04	4,96	4,09	182,4

No.	Indicator	Unit	Period report	The same period in the previous year	Compare	
					Increase/decrease	Percentage %
	- Cost of sales to Net revenue from goods sold and services rendered Ratio	%	84,79	82,67	2,13	102,6
	-Financial Expenses to Net revenue from goods sold and services rendered Ratio	%	0,60	0,45	0,15	134,6
	- Selling expenses to Net revenue from goods sold and services rendered Ratio	%	2,45	2,40	0,05	102,1
	- General and administration expenses to Net revenue from goods sold and services rendered Ratio	%	9,84	12,55	-2,71	78,4
2	Profitability Ratio					
	- Return on Sales (ROS)	%	2,11	1,71	0,39	122,9
	- Return on Assets (ROA)	%	7,82	4,11	3,71	190,3
	- Return on equity (ROE)	%	9,75	6,70	3,05	145,5
	- Profit before tax to chartered capital ratio	%	20,63	13,66	6,97	151,0
	- Basic earnings per share	VND	1.635	727	908	224,9
3	Financial independence ratio					
	- Total debt to Equity Ratio	Times	0,57	1,06	-0,49	54,1
	- Total assets to Equity Ratio	Times	1,57	2,06	-0,49	76,4
	- Profit before tax to Charter capital Ratio	Times	20,63	13,66	6,97	151,0
	- Total debt to Total assets Ratio	Times	0,36	0,51	-0,15	70,8
4	Solvency Ratio					
	- Immediate ratio	Times	0,05	0,37	-0,32	14,6
	- Quick ratio	Times	1,02	1,07	-0,05	95,4
	- Current ratio	Times	2,11	1,56	0,55	135,5
	- Interest coverage ratio	Times	7,39	5,85	1,55	126,5
5	Asset efficiency					
	- Inventory turnover ratio	Times	8,26	10,59	-2,33	77,98
	- Days of inventory	Days	44	34	9,74	128,24
	- Receivables turnover ratio	Times	8,8	5,5	3,35	160,90
	- Days of sales outstanding	Days	41	67	-25,76	61,56

No.	Indicator	Unit	Period report	The same period in the previous year	Compare	
					Increase/decrease	Percentage %
	- Business cycle	Days	85	101	-15,55	84,60
	- Fixed asset turnover	Times	18,5	12,6	5,93	147,05
	- Total asset turnover	Times	2,6	2,1	0,50	123,98
	- Working capital turnover	Times	5,3	5,7	-0,43	92,39
6	Capital preservation Ratios	Times	1,00			

2.2. Analysis of some financial indicators of the Company

- Solvency ratio :

+ The Company's short-term current ratio as of December 31, 2024 is 2,11 times, an increase of 0,55 times over the same period and greater than 1, showing that the Company ensures good ability to pay due debts.

+ Quick ratio is also guaranteed to be greater than 1 shows that the Company has the ability to quickly pay off short-term obligations without having to use inventory. This shows that the business has the flexibility and stability to deal with short-term debts and is able to meet urgent financial requirements effectively .

- The Company's profit after tax/revenue ratio as of December 31, 2024 was 2,1% , an increase of 0,4%, showing that operating efficiency was better than the same period last year. During the year, the Company had many solutions to increase revenue as well as reduce costs to exceed the assigned plan, however, it is necessary to continue to have solutions to ensure that the revenue growth rate must be higher than the cost of goods sold growth rate to complete the 2025 plan.

- Return on Assets (Profit after tax to Assets Ratio): Return on assets as of December 31, 2024 is 7,82%, 4,11% higher than the same period, showing that the Company has used assets effectively in production.

- Return on equity: The profit after tax to average equity Ratio in 2024 is 9,75%, 3,05% higher than the same period, showing that the level of profit generation from equity is increasingly improving. The Company needs to continue to have solutions to increase revenue growth and reduce costs to maintain stability and increase this ratio in 2025.

- Receivables turnover Ratio: Receivables turnover ratio in 2024 is 8,8 times, an increase of 3,35 times over the same period. This is because the Company accelerated the consumption of goods and actively collected receivables, leading to the Company's days of sales outstanding in 2024 being 41 days, a decrease of 25 days compared to the same period, improving capital efficiency.

- Capital preservation Ratios: Capital preservation ratio is 1 times, showing that the Company has preserved equity.

- Regarding Accounts Receivable and Payable:

+ Accounts receivable: The total accounts receivable amount is 82.525 million VND, all of which were generated in 2024. The Company has no overdue or doubtful

debts. The Company has conducted reconciliation with all customers and has received debt confirmation documents for the total value of 82.525 million VND, accounting for 100% of total accounts receivable.

+ Accounts payable: The total accounts payable amount is 107.742 million VND. The Company has conducted reconciliation with all customers and has received debt confirmation documents for a total amount of 107.130 million VND, accounting for 99,43% of total accounts payable.

2.3 Cash flow statement

Unit: Million VND

No.	Indicator	This year	Last year	Increase(+)/decrease(-)
1	Net cash generated by operating activities	(101.325)	81.987	(183.312)
2	Net cash generated by investing activities	(11.558)	(1.007)	(10.551)
3	Net cash used in financing activities	47.148	(13.608)	60.756
4	Net cash flow during the year	(65.736)	67.372	(133.108)

- The net cash generated by operating activities of the Company in 2024 was negative 101.325 million VND. The primary reason for this was the Company's strategy to accelerate sales towards the end of the year, resulting in an increase in accounts receivable compared to the same period last year. As a result, the Company had to rely on short-term loans from banks to offset the cash flow deficit. Additionally, the Company increased inventory reserves compared to the same period last year. However, it is assessed that the negative cash flow is temporary and does not affect the Company's ongoing business operations. Furthermore, the cash flow ratio (short-term liabilities - cash) / (short-term liabilities - short-term loans) is 4,15, which is significantly higher than 1. This indicates that the inflows (from current assets and cash) are greater than the outflows (from short-term debt repayments and short-term loans), thereby ensuring the Company's financial stability.

- The net cash generated by investing activities in 2024 was negative 11.558 million VND, primarily due to the Company's expenditures on acquiring assets to expand investments to support production and business operations.

- The net cash used in financing activities in 2024 was 47.148 million VND, mainly driven by the increase in funds received through loans from financial institutions.

Assessment: The financial indicators for the Company in 2024 are generally higher and better compared to 2023, despite facing numerous challenges and difficulties. These include complex global conditions, such as the Russia-Ukraine war, the Israel-Hamas conflict, the prolonged Red Sea crisis, and the economic turmoil in several major economies, all of which have impacted logistics costs. Additionally, the depreciation of foreign currencies, along with domestic challenges such as unfavorable weather conditions (excessive rain, limited sunshine) during harvest and drying seasons, affected

the yield and quality of post-drying materials (resulting in a higher rate of inferior-quality products). The competition for purchasing raw materials in tobacco-growing regions in recent years has driven up the price of raw materials, affecting the Company's purchase progress and production and sales plans. However, through flexible and creative solutions, as well as unity and determination, Ngan Son Joint Stock Company successfully exceeded the set targets and ensured a healthy financial situation, preserving and growing capital.

3. Activities of the Board of Directors

- The Board of Directors has assigned specific tasks to each member, consistently monitoring the matters delegated by the General Meeting of Shareholders in order to direct, coordinate, and support the Executive Board in achieving the set objectives.

- The Board of Directors has organized regular and extraordinary meetings in accordance with the Company's Charter and the Enterprise Law. Each meeting of the Board of Directors issued Resolutions and tasked the Executive Board with implementing them. Furthermore, the Board addressed many other important matters, providing direction for the Executive Board to execute actions that would ensure the effectiveness of the Company's production and business operations. This approach ensured the preservation and growth of capital, fulfilling the tasks entrusted by the General Meeting of Shareholders, maintaining the governance system, and ensuring a balance of interests between shareholders and employees' income within the Company.

4. Activities of the Board of Management

Although in 2024, the Company faced many difficulties and challenges due to the impact of the world war, causing high prices of raw materials and input materials, unusual weather conditions causing floods and droughts in the Company's growing areas, etc. However, with the leadership and decisive policies, the Board of Management always promptly provided flexible solutions in the management of all aspects of the Company's operations, complying with the provisions of law, the Charter and Resolutions issued by the Board of Directors, notably:

- Directing the tobacco leaf procurement process based on customer quality requirements, enhancing the inspection and control of purchasing to improve procurement efficiency and minimize inventory;

- Diversifying products, expanding to new and potential customers, especially export customers, to increase the effectiveness of the Company's production and business activities;

- Flexibly arranging labor in accordance with actual conditions at each stage while ensuring higher employee income compared to the previous year, in compliance with national regulations;

- Efficiently utilizing resources and fostering creativity in management, with numerous technical improvements in production that reduced costs and contributed to the Company's effectiveness;

- Fully fulfilling obligations to the State in accordance with regulations, implementing transparent management policies with clear delegation of responsibilities

within the organizational structure; focusing on the well-being and income of employees, while fulfilling corporate social responsibilities.

5. Conclusion

Overall, the Company's activities in 2024 have adhered to the provisions of the Law on Enterprises, the Company's Charter, and relevant regulations; company's information disclosure activities have also been carried out in compliance with the Securities Law.

The Board of Directors and the Board of Management have closely coordinated with a high sense of responsibility, engaging in discussions to establish appropriate strategies, and have implemented proactive, decisive, and flexible solutions in managing the Company's production and business operations, thereby effectively achieving the tasks assigned by the General Shareholders' Meeting.

III. Orientations and tasks of the Board of Supervisors in 2025

Performing the functions and duties of the Board of Supervisors as stipulated in the Company's Charter, specifically:

- Monitoring the management and operation activities of the Board of Directors and the Board of Management of the Company;
- Reviewing the Company's financial statements;
- Enhancing the control over the Company's core activities on specific topics;
- Supervising the implementation of conclusions from inspection and audit teams;
- Carrying out other duties as per the functions and responsibilities defined in the Company's Charter and applicable legal regulations.

Dear General Meeting of Shareholders,

The above is the complete content of the Board of Supervisors's activities report for 2024 and the orientations and tasks for 2025, which is hereby presented for approval by the General Shareholders' Meeting.

Recipients:

- Shareholders, Delegates attending the AGM;
- Archived: Board of Supervisors.

**ON BEHALF OF THE BOARD OF
SUPERVISION
HEAD OF BOARD**



Tran Anh Tam

