

# **ANNUAL REPORT 2024**

## **SOUTHERN SEED CORPORATION**

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## **INTRODUCTION**

Southern Seed Corporation (SSC) is proud to be a friend of farmers, with the goal of building a solid Vietnamese agriculture, contributing to the mission of making Vietnam a leading agricultural exporter in the world. Looking back on the past development journey, SSC has improved the value chain, becoming a Company organized according to the model of research, selection, and production of advanced seeds, striving to reach the level of high-quality seed technology in the world.

To achieve the above great goals, the Company researches ecological regions with suitable soil quality to set up branches, research centers, selection, and production of seeds, with a commitment to pursuing the best quality of seed products and services, bringing many quality plant varieties to farmers and bringing value to all employees and shareholders. In terms of distribution, the Company focuses on meeting the needs of domestic farmers while continuing to bring the brand further into the international arena in neighboring countries.

Furthermore, SSC is always proud throughout the journey of innovation and development, a corporate culture that unites for success. Everything we and our scientists have and are doing at SSC is nurtured by the belief in a bright future and the passion for continuous dedication in developing the best products and services on the market.

### **VISION**

Become one of the three leading seed companies providing high-quality rice, corn, vegetable and flower seeds with the goal of increasing the value of agricultural products and sustainable development for Vietnamese farmers.

### **MISSION**

Selecting, producing and supplying good seeds, getting rich with farmers.

### **BUSINESS PHILOSOPHY**

- Putting the interests of farmers as the foundation for development.
- Maximize the long-term value of the Company.
- Create a working environment for employees to develop and have a commensurate income.
- Take professionalism and work efficiency as criteria for evaluating leaders and employees.
- Be responsible and share success with the community.

## **CORE VALUES**

- Cultural identity: Innovation - Transparency
- Attitude towards customers and partners: Professionalism - Honesty - Dedication - Cooperation - Development
- Attitude towards work: Responsibility - Proactiveness - Creativity - Passion - Efficiency
- Attitude towards colleagues: Respect - Cooperation - Trust - Learning - Mutual support
- Attitude towards shareholders and investors: Loyalty - Transparency

# CONTENT

## I. General information:

### 1. General information:

- Trading name: SOUTHERN SEED CORPORATION
- English name: SOUTHERN SEED CORPORATION
- Stock code: SSC
- Business registration certificate No.: No. 0302634683 issued by the Department of Planning and Investment of Ho Chi Minh City on June 24, 2002, 12th change, February 20, 2024
- Charter capital: 149,923,670,000 VND
- Owner's investment capital: 149,923,670,000 VND
- Address: 282 Le Van Sy, Ward 1, Tan Binh District, Ho Chi Minh City.
- Phone number: (028) 38442414
- Website: <http://ssc.com.vn/>

### Establishment and development process:

Year	Event
1976	Southern Seed Company was established on May 14, 1976 with the mission of supplying plant seeds to the southern provinces from Da Nang City and below.
1978	Southern Seed Company was merged and became Branch 1 of Central Seed Company under the Ministry of Agriculture.
1981	The company changed its name to Plant Seed Enterprise I.
1989	Establishment of Central Seed Company II.
1993	The company changed its name to Southern Seed Company.
1995	On March 1, 1995, the Company was honored to become a member of the Asia Pacific Seed Association (APSA).

<b>2002</b>	On August 23, 2002, the Company became a member of the Vietnam Seed Association. The Company equitized into Southern Seed Joint Stock Company SSC with a charter capital of 60 billion VND, the largest company in the Vietnam Seed industry.
<b>2005</b>	In March 2005, the Company was officially listed at the Ho Chi Minh City Stock Exchange with the stock code SSC.
<b>2007</b>	The company issued 4,000,000 shares, increasing the company's charter capital to VND 100,000,000,000.
<b>2010</b>	The company issued an additional 4,499,427 bonus shares to existing shareholders and 492,940 preferential shares to the Board of Directors, Board of Supervisors, officers and employees, increasing the charter capital to VND 149,923,670,000.
<b>2012</b>	<ul style="list-style-type: none"> <li>• The company is recognized as a Science and Technology Enterprise.</li> <li>• Establishment of Cambodia branch and Central branch</li> </ul>
<b>2013</b>	Establishment of Representative Office in Laos and Branch of Vegetable and Flower Seed Center - SSC.
<b>2014</b>	Established Tra Vinh Processing Factory, honored to receive the Third Class Independence Medal.
<b>2015</b>	The company established the Marketing and Product Development Department. In addition, the company merged the Vegetable and Flower Seed Center into the Southern Plant Seed Research Center and established Tan Hiep Plant Seed Farm (Binh Duong).
<b>2016</b>	The company received the Mekong Delta Branch of NSC.
<b>2017</b>	Honored to receive a Certificate of Merit from the Minister of Agriculture and Rural Development for outstanding achievements in research, selection, production and trading of plant varieties, contributing to the development of rural agriculture (according to Decision No. 5077/QD-BNN-TC, dated December 6, 2017).
<b>2018</b>	<ul style="list-style-type: none"> <li>• <i>Chairman of Ho Chi Minh City People's Committee awarded the Certificate of Outstanding Ho Chi Minh City Enterprise in 2018 (Decision No. 4386/QD-BNN-TCCB, dated October 6<sup>th</sup>, 2018).</i></li> <li>• <i>Minister of Agriculture and Rural Development awarded the Title of Enterprise for Farmers (Decision No. 4263/QD-BNN-TCCB, dated October 30<sup>th</sup>, 2018).</i></li> <li>• <i>Minister of Agriculture and Rural Development awarded the Vietnam Golden Rice Award 2018 (Decision No. 4264/QD-BNN-TCCB, dated October 30, 2018).</i></li> </ul>
<b>2019</b>	<ul style="list-style-type: none"> <li>• SSC is honored to be one of 259 listed enterprises that meet information disclosure standards.</li> <li>• SSC's Southern Seed Research Center (SRC) merged with the Research and Development Center of Vietnam Seed Group (abbreviated as VRDC).</li> </ul>

	<ul style="list-style-type: none"> <li>Vietnam Rice Company Limited (VINARICE) was established from a number of functional departments and branches of SSC in Truong Xuan Industrial Cluster, Truong Xuan Commune, Thap Muoi District, Dong Thap Province. VINARICE is a company under Vinaseed Group.</li> </ul>
<b>2020</b>	<ul style="list-style-type: none"> <li>Transferred the market of 13 provinces in the Mekong Delta to Vietnam Rice Company Limited (Vinarice) in January 2020. SSC invested 99 billion VND and accounted for 30% of Vinarice's total charter capital.</li> <li>Established the Branch of the Center for Business and Development of Vegetable and Flower Seeds (abbreviated as CTVS), operating from July 1<sup>st</sup>, 2020.</li> </ul>
<b>2021</b>	<ul style="list-style-type: none"> <li>Strengthening the production and trading of vegetables and flowers at Lam Ha Branch according to the strategic orientation of PAN Group.</li> <li>Investing in the construction of the Co Do Rice Research Center, serving the rice research work in the Mekong Delta region of Vinaseed Group &amp; its member companies SSC, Vinarice.</li> </ul>
<b>2022</b>	<ul style="list-style-type: none"> <li>Focus on completing the Processing System at Co Do Branch with modern machinery and equipment, increasing productivity to create quality seed products.</li> <li>Strengthen and effectively exploit Phu Giao Branch, Lam Ha Branch through land improvement planning and investment in new farming technology.</li> <li>SSC signed a cooperation agreement on product development, technology transfer and commercialization of research products with Ho Chi Minh City Biotechnology Center - Biotech</li> </ul>
<b>2023</b>	<ul style="list-style-type: none"> <li>Invest in building a greenhouse, an area of 02 hectares for producing commercial bell peppers at Lam Ha Branch; open a new business line of the Company in addition to the main activity of producing and trading plant seeds.</li> <li>Renovate the Central Branch office, build a horizontal drying oven system of 90 tons/batch to effectively exploit the existing facilities.</li> </ul>
<b>2024</b>	<ul style="list-style-type: none"> <li>Renovate the Central Branch office, build a 90-ton/batch horizontal drying kiln system to effectively exploit existing facilities, install CL3 processing machine, optimize the processing of goods for business purposes.</li> <li>Strengthen and effectively exploit Cu Chi Branch through investing in seed color sorting machines.</li> </ul>

#### ✓ Awards achieved

Over the years, with its efforts to contribute to the country's economic and social development, the Company has been honored to receive noble awards from the Party, the Government, and recognition from the business community for SSC's contributions to the community and society.

✓ **Labor Medal**

- 1980: The President awarded the Third Class Labor Medal to the Company. At that time, SSC was a member of the Central Seed Company.
- 2001: The President awarded the First Class Labor Medal to the Company.
- 2005: The President awarded the title of Labor Hero to the Company's staff.
- 2013: The President awarded the Third Class Independence Medal to the Company.
- 2014: Receiving the Third Class Independence Medal and the Inauguration Ceremony of the Vegetable and Flower Seed Center - SSC.

✓ **Title of Enterprise for Farmers:**

- 2018: The Ministry of Agriculture and Rural Development awarded the title of Enterprise for Farmers.

✓ **Certificate of Merit of the Minister**

- The Minister of Agriculture and Rural Development awarded the Certificate of Merit for Outstanding Achievements in Research, Selection, Production and Trading of Plant Varieties, Contributing to the Development of Agriculture and Rural Areas.
- The Minister of Agriculture and Rural Development awarded the Vietnam Golden Rice Award
- The Minister of Science and Technology awarded the Certificate of Merit to the collective with many achievements in applying and connecting technology supply and demand;
- The Award "Brand of Vietnamese Farmers" awarded by the Ministry of Industry and Trade.

✓ **Business Ranking**

- 2008: Golden Cup "Prestigious Securities Brand & Leading Joint Stock Company in Vietnam".
- 2008: Title "Typical Enterprise of Vietnam - Laos - Cambodia" in 2008 recognized by the Association of Small and Medium Enterprises.

✓ **New Rural Construction**

- 2015: Certificate of Merit for Enterprises that have actively contributed to the New Rural Construction from 2010 to 2015, contributing to the cause of building socialism



and defending the Fatherland (according to Decision No. 1142/QD-TTg, dated July 21<sup>st</sup>, 2015) awarded by the Prime Minister.

- 2015: Certificate of Merit for achievements in the emulation movement "The whole country joins hands to build new rural areas" from 2011 to 2015, contributing to the cause of building socialism and defending the Fatherland (according to Decision No. 1687/QD-TTg, dated November 1<sup>st</sup>, 2015) awarded by the Prime Minister.

✓ **Vietnam Golden Rice Award**

- 2018: Honored to receive the Vietnam Golden Rice Award.

✓ **Certificate of Merit for Building & Implementing the Large Field 2020**

- The People's Committee of Ninh Thuan province awarded a certificate of merit for outstanding achievements in building and implementing the Large Field in the period 2018-2020.
- Certificate of Merit from the Department of Agriculture and Rural Development of Hau Giang province for its contributions in 20 years of building and developing agricultural extension in Hau Giang province (Decision No. 354/QD-SNNPTNT, dated August 25<sup>th</sup>, 2023 of the Department of Agriculture and Rural Development of Hau Giang province)
- The Dai Thom 8 rice variety product achieved the Vietnam Agricultural Gold Brand in 2023 (Decision No. 405/THNNVN, dated October 18, 2023 of the Vietnam General Association of Agriculture and Rural Development)
- The Dai Thom 8 rice variety product achieved the Vietnam Agricultural Gold Brand in 2024 (Decision No. 505/THNNVN, dated October 1<sup>st</sup>, 2024 of the Vietnam General Association of Agriculture and Rural Development).

## **2. Business lines and locations:**

### ***a. Business lines:***

Currently, Southern Seed Corporation operates in 2 areas:

- Plant seeds: Research, hybridization, production, trading, import and export of all kinds of plant varieties (main field).
- Agricultural products, materials and agricultural services: Transfer of technical advances in cultivation and trading of agricultural products according to a closed value chain; Quality control of seeds and seedlings; Production, processing, bottling, packaging, trading of pesticides and fertilizers; Design, manufacture, installation, import and export of machinery and equipment for processing seeds and agricultural products; Production, trading, import and export of agricultural products and materials.

***b. Business locations:***

SSC's business locations are mainly located in the Southeast provinces, the Central Coast, the Central Highlands and some countries in the region such as Laos and Cambodia. Not only ensuring domestic seed supply, SSC aims to expand to international markets, bringing Vietnamese copyrighted products to quickly access new markets.

No	Area of operation	Revenue Rate (%)
1	Southeast Region	32,37%
2	Central Coast Region	17,65%
3	Central Highlands	5,58%
4	Cambodia	4,55%
5	Mekong Delta	16,31%
6	Other regions	23,54%

***c. Company branches and offices***

Currently, the company owns many branches and offices throughout the business area with the goal of meeting the demand in each area in the best way, specifically, the company has a total of 11 branches and offices.

No	Branch	Address
1	Central Branch	Trang Nhat II Industrial Park - Dien Hoa Commune, Dien Ban District, Quang Nam Province.
2	Cu Chi Branch	Phuoc Thanh Commune, Cu Chi District, Ho Chi Minh City.
3	Co Do Branch	Thanh Phu Commune, Co Do District, Can Tho City
4	Cai Lay Branch	Nhi My Ward, Cai Lay Town, Tien Giang Province
5	Lam Ha Branch	Tan Van Commune, Lam Ha District, Lam Dong Province
6	Phu Giao Branch	Tan Hiep Commune, Phu Giao District, Binh Duong Province
7	Southern Plant	Pham Van Coi Commune, Cu Chi District, Ho Chi Minh

	Breeding Research Center	City
8	Tra Vinh Branch	Lot C Road No. 1, Long Duc Industrial Park, Long Duc Commune, Tra Vinh City
9	Center for Vegetable and Flower Seed Development and Business (CTVS)	No. 20 Cong Hoa, Ward 12, Tan Binh District, Ho Chi Minh City
10	Cambodia Branch	63A, Street 21, Toul Kok District, Phnom Penh Capital, Kingdom of Cambodi

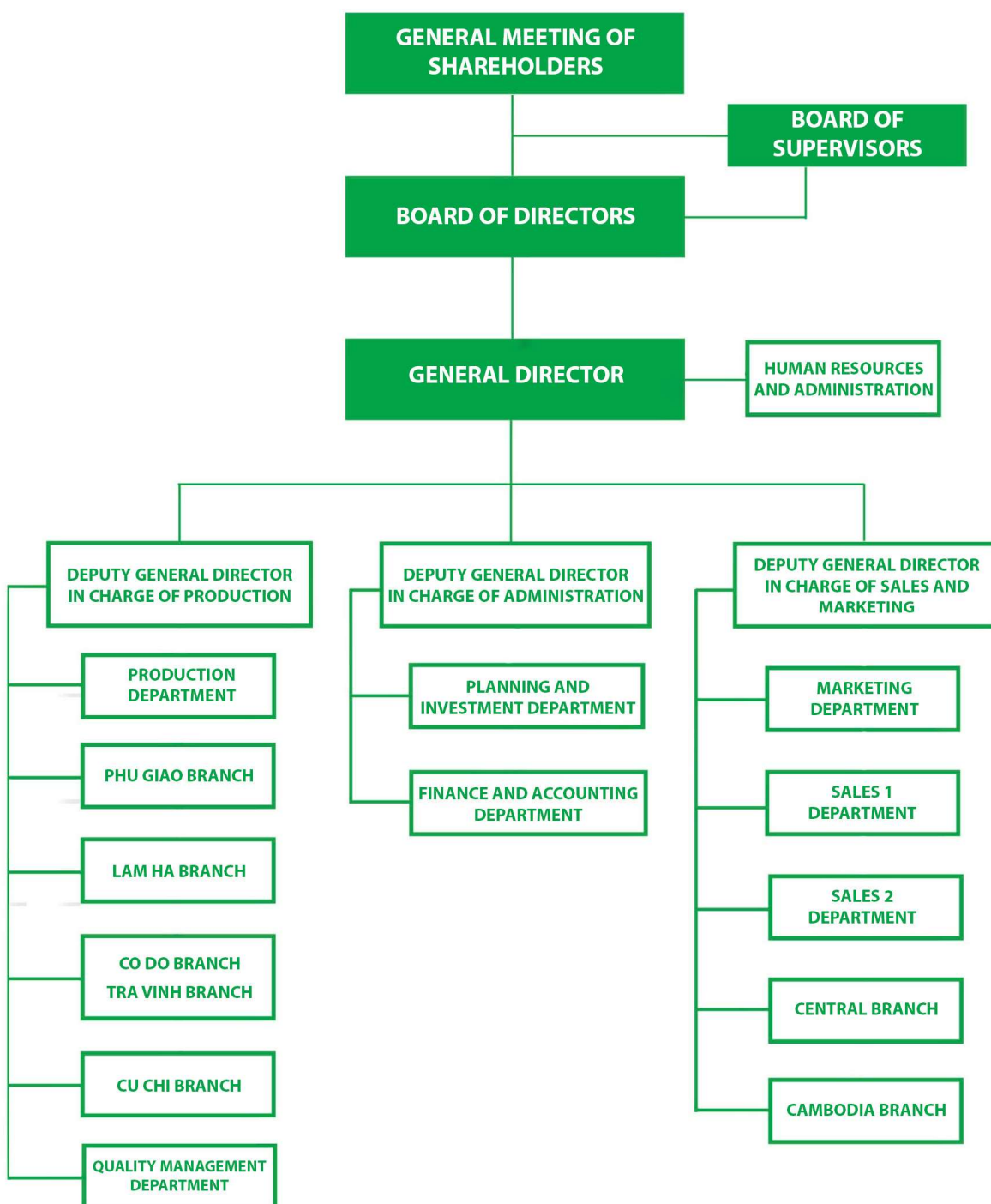
### **3. Information on governance model, business organization and management apparatus:**

#### **a. Governance model**

- Southern Seed Corporation operates under a governance model built and organized in accordance with the current Enterprise Law with important positions including the General Meeting of Shareholders, Board of Directors, Supervisory Board and General Director. As a public company listed on the stock market for a long time, the Company strictly applies and adheres to the regulations and guidelines of the current Regulations on the structure of the Board of Directors as well as the role of the Supervisory Board. Specifically:
- General Meeting of Shareholders (GMS): The GMS consists of all shareholders with voting rights and is the highest decision-making body of the joint stock company.
- Board of Directors (BOD): The BOD is the management body of the Company, with the right to decide on all matters related to the Company's purposes and interests on behalf of the Company, except for matters under the authority of the GMS. The number of members of the Board of Directors of the Company is 05 members. Of which, there are 3 independent members and 2 non-executive members. The Board of Directors is responsible for supervising and directing all aspects of the Company's operations.
- Board of Supervisors (BOS): The BOS is also an important institution that plays the role of inspecting and supervising the operations of the Board of Directors and the General Director, including 03 members who are not related to the members of the Board of Directors and the General Director, operating independently from the executive apparatus and having the important function of performing supervision to protect the interests of shareholders, protect the company and those with interests related to SSC.

- The General Directors (CEO): The General Director of Southern Seed Joint Stock Company is the person who operates and is responsible for all aspects of the Company's production and business activities. The Company has 01 General Director appointed by the Board of Directors, responsible to the Board of Directors and the General Meeting of Shareholders for the performance of assigned duties and powers.

**b. Management structure:**



### 3. Subsidiaries and affiliates:

No	Company Name	Address	Main business fields	Contributed charter capital (VND)	Company Ownership Ratio (%)
<b>Subsidiary</b>					
1	<b>Southern Seed Engineering Joint Stock Company (SSE) (*)</b>	282 Le Van Sy, Ward 1, Tan Binh District, Ho Chi Minh City	Manufacture of agricultural and forestry machinery, food and beverage processing machinery; repair, maintenance and installation of machinery and equipment	3.349.764.000	83,74%
<b>Affiliated companies</b>					
1	<b>Vietnam Rice Company Limited (Vinarice)</b>	Truong Xuan Industrial Cluster, Truong Xuan Commune, Thap Muoi District, Dong Thap Province, Vietnam	Processing and trading of seeds and agricultural products	99.000.000.000	30%

(\*) Southern Seed Mechanical Joint Stock Company (SSE) has not completed bankruptcy procedures, waiting for the People's Court of Ho Chi Minh City to declare bankruptcy; Receipt of bankruptcy file acceptance, waiting for the appointment of a new legal representative because the old legal representative has passed away, dated August 19<sup>th</sup>, 2019.

### 4. Development orientation:

#### a. Main objectives of the Company:

- Maintain positive growth rate: Average revenue growth of more than 20% (exclusive product ratio is >80%)
- Grow key products (corn, vegetables, beans) with high profit margins, to ensure maintaining an average annual growth rate of 20%
- Focus on developing new products:
  - *Waxy corn: CX247, Max 68, SSC 287, Sticky Waxy Corn HN66, Diamond 999, Darling 10;*
  - *Yellow corn: SSC 586 biomass;*
  - *Hybrid rice: KC06-1, HR182;*

- *Vegetable group: Pum 888 squash, F1 hybrid Wax 242, Pum 2204 pumpkin, Pu01 young squash, SSC08 bud squash, Rocket 358 chili, CUC 68 cucumber*
- *Purebred rice: Dai Thom 8, Huong Chau 6, VN121, OM34, VNR98, VNR96*
- Profit margin (gross profit): over 30%;
- Selling expenses: maximum 10% of annual net revenue;

Management expenses: maximum 13% of annual net revenue.

## **5. Medium and long-term development strategy:**

*Strategy for 2025, vision to 2030:*

The Company's 5-year goal from 2025 - 2030 is to maintain a minimum growth rate of both scale and average profit of 20%. By 2030, SSC's scale will double, equivalent to: Revenue: 900-1,000 billion VND, pre-tax profit from 140 - 170 billion VND.

*Directions:*

To complete the above goals, the Company needs to focus on the following main directions:

- Continue to focus on developing human resource management to ensure adequate quantity and quality of personnel in a streamlined and competent manner, with skills to successfully implement the production and business plan in the next 5 years;
- Exploit and optimize facilities; Investing in upgrading and innovating technological equipment, building and expanding warehouse facilities, machinery and equipment to serve the production-processing-preservation of corn, vegetable and color seeds and management work;
- Focusing on the business strategy of the main products being corn and vegetables; investing in sufficient human resources and facilities to enhance the application of science and biotechnology to support the breeding activities;
- Developing new products VNR98, VNR86, Diamond 999, HN66. Continuing to develop yellow corn for livestock; purebred rice OM34, Mekong Delta Rice Institute;
- Maintaining and expanding raw material areas with suitable ecological conditions for hybrid seed production; Improving the maintenance of factories and equipment to serve CBBQ;
- Deploying digital transformation applications to improve management capacity at headquarters and affiliated units.

### **c. Sustainable development goals**

**Environmental production activities:** In the context of increasingly unpredictable weather, SSC focuses on researching and breeding plant varieties that can adapt to climate change, better withstand saline soil and pests. A good rice variety can significantly reduce fertilizers and pesticides, reduce the amount of seed sown, thereby reducing emissions in the field. At the same time, the Company constantly improves environmentally friendly production processes, aiming to build a "green production" model for the future through the application of mechanization, improving farming techniques to save electricity and water, and improving the efficiency of using environmental resources.

**For employees:** The Company is committed to strictly implementing the regulations under the Labor Code and the Law on Social Insurance, ensuring the rights of working hours and insurance regimes for employees. In addition, the company focuses on creating a safe, clean working environment and fully equips necessary protective equipment during the production process. At the same time, the company also cares about the spiritual life of employees through organizing internal cultural and sports activities.

**For the community and society:** SSC strives to support the community through volunteer activities, helping local communities. In the long term, we aim to improve farmers' livelihoods by supporting farming and techniques for them through free training sessions in the area, providing quality seeds and supporting sustainable consumption, promoting exports to developed markets, increasing income and improving the lives of farmers.

**In the relationship with existing investors/shareholders:** SSC always strives to be open and transparent with information in accordance with the provisions of the law on securities and the stock market, limiting information imbalance between investors and businesses. SSC is committed to continuously improving its governance capacity to meet the interests of all stakeholders.

## **5. Risks**

During the formation and development of the Company, SSC has always faced many risks affecting its production and business activities. Specifically, factors such as economic zone planning, intellectual property rights, climate change, and pests and diseases, etc. directly affect the Company's production and business activities during the year.

### **a. Economic and market risks**

According to the Economic and Forecast Magazine of the Institute of Development Strategy - Ministry of Planning and Investment, GDP in 2024 is estimated to increase by 7.09% over the previous year. The agricultural, forestry and fishery sector maintains a fairly good growth momentum, the industrial sector recovers positively, the growth rate of added value in 2024 is estimated to reach 8.32% over the previous year, only lower than 2019 in the

period 2019-2024, contributing 2.70 percentage points to the growth rate of total added value of the whole economy.

During the year, the agricultural sector continued to strongly transform from production thinking to agricultural economic thinking, from single-sector development to multi-sector cooperation and development, with the total export turnover of the whole sector reaching a record of about 62.5 billion USD. Of which, grain output in 2024 is estimated at 48.1 million tons, up 0.4%; the value of 1 hectare of cultivated land in 2024 is estimated at 127 million VND, up 7.4% compared to 2023. According to the General Statistics Office, as of August 20, 2024, the Mekong Delta had planted 489.1 thousand hectares, equal to 107.4% of the same period. Rice exports in the first 6 months of 2024 are estimated at 4.68 million tons with a turnover of 2.98 billion USD, up 10.4% in volume but up to 32% in value. Rice prices remained high, increasing by 15.93% according to export rice prices, causing farmers to accelerate rice cultivation to serve export demand, supporting sales for SSC's hybrid and pure rice products in 2024.

In addition, corn, peanut and soybean acreage continued to decrease compared to the same period last year, mainly due to low economic efficiency. SSC's hybrid corn and waxy corn seed lines were negatively affected by the shrinking corn seed market size due to a decrease in domestic corn output used as animal feed ingredients, replaced by imported corn. Corn output reached 4.4 million tons, down 31.4 thousand tons.

Changes in the structure of the processing industry and farmers' agricultural product trends greatly determine the demand for seed company seed lines in the market. The agricultural sector is also gradually shifting to organic development, local endemic products, shifting towards multi-layer, multi-value exploitation on a land area; using high-quality seeds. In 2024, about 116 thousand hectares of inefficient rice land were converted to growing vegetables, fruit trees, industrial crops, and aquaculture with higher economic efficiency. The change in the structure of the agricultural product market puts pressure on seed distribution enterprises to manage inventories in accordance with tastes, invest in research on new seeds suitable for modern farming techniques and high quality requirements. Risk management policy: For risks from the macro market, SSC continuously monitors and adjusts appropriate business plans, practices seed research in accordance with changing market trends. Specifically, the Company adjusts its plan to focus on developing strategic products such as vegetables and beans to adapt to the risks of changes in the structure of organic farming. At the same time, the Company also continuously distributes new varieties to the market such as F1 Diamond 999 hybrid corn, KCR06-1 hybrid rice, and Red Dragon hybrid watermelon to replace products with low economic efficiency. At the same time, it studies farmers' tastes, closely follows export rice standards to orient suitable seed sources for hybridization, and manages seed inventories closely and reasonably according to agricultural forecasts for the year.



## **b. Industry-specific risks**

### **✓ Raw material risks:**

SSC's most important input material is seeds, which are the basis for crossbreeding and product development. The characteristics of businesses in the seed distribution market are constantly having to crossbreed, research, or import seeds from abroad for testing, bringing to the market increasingly high-quality products. The speed of replacing seed lines is very fast through each crop season, the seed market naturally eliminates weaker strains if other competing businesses launch superior products.

Experts say that although the seed production system in our country is large, its capacity is still limited, not meeting the practical requirements of export-oriented commodity production. With rice, more than 95% of seeds; corn, more than 60% of seeds are produced domestically and the quality is guaranteed according to Vietnamese standards. However, our country's weakest link in the seed industry is vegetable and flower seeds. Currently, we have to import about 90% of this type of seed with a value of tens of millions of USD, although Vietnam has climate zones (northern highlands, Da Lat) that can produce seeds of sub-temperate vegetables. In general, domestic seeds are partly hybridized and the rest are mainly imported from China, which increases the risk of adaptability of the variety and impacts the price of raw materials.

First, importing seeds from abroad for hybridization research is subject to significant risks in weather and soil conditions, making it impossible for the seeds to fully develop their dominant traits compared to when in the original land. Experts spend time researching and searching for good seed sources but cannot actually cultivate them in local areas of Vietnam, causing waste of resources and investment.

Second, import costs are reflected in the price of input materials for the production process, significantly affecting the output price of the product. In addition, import policy also plays an important role in affecting both production costs and final selling prices. This poses a major challenge for the Company, when facing risks from international market fluctuations.

### **✓ Risk management policy:**

In order to minimize risks from imported seed sources, SSC strengthens research activities, supports seed breeding at domestic scientific institutes. The Company maintains strategic cooperative relationships with research centers and universities, and signs agreements to contribute to the development of domestic crop varieties. Specifically, the Company has signed an agreement with the Ho Chi Minh City Biotechnology Center on cooperation in developing vegetable seed products, transferring technology and commercializing research products between units. At the same time, the Company also owns crop seed production areas,

instructing farmers to produce according to standard techniques, ensuring seed quality. From there, support the company to ensure the supply and quality of the Company's input materials.

✓ **Competitive risks**

Each year, the number of new varieties released to the mass market is relatively large, which means intense competitive pressure among seed distribution companies. Considering rice varieties alone, from January 1<sup>st</sup>, 2020 to May 28<sup>th</sup>, 2024, 267 rice varieties were recognized under the Law on Cultivation, of which: 152 varieties were recognized for circulation. SSC is under great pressure from competitors, especially with popular crops such as rice, corn, and beans. Businesses in the industry continuously research and launch product lines with higher yields, resistance to pests and diseases, resistance to salinity or climate change, etc. There are 2-3 crops per year depending on the type of crop, causing the rate of elimination of varieties very quickly, which also means that a variety with outstanding efficiency can dominate the market and bring in significant profits. Seed distribution companies are required to continuously research new and more effective varieties to avoid losing market share to competitors, and conduct demonstration cultivation sites to promote new varieties to farmers to optimize the revenue efficiency of each variety.

✓ **Risk management policy:**

The market context requires SSC to invest in research and experimentation, improve production efficiency, and breed seeds. The company still maintains cooperation with universities, research institutes, and multinational corporations in the fields of research, application, exploitation of genetic resources, human resource training, and technology search from research to production, focusing on investment to achieve stable goals in both output and quality in the long term. At the same time, proactively listen and pay attention to the needs of farmers and the market. From there, set a direction for technical and technological improvement, creating the right strategy to increase competitiveness with domestic and foreign enterprises. Counterfeit risk

The quality of agricultural products is largely determined by the initial seeds. A batch of seeds that has been carefully researched and screened, and tested for consistent quality, can ensure resistance to basic pests and diseases. A typical example is the Dai Thom 8 variety of SSC, which is resistant to blast, brown planthoppers, and strong bushiness, and produces good quality rice. However, there is a risk that traders will import products of unknown origin, packaged in genuine or white bags, and of poor quality, and distribute them to farmers, which can seriously affect their crop productivity. The common consequences are more pests and diseases in the fields, higher costs for decontamination, and unstable quality of agricultural products for long-term export purposes. In adverse conditions, output products may be forced to lower prices or refused to be purchased because the agricultural products are not guaranteed.

The risk of counterfeiting not only affects the livelihoods of farmers, but also damages their trust in seed distribution businesses.

Although the Ministry of Agriculture and Rural Development has directed the inspection of seed quality in recent times, it has not yet met the requirements due to the lack of strict management of seed production and trading establishments; the lack of unity and effectiveness in coordination between central and local agencies. Poor quality seeds are still being produced, circulated and used; causing damage to farmers, unfair competition; especially with fruit and industrial tree varieties. With the motto of developing together with the interests of farmers, any risk that affects the farming efficiency of farmers brings risks to the long-term development of Southern Seed Joint Stock Company.

✓ **Risk management policy:**

To minimize the risk of counterfeit goods, the Company establishes strict control measures, raises awareness among farmers and consumers, and implements policies and regulations from the Government. In addition, the Company also proactively promotes products in the market, increases brand recognition as well as guides the difference between genuine products from the SSC brand and counterfeit products, and clearly indicates the distribution channels of quality products to farmers. The trend of shrinking agricultural land area

Vietnam's economic structure is shifting towards industrialization and modernization. By 2045, Vietnam will become a modern industrialized country, promoting the development of transportation, industrial parks, and tourist areas. The shrinking agricultural land area is due to urbanization, tourism development, transportation, rapid population growth, landslides due to climate change, etc. In addition, another reason is the massive development of industrial parks and tourist areas occupying large areas of agricultural land. In the face of the increasingly shrinking land fund, if we develop agriculture in the traditional way, we will encounter many difficulties, so we must follow the inevitable trend of urban agriculture, applying technology to production.

✓ **Risk management policy:**

To face this challenge, the Company increases land use efficiency through the application of modern and sustainable agricultural methods. Integrating information technology and smart agricultural models to help optimize area use and increase productivity. In addition, the Company promotes cooperation between farmers to develop urban and smart agricultural models, responding to the shrinking agricultural land and protecting this important resource for the sustainability of the agricultural industry.

✓ **Legal risks:**

At the same time, SSC is an enterprise in the agricultural sector with the core activity of providing seeds. The Company always complies with and is governed by legal documents

such as the Law on Cultivation, the Law on Intellectual Property, etc. In recent years, with the goal of developing agriculture towards high technology and sustainable development, management agencies have continuously updated and amended legal documents, especially tightening regulations on production and distribution in the agricultural sector, including policies related to plant varieties and technical standards, classification, and seed quality. The tightening of legal documents will create a transparent and healthy competitive business environment, minimize risks of fake and poor quality seeds, and create conditions for reputable businesses to develop their business. However, this also requires businesses to continuously monitor and update changes to promptly respond and have appropriate business strategies. In addition, as a listed enterprise on the Ho Chi Minh City Stock Exchange (HOSE), SSC is also subject to control and compliance with a system of legal documents including: Enterprise Law, Securities Law and related legal documents and Decrees, Circulars.

✓ **Risk management policy:**

Therefore, to minimize the above risks to production and business activities, SSC always strictly complies with and directs departments and officers in charge to continuously monitor and update changes, while focusing on a transparent and effective management system.

**c. Environmental risks**

Risk management policy: SSC implements a proactive environmental risk management policy, focusing on research on highly resistant crop varieties, application of sustainable farming technology and cooperation with farmers to increase adaptability. The company has successfully developed rice varieties such as Huong Chau 6 (resistant to blast and brown planthoppers) and KCR06-1 (well adapted to climate change), helping to limit damage caused by natural disasters and pests. At the same time, SSC organizes technical training sessions, instructing farmers on how to handle environmental issues in production. SSC staff also regularly visit the fields of farmers who have production contracts with the company to advise on appropriate solutions, contributing to improving productivity and developing sustainable agriculture.

**Climate change**

2024 will see unprecedented extreme weather events, with global temperatures reaching record highs and many serious natural disasters. The prolonged impact of El Niño from previous years continues to cause severe drought and salinity intrusion in the Mekong Delta, while heavy rains and floods lead to widespread flooding in many areas.

The European Union's Copernicus Climate Change Service (C3S) said that according to data recorded from January to November 2024, 2024 is now certain to be the hottest year on record and the first year that the global average temperature exceeded 1.5 degrees Celsius compared to the pre-industrial period of 1850-1900. The intense heat has slowed down crop

production, with peanuts, beans and other crops wilting and dying, and rice seedlings being delayed to ensure adequate moisture for growth. Many solutions to prevent heat and drought for crops have been implemented by localities, but they are only partially effective.

In addition, Typhoon Yagi alone, the strongest typhoon in Asia in 2024, caused the death of at least 281 people, with 67 people missing. The storm destroyed 190,000 hectares of rice fields, 48,000 hectares of other crops and damaged nearly 232,000 houses, disrupting production on a large scale.

These factors not only disrupt agricultural production but also cause heavy economic losses and people's lives. The characteristics of SSC enterprises are closely linked to the development of farmers, the consequences of poor harvests can indirectly cause lower seed consumption in the next period.

### **Pests and diseases**

Pest risks in agriculture have a serious impact on the quality, output of agricultural products and profits of agricultural production enterprises. With the current erratic weather, it is easy to cause common pests such as brown planthoppers, egg-backed planthoppers, leaf rollers, brown spot disease, etc. These pests can spread quickly and damage large areas of crops, reducing productivity and product quality. Moreover, pests also create environmental challenges, because control measures may require the use of chemicals, affecting the natural balance in the agricultural environment and can create food safety problems...

Agriculture in Vietnam maintains year-round cultivation in the inherent natural environment, the ability to resist pests and diseases mainly depends on high-quality seeds. Choosing a seed supplier that is purebred, scientifically researched with the ability to resist pests and diseases is optimal to reduce long-term fertilizer and pesticide costs, limiting chemical residues in food and soil. SSC is a major supplier of seeds and plant varieties for the South, and the company's business will also be affected when pests develop and cause damage, especially to high-volume products such as rice and corn. However, pests are also the driving force for the development of plant variety research companies, creating a competitive advantage for new product lines with stronger pest resistance. Therefore, businesses in the industry are always required to research and improve self-resistant seeds to bring to the market to increase farming efficiency for farmers.

### **d. Other risks**

In addition to the above risks, the Company must face force majeure risks such as natural disasters, explosions, fires, epidemics, etc. Risks related to natural disasters and epidemics can lead to loss of goods or temporary suspension of transportation, causing losses to the Company. In addition, changing climatic conditions such as high temperature and low humidity can affect the storage of goods, causing the Company to increase costs to adjust to

normal conditions. A product safety incident not only causes financial losses but can also damage the Company's reputation in the market. Therefore, to control and limit the impact of risks, the Company always organizes periodic repairs and maintenance of machinery and production equipment, and develops product quality control processes. In addition, the Company also organizes training sessions and drills on fire prevention and fighting, first aid in emergency situations to equip employees with the necessary skills when facing unexpected situations, avoiding damage to people and property.

## II. Business performance during the year:

### 1. Business performance during the year

#### a. Business performance during the year:

*Revenue structure by product:*

*(Unit: Million VND)*

Product	Revenue 2023	Revenue 2024	Proportion 2023 (%)	Proportion 2024 (%)
Glutinous corn	27.220	32.956	9,01%	8,49%
Yellow corn	28.758	33.655	9,52%	8,67%
Hybrid rice	9.588	18.571	3,18%	4,79%
Purebred rice	189.016	256.812	62,59%	66,18%
Vegetable	27.167	32.158	9,00%	8,29%
Bean	4.256	3.950	1,41%	1,02%
Agricultural supplies	2.717	799	0,90%	0,21%
Other products	13.249	9.162	4,39%	2,36%
<b>Total</b>	<b>301.972</b>	<b>388.063</b>	<b>100%</b>	<b>100 %</b>

*Business performance results during the year*

*(Unit: Million VND)*

No	Target	2023	2024	% Increase/Decrease
1	Net revenue	301.972	388.063	28,51%

2	Cost of goods sold	203.165	276.875	36,28%
3	Gross profit	98.807	111.188	12,53%
4	Financial revenue	18.390	7.714	-58,06%
5	Financial costs	861	2.824	228,05%
6	Cost of sales	25.611	25.787	0,69%
7	Business management costs	35.348	37.583	6,32%
8	Net operating profit	55.376	52.707	-4,82%
9	Other profits	12.345	1.291	-89,54%
10	Profit before tax	67.721	53.999	-20,26%
11	Profit after tax	54.706	42.519	-22,28%
12	EPS (VND)	3.727	3.028	-18,75%

### Comments:

In 2024, the rice area in 2024 is estimated to reach 7.13 million hectares, an increase of 12,000 hectares compared to the previous year. Rice yield is estimated to reach 60.9 quintals/ha, a decrease of 0.2 quintals/ha, mainly due to the decrease in winter-spring rice yield in the northern localities due to the impact of storm No. 3. Vietnam's rice output in 2024 is estimated to reach 43.46 million tons, a decrease of 33,600 tons compared to the previous year. Although the overall situation of the agricultural sector is still not very optimistic, the increase in agricultural cultivation area in the whole country still has a positive impact on the Company's revenue.

Specifically, net revenue increased by 28.51% from VND 301.92 billion to VND 388.06 billion, corresponding to a 36.28% increase in cost of goods sold. The Company's efforts to improve its market share in the industry, successfully taking advantage of new varieties to significantly increase sales revenue. However, the increase in cost of goods sold was higher than revenue, due to the high cost of imported seeds during the year, eroding the Company's profit margin, causing gross profit to increase by only 12.53%.

Revenue from the Company's financial investment activities decreased significantly, reaching only 58.06% compared to the same period, the main reason being that in 2023, the Company recorded financial income from investment in an affiliated company of VND 9.9 billion and other income from real estate transfer while in 2024, there was no such income.

In addition to cost of goods sold, the structure of other expenses also increased significantly, causing the profit of production and business activities to be negatively affected, down 4.82%. Of which, financial expenses increased significantly, 228.05% over the same period, mainly short-term loan interest expenses.

### ***Implementation status compared to plan***

*(Unit: Million VND)*

No	Target	Implementation 2023	Plan 2024	Implementation 2024	2024 / 2023	Implementation 2024/ Plan 2024
1	Net revenue	301.972	395.310	388.063	128,51%	98,17%
2	Profit before tax	67.721	68.000	53.999	79,74%	79,41%
3	Profit after tax	54.706	57.000	42.519	77,72%	74,59%

In 2024, facing the risks of climate change and saline intrusion, making the overall agricultural sector not very optimistic, SSC has made efforts to implement the set plan with revenue reaching 98.17% of the plan. However, high cost of goods sold and financial expenses caused pre-tax and post-tax profits to be lower, reaching 79.41% and 74.59%, respectively, compared to the original plan.

## **2. Organization and personnel**

### **a. List of Executive Board: As of December 31<sup>st</sup>, 2024**

No	Member	Position	Number of shares held	Ownership ratio	Note
1	Dang Van Vinh	General Director	0	0%	Appointed from 19/02/2024
2	Nguyen Dinh Nam	Deputy General Director in charge of Administration	0	0%	Dismissal of General Director on February 19 <sup>th</sup> , 2024 - Appointment of Deputy General Director on February 19 <sup>th</sup> , 2024
3	Nguyen Quoc Phong	Deputy General Director in charge of Business	0	0%	24/02/2018
4	Nguyen Thi Phong	Deputy General Director in charge of Production	0	0%	10/03/2023
5	Lam Tuan Lac	Chief Accountant	0	0%	01/11/2020



## Executive Board Profile:

Name	Resume												
<b>Dang Van Vinh (General Director)</b>	<ul style="list-style-type: none"> <li>◆ Date of birth: 1973</li> <li>◆ Nationality: Vietnam</li> <li>◆ Education: Master of Business Administration - Lincoln University, Oakland, California, USA - Graduation year 2019</li> <li>◆ Work history: <table border="1" data-bbox="407 615 1396 1329"> <tr> <td data-bbox="407 615 669 768">04/1998–08/2000</td><td data-bbox="669 615 1396 768">Agricultural Extension Officer - Southern Institute of Agricultural Science and Technology - Center for Training and Transfer of Agricultural Technology.</td></tr> <tr> <td data-bbox="407 768 669 879">09/2000–07/2008</td><td data-bbox="669 768 1396 879">Researcher, Team Leader - Southern Seed Joint Stock Company - Research and Development Department</td></tr> <tr> <td data-bbox="407 879 669 991">08/2008–07/2014</td><td data-bbox="669 879 1396 991">Production Director - Bioseed Vietnam Company Limited</td></tr> <tr> <td data-bbox="407 991 669 1144">08/2014–01/2024</td><td data-bbox="669 991 1396 1144">Director of Seed Production, Director of Seed Production and Processing, Seed Industry Leadership - Syngenta Vietnam Co., Ltd.</td></tr> <tr> <td data-bbox="407 1144 669 1215">02/2024 – Now</td><td data-bbox="669 1144 1396 1215">General Director - Southern Seed Corporation</td></tr> <tr> <td data-bbox="407 1215 669 1329">05/2024 – Now</td><td data-bbox="669 1215 1396 1329">Member of Board of Directors - Southern Seed Corporation</td></tr> </table> </li> <li>◆ Current position at other organizations: None</li> <li>◆ “ Percentage of securities ownership in other companies: None.</li> <li>◆ Number of shares currently held by related persons: None.</li> </ul>	04/1998–08/2000	Agricultural Extension Officer - Southern Institute of Agricultural Science and Technology - Center for Training and Transfer of Agricultural Technology.	09/2000–07/2008	Researcher, Team Leader - Southern Seed Joint Stock Company - Research and Development Department	08/2008–07/2014	Production Director - Bioseed Vietnam Company Limited	08/2014–01/2024	Director of Seed Production, Director of Seed Production and Processing, Seed Industry Leadership - Syngenta Vietnam Co., Ltd.	02/2024 – Now	General Director - Southern Seed Corporation	05/2024 – Now	Member of Board of Directors - Southern Seed Corporation
04/1998–08/2000	Agricultural Extension Officer - Southern Institute of Agricultural Science and Technology - Center for Training and Transfer of Agricultural Technology.												
09/2000–07/2008	Researcher, Team Leader - Southern Seed Joint Stock Company - Research and Development Department												
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02/2024 – Now	General Director - Southern Seed Corporation												
05/2024 – Now	Member of Board of Directors - Southern Seed Corporation												
<b>Nguyen Dinh Nam (Deputy General Director in charge of Administration)</b>	<ul style="list-style-type: none"> <li>◆ “ <b>Date of birth: 1977</b></li> <li>◆ “ <b>Nationality: Vietnam</b></li> <li>◆ “ <b>Education: Master of Finance/ Bachelor of Accounting and Auditing/ Bachelor of Business Law</b></li> <li>◆ <b>Working history:</b> <table border="1" data-bbox="407 1791 1396 1898"> <tr> <td data-bbox="407 1791 691 1898">19/02/2024– Now</td><td data-bbox="691 1791 1396 1898">Deputy General Director in charge of administration of Southern Seed Corporation</td></tr> </table> </li> </ul>	19/02/2024– Now	Deputy General Director in charge of administration of Southern Seed Corporation										
19/02/2024– Now	Deputy General Director in charge of administration of Southern Seed Corporation												

	06/2021–18/02/2024	Member of Board of Directors and General Director of Southern Seed Corporation
	06/2020 – 05/2021	Member of the Board of Directors and Acting General Director of Southern Seed Corporation
	01/2020 – 05/2020	“ Deputy General Director of Vietnam Rice Company Limited (Vinarice)
	08/2018 – 12/2019	Deputy General Director of Administration and Director of Investment Planning
	09/2017 – 07/2018	Chief Accountant of Southern Seed Corporation
	04/2017 – 08/2017	Member of the Board of Supervisors of Southern Seed Corporation
	10/2010 – 08/2017	Director of Planning and Investment - Southern Seed Corporation
	12/2008 – 09/2010	Deputy Head of Planning and Investment Department - Southern Seed Joint Stock Company
	06/2005 – 11/2008	KHĐT Staff – Southern Seed Joint Stock Company
	08/2003 – 05/2005	General Accountant – Thien Long Group Joint Stock Company
	03/2002 – 07/2003	General Accountant – Saigon Paper Joint Stock Company
	09/2000 – 02/2002	Accountant – Dong Nam Company Limited
	<ul style="list-style-type: none"> <li>◆ Current position at other organizations: None</li> <li>◆ Percentage of securities ownership in other companies: None.</li> <li>◆ Number of shares currently held by related persons: None.</li> </ul>	
<b>Nguyen Quoc Phong (Deputy General Director in charge of Business and Marketing</b>	<ul style="list-style-type: none"> <li>◆ Date of birth: 1981</li> <li>◆ Nationality: Vietnam</li> <li>◆ Education: Agricultural and Forestry Economics Engineer</li> <li>◆ Work history:</li> </ul>	
	08/2022 – Now	Deputy General Director in charge of Business and

<b>Director)</b>		Marketing Director
	07/2020 – 07/2022	Deputy General Director in charge of Business and Branch Director of Vegetable and Flower Seed Business and Development Center (CTVS) - Southern Seed Corporation
	03/2018 – 06/2020	Deputy General Director in charge of Business and Business Director - Southern Seed Corporation
	10/2015 – 02/2018	Sales Director - Southern Seed Corporation
	04/2013 – 09/2015	Acting Sales Director - Southern Seed Corporation
	10/2010 – 03/2013	Deputy Head of Sales Department - Southern Seed Corporation
	02/2009 – 09/2010	Head of Central Coast Region - Sales Department - Southern Seed Joint Stock Company
	05/2004 – 01/2009	Sales Staff - Sales Department - Southern Seed Joint Stock Company
<ul style="list-style-type: none"> <li>◆ Current position at other organizations: None</li> <li>◆ Percentage of securities ownership in other companies: None.</li> <li>◆ Number of shares currently held by related persons: None</li> </ul>		
<b>Nguyen Thi Phong (Deputy General Director - in charge of production and Director of Phu Giao Branch)</b>	<ul style="list-style-type: none"> <li>◆ Date of birth: 06/10/1972</li> <li>◆ " Nationality: Vietnam</li> <li>◆ " Education: Agricultural Engineer</li> <li>◆ Work history:</li> </ul>	
	10/3/2023 – Now	Deputy General Director and Production Director - Southern Seed Corporation
	7/2022 – 3/2023	Assistant to General Director and Production Director - Southern Seed Corporation
	6/2021 - 6/2022	Assistant to the General Director and Production Director - Southern Seed Corporation
	10/2020- 5/2021	Assistant General Director - Southern Seed Corporation
	05/2017- 9/2020	Quality Management Director - Southern Seed

		Corporation
	02/2013 4/2017	Deputy Director of Quality Management - Southern Seed Corporation
	10/2010 – 02/2010	Assistant to the Testing Department - Southern Seed Joint Stock Company
	04/1997 – 09/2010	Testing Staff - Southern Seed Joint Stock Company
	<ul style="list-style-type: none"><li>◆ Current position at the Company: Deputy General Director - in charge of production</li><li>◆ Current position at other organizations: None</li><li>◆ Percentage of securities ownership in: None</li><li>◆ Other companies: None</li><li>◆ Number of shares currently held by related persons: None</li></ul>	
<b>Lam Tuan Lac (Chief Accountant)</b>	<ul style="list-style-type: none"><li>- Date of birth: 28/02/1985</li><li>- Nationality: Vietnam</li><li>- Education level: Master of Finance-Banking</li><li>- Working history:</li></ul>	
	05/2021 - Now	Chief Accountant of the Company - Southern Seed Corporation
	11/2020 - 5/2021	Acting Chief Accountant of the Company - Southern Seed Corporation
	01/2020 - 10/2020	Director of Planning and Investment - Southern Seed Corporation
	10/2018 - 02/2020	Deputy Chief Accountant of the Company - Southern Seed Corporation
	08/2018 - 09/2018	General Accountant - Southern Seed Corporation
	10/2017 – 07/2018	Deputy Head of Accounting Department - Dai Duong Xanh Import Export Company Limited
	03/2017 – 09/2017	Head of Accounting Department - Thanh Luan Company Limited
	2010 – 2017	In charge of Accounting Department - Viettel Printing Factory, Military Telecommunications Group

	2009 – 2010	Accountant - Saigon Plant Protection Joint Stock Company	
	<ul style="list-style-type: none"> <li>◆ Current position at other organizations: None</li> <li>◆ Percentage of securities ownership in other companies: None.</li> <li>◆ Number of shares currently held by related persons: None.</li> </ul>		

**b. Changes in the Executive Board in 2024:**

- On February 19<sup>th</sup>, 2024, the Board of Directors dismissed Mr. Nguyen Dinh Nam from the position of General Director; at the same time, appointed Mr. Nam to the position of Deputy General Director in charge of Administration of Southern Seed Corporation.
- On February 19<sup>th</sup>, 2024, the Board of Directors appointed Mr. Dang Van Vinh to the position of General Director of Southern Seed Corporation.

**c. Number of staff:**

No	Criteria	2024	
		Number (people)	Proportion (%)
<b>I</b>	<b>By labor level</b>		
1	University and above	96	61%
2	College, intermediate vocational level	22	14%
3	Elementary and technical workers	14	9%
4	General labor	25	16%
<b>II</b>	<b>By Gender</b>		
1	Male	127	81%
2	Female	30	19%
<b>III</b>	<b>By Contract Term</b>		
1	Short-term contract under 1 year	6	4%
2	Contract with term from 1 to 3 years	42	27%
3	Contract with indefinite term	109	69%
<b>Total</b>		<b>157</b>	<b>100%</b>

## Average income

Target	2020	2021	2022	2023	2024
Total number of employees (person)	137	139	131	156	157
Average income (VND/person/month)	15.100.000	18.067.194	17.600.000	16.200.000	16.900.000

## Human resource policy

After nearly 5 decades of formation and development, in addition to the mission of "Selecting, producing and supplying good seeds to help farmers get rich" contributing to the sustainable development of Vietnamese agriculture, SSC always appreciates the values that the staff and employees have accompanied and contributed to the development of the Company. SSC's staff (CBNV) have career journeys lasting from a few months to an average of 9 years, and some have been with the company for more than 35 years. Despite the ups and downs in the development process, all are directed towards the common goal of working together to build and develop SSC today. Therefore, in addition to the goal of developing production and business activities, SSC always focuses on and has policies to ensure the rights of employees.

Over the years, the company has maintained a safe and appropriate working regime, fully complying with the criteria of the Labor Code and salary policy. The company is committed to fully implementing its obligations on social insurance, health insurance, and unemployment insurance for employees and creating a safe working environment, ensuring occupational safety and hygiene issues. In addition, SSC pays special attention to training activities to improve skills and develop skills for employees, while always having salary and bonus policies based on ability to encourage the spirit of progress in the group. In addition, the company also regularly organizes cultural activities, sports, teambuilding and anniversary events to take care of the spirit of employees, creating a friendly and cohesive working environment.

## 3. Investment status, project implementation status

### a. Major investments:

In 2024, the Company will invest VND 6.66 billion, including:

No	Category 2024	Plan (billion VND)	Implementation (billion VND)	Implementation progress	Comments/Reviews
1	Seed color sorter Cu Chi Branch	0,50	0,50	Already in use	Reduce time and labor. Can separate batches of

No	Category 2024	Plan (billion VND)	Implementation (billion VND)	Implementation progress	Comments/Reviews
					seeds with quality problems to have a plan for future treatment.
2	CL3 Processing Machine - Central Branch	0,50	0,41	Already in use	More proactive in drying, processing, goods, and business services
3	Central Branch renovation	2,88	2,77	Already in use	Spacious, clean, motivating employees
4	Horizontal dryer - Central Branch	3,44	2,92	Accepted with load, not yet accepted for official use	Employees
	<b>Total</b>	<b>7,32</b>	<b>6,66</b>		

#### **b. Subsidiaries and associates:**

##### **Subsidiaries:**

Southern Seed Engineering Joint Stock Company (SSE) is a subsidiary of SSC established under the Law on Enterprises of Vietnam under Business Registration Certificate No. 0309966504 issued by the Department of Planning and Investment of Ho Chi Minh City on April 26<sup>th</sup>, 2010 and amended Business Registration Certificates. On April 13<sup>rd</sup>, 2013, the Company's shareholders approved SSE's bankruptcy plan under Resolution No. 03/NQ-DHCD to terminate SSE's operations. Accordingly, the People's Court of Ho Chi Minh City issued a decision to open bankruptcy proceedings and is in the process of resolving the bankruptcy in accordance with current regulations. Currently, the progress of the process is quite slow because the old legal representative passed away on August 19<sup>th</sup>, 2019.

##### **Vinarice Associates:**

*(Unit: Million VND)*

No	Target	Implementation 2023	Implementation 2024	% Increase/Decrease
1	Total assets	461.674	461.647	-0,01%
2	Net revenue	407.408	514.236	26,22%
3	Cost of goods sold	320.460	401.501	25,29%
4	Financial revenue	2.022	6.033	198,37%

5	Selling, general and administrative expenses	61.113	63.098	3,25%
6	Operating profit	27.856	50.844	82,52%
7	Other profit	217	242	11,52%
8	Profit before tax	27.639	51.086	84,83%
9	Profit after tax	27.571	49.567	79,78%

#### 4. Financial situation

##### a. Financial situation

(Unit: Million VND)

No	Target	2023	2024	% Increase/Decrease
1	Total Assets	546.067	526.658	-3,55%
2	Net Revenue	301.972	388.063	28,51%
3	Gross Profit	98.807	111.188	12,53%
4	Net Operating Profit	55.376	52.707	-4,82%
5	Other Profits	12.345	1.291	-89,54%
6	Profit before tax	67.721	53.999	-20,26%
7	Profit after tax	54.706	42.519	-22,28%

##### b. Main financial indicators:

Target	Unit:	2023	2024
Solvency ratio			
<i>Current Ratio: (Current Assets/Current Liabilities)</i>	Time	2,10	2,23
<i><u>Quick Ratio: (Current Assets - Inventory)/Current Liabilities</u></i>	Time	1,67	1,43
Capital structure indicators			
Debt/Total Assets Ratio	%	28,73%	27,27%
Debt/Equity Ratio	%	40,31%	37,50%
Performance indicators			



<i>Inventory Turnover</i> (Cost of Goods Sold/Average Inventory)	Ring	3,47	3,02
<i>Total Asset Turnover</i> (Net Sales/Average Total Assets)	Ring	0,56	0,72
Profitability ratio			
Profit after tax/Net revenue ratio	%	18,12	10,96
Profit after tax/Average equity ratio	%	14,24	11,01
Profit after tax/Average total assets ratio	%	10,20	7,93
Operating Profit Ratio/Net Revenue	%	18,34	13,58

### **Comment:**

### **Liquidity ratio**

In 2024, the company's short-term payment ratio increased slightly compared to 2023, remaining above 2 times, showing that the company still maintains good payment capacity for short-term debts. Specifically, short-term assets decreased by 2.96% and short-term debts decreased more, 8.44%, causing the overall payment ratio to increase from 2.10 to 2.23, equivalent to an increase of 12.59% over the same period. However, the quick payment ratio decreased slightly from 1.67 times to 1.43 times, reflecting an increase of 168.63% in inventory during the year.

Although the total agricultural output in the country increased, the trend of shifting the cultivation structure between crop varieties made it difficult for businesses to manage their inventory. Specifically, hybrid rice and pure rice, vegetables and waxy corn improved in terms of consumption output, while beans decreased due to unfavorable market prices. This led to the production plan of SSC and actual consumption in the market being out of sync, causing inventories of some seed varieties to increase.

### **Capital structure indicators**

During the year, the Company's debt-to-equity/total assets ratios all improved due to an 8.44% decrease in liabilities. Specifically, debt decreased at a large rate, but total assets in the year also decreased by 3.55%, causing the overall decrease in the debt/total assets ratio to not decrease much, from 28.73% to 27.27%. In addition, the debt/equity ratio decreased relatively from 40.31% to 37.5%, of which equity decreased slightly, 1.59%, mainly from the distribution of cash dividends. In general, the Company has deployed short-term loans to supplement working capital and finance the increase in short-term assets such as inventories. At the same time, SSC also strives to settle its debt obligations to related parties including sellers, state tax, employees, and limit risks from capital structure leverage.

## **Operating capacity indicators**

SSC's inventory turnover in 2024 was slower than the previous year, specifically decreasing from 3.47 to 3.02 times. During the year, the cost of goods sold increased by 36.28% due to improved product consumption along with increased revenue, but the average annual inventory increased significantly, 57.49%, causing the overall inventory turnover to decrease. Inventories are mainly finished products to meet the increased demand at the end of the year.

In addition, the total asset turnover increased from 0.56 times to 0.72 times, with an improvement in revenue. Specifically, the average total assets remained at VND536 billion throughout 2023 and 2024, but net revenue increased by 28.51%, causing the overall turnover ratio to increase. In a favorable macro market, SSC achieved a fairly fast profit generation rate based on the moderate asset structure ratio of the agricultural industry in general.

## **Profitability indicators**

Although net revenue and gross profit both increased impressively in 2024, the operating profit/Net revenue ratio decreased from 18.34% to 13.58%; the profit after tax/Net revenue ratio decreased from 18.12% to 10.96%. The structure of cost of goods sold and financial expenses during the year increased, eroding the initial revenue stream.

Regarding the ratios of Profit after tax/Equity and Total assets, although the value of equity and assets remained stable in 2024, due to the overall decline in profits, these ratios also decreased slightly. Specifically, the ratio of Profit after tax/Average equity decreased from 14.24% to 11.01%; the ratio of Profit after tax/Average total assets decreased from 10.20% to 7.93%..

## **5. Shareholder structure, change in owner's investment capital**

### **a. Shares:**

- Total number of shares issued: 14,992,367 shares
- Number of outstanding shares: 13,271,785 shares
- Number of treasury shares: 1,720,582 shares
- Type of shares: Common shares
- Par value of shares: VND 10,000

### **b. Shareholder structure:**

As of March 14<sup>th</sup>, 2025

No	Type of shareholder	Number of shares	Value (million VND)	Ownership ratio
<b>I</b>	<b>Shareholders by ownership ratio</b>	<b>14.992.367</b>	<b>149.923,67</b>	<b>100,00%</b>
1	Major shareholders (Owning 5% or more of voting shares)	14.515.444	145.154,44	96,82%
2	Shareholders holding less than 5% of voting shares	476.923	4.769,23	3,18%
<b>II</b>	<b>State shareholders</b>	<b>0</b>	<b>0</b>	<b>0%</b>
<b>III</b>	<b>Domestic shareholders</b>	<b>14.866.341</b>	<b>148.663,41</b>	<b>99,16%</b>
1	Individuals	349.904	3.499,04	2,33%
2	Organizations	14.516.437	145.164,37	96,83%
<b>IV</b>	<b>Foreign shareholders</b>	<b>126.026</b>	<b>1.260,26</b>	<b>0,84%</b>
1	Individuals	92.118	921,18	0,61%
2	Organizations	33.908	339,08	0,23%
<b>Total (III+IV)</b>		<b>14.992.367</b>	<b>149.923,67</b>	<b>100%</b>

*Maximum foreign ownership ratio: 49%*

#### **List of major shareholders**

No	Name	Address	Number of shares	Ownership ratio
<b>1</b>	<b>Vietnam Seed Group Joint Stock Company</b>	No. 01 Luong Dinh Cua, Phuong Mai, Dong Da, Hanoi	12.794.582	85,3%

**c.** Changes in owner's capital: None

**d.** Treasury stock transactions: None

**e.** Other securities: None

### **III. Report and assessment of the Board of Directors**

#### **1. Assessment of production and business performance**

##### **a. General analysis of the company's operations**

In the context of Vietnam's economy growing by 7.09% in 2024, the agriculture, forestry and fishery sector achieved a growth rate of 3.27%, contributing 5.37% to the total growth. Although lower than other sectors, agriculture still affirms its role as a "pillar" of the economy, contributing to the socio-economic:

- Ensuring domestic food security;
- Average income per capita in rural areas reaches about 1.7 million VND/month;
- Key export products such as rice, coffee, seafood and wood.

#### ✓ **Advantages**

- Winter-Spring crop has favorable weather, high productivity;
- Agricultural rice prices increased, high demand for rice cultivation facilitated sales;
- Stable growth: Agriculture increased by 2.94%, forestry increased by 5.03%, fishery increased by 4.03%
- Output of many agricultural products recorded high levels, livestock development was stable
- Export turnover of agriculture, forestry and fishery was a bright spot of the economy

#### ✓ **Difficulties**

- Natural disasters, storms, floods and climate change caused significant damage. At the beginning of the season, farmers converted to new crop structures and genetically modified corn;
- Growth rate was stable but not yet at a breakthrough level;
- Input material prices increased (the producer price index of agriculture, forestry and fishery increased by 8.56%).

#### Report on the Company's production and business results

INDICATORS	unit	2024 plan	Implementation in 2024	Implementation in 2023	Implement the plan	2024/2023
Revenue	Trđ	395.310	388.063	301.972	98,2%	128,5%
Price difference	Trđ	130.559	111.188	98.807	85,2%	112,5%
% CLG/DT	%	33%	29%	33%	86,8%	87,6%
Insurance costs	Trđ	27.076	25.787	25.611	95,2%	100,7%
CFBH/DT	%	6,8%	6,6%	8,5%	97,0%	78,3%

Chi phí QL	Trđ	40.383	37.583	35.348	93,1%	106,3%
CFQL/DT	%	10,2%	9,7%	11,7%	94,8%	82,7%
<b>Profit before tax</b>	<b>Trđ</b>	<b>68.000</b>	<b>53.999</b>	<b>67.721</b>	<b>79,4%</b>	<b>79,7%</b>
<b>Profit after tax</b>	<b>Trđ</b>	<b>56.999</b>	<b>42.519</b>	<b>54.706</b>	<b>74,6%</b>	<b>77,7%</b>
ROS (LN/DT)	%	14,42%	10,96%	18,12%	76,0%	60,5%
Total assets	Trđ	515.059	526.658	546.067	102,3%	96,4%
ROA	%	11%	7,93%	10,20%	72,1%	77,7%
Equity	Trđ	406.117	383.027	389.198	94,3%	98,4%
ROE	%	14%	11,01%	14,24%	78,6%	77,3%
Interest expense	Trđ	3.000	2.714	488	90,5%	556,2%
EBIT	Trđ	68.001	56.712	68.209	83,40%	83,14%
Depreciation	Trđ	11.414	13.985	12.064	122,52%	115,92%
EBITDA	Trđ	79.415	70.698	80.273	89,02%	88,07%

✓ **ACHIEVED POINTS:**

1. Customer care and support have improved;
2. Market price control, good regulation of goods, limiting inventory risks at agents (especially pure rice);
3. Signing contracts and cooperating with major partners: Vinamilk, Green Seed, Yetak;
4. Timely implementation of sales policies and efforts to sell hybrid rice contribute to revenue and profit;
5. Good handling of customer complaints about seed quality
6. Good debt control and collection.

✓ **DEFICIENCY POINTS:**

1. Not yet re-evaluating the effectiveness of sales policies implemented in the month
2. Lack of uniform implementation of sales policies (especially for vegetable groups).
3. Model promotion for vegetable and sweet corn groups is still weak.
4. Distribution channels have not been developed to meet the target. Key Account has not been effectively developed;
5. Price control to the system is still not tight and ineffective for the waxy corn group.

## 2. Financial situation

### a. Asset situation

(Unit: Million VND)

Target	31/12/2023	31/12/2024	% Increase / Decrease	Proportion in 2023	Proportion in 2024
Current Assets	330.171	320.398	-2,96%	60,46%	60,84%
Long-term Assets	215.895	206.260	-4,46%	39,54%	39,16%
<b>Total Assets</b>	<b>546.067</b>	<b>526.658</b>	<b>-3,55%</b>	<b>100%</b>	<b>100%</b>

SSC's total assets at the end of 2024 decreased slightly by 3.55% compared to the same period. In which, the proportion of short-term and long-term assets remained equivalent at 60.84% and 39.16%, respectively, which means a slight decrease in volume in these two items.

Specifically, short-term assets decreased by 2.96%, including changes in the proportions between sub-items. More liquid assets such as cash and equivalents, short-term receivables decreased relatively significantly at 71.77% and 10.57%, respectively, making the Company's quick payment capacity not improve much. In addition, inventories increased by 68.63%, bringing the total short-term assets back to the proportion of 60.84%.

Long-term assets in the year decreased slightly by 4.46% mainly due to depreciation of fixed assets. During the year, the Company also invested VND 5.31 billion in tangible fixed assets, focusing on upgrading production capacity at the Central Branch and Cu Chi Branch.

### b. Liabilities

(Unit: Million VND)

Target	31/12/2023	31/12/2024	% Increase/Decrease
Short-term debt	156.869	143.631	-8,44%
Long-term debt	-	-	-
<b>Total liabilities</b>	<b>156.869</b>	<b>143.631</b>	<b>-8,44%</b>

As of December 31<sup>st</sup>, 2024, the Company continued to maintain its debt structure with 100% short-term debt, and decreased by 8.44% during the year, with no bad debt arising. In which, trade payables decreased significantly with a decrease of 85.69% compared to the same period; taxes and other payables to the State decreased sharply by 88.27%; short-term payable expenses, mainly land rental expenses, decreased by 37.33% compared to the same period, accounting for the largest proportion of other short-term payable items, accounting for 70%, mainly related to payables for the Le Van Sy Land Project. In addition, during the year, seeing

the favorable market and taking advantage of preferential loans in the agricultural sector, to supplement and promptly meet working capital for business, during the year, the company made loans at commercial banks with a limit of more than 90 billion VND

### **3. Improvements in organizational structure, policies, and management**

In 2024, the Company made a number of improvements in organizational structure, policies, and management to improve operational efficiency, including:

- The system of regulations was issued in a unified and complete manner;
- Strengthening management skills training for mid-level staff;
- Deploying digital transformation software Fast, DMS-CRM, SPRO;
- Operational policy: Building a stable production material area.

### **4. Future development plan**

#### **a. Management:**

- Implement the reorganization of the business block, dissolve the CTVS Branch and convert it into Business Department 2. Convert the Cambodia Branch into a Representative Office;
- Improve labor productivity, increase the efficiency of production and business activities;
- Apply and effectively exploit digital transformation software: DMS, CRM, SPRO;
- Apply A.I (chatbox) in training skills, expertise, and profession in production and business activities;

#### **b. Investment**

- Upgrade the factory and equipment for drying and processing corn seeds;
- Build a system of greenhouses and net houses at Phu Giao Branch and Lam Ha Branch;
- Build a Center for testing and demonstrating new varieties;

#### **c. Business**

- Continue to maintain and develop copyrighted products to increase profit margins;
- Strengthening work and cooperation with domestic and foreign Institutes, Schools, Research Centers to test, evaluate, demonstrate, and hold seminars on new varieties of corn and rice; testing and importing new hybrid vegetable varieties;

- Cooperating with the Group's Research Center (VRDC) to introduce new varieties suitable for tastes, in order to increase business products;
- Cooperating with domestic and foreign companies to distribute and transfer business products;
- Expanding the market & distribution channel system, strengthening after-sales service;

#### **d. Production - Processing, preservation - Quality management**

- Planning sustainable production areas, having plans to prevent risks due to natural disasters, weather, and seasons;
- Participating in the Group's sustainable development projects, initiatives, technical improvements and technological innovations;
- Strengthen coordination with member units in the Group to improve production efficiency;
- Maintain, improve, control the quality management system and measurement tools in the production, processing and preservation of seeds in the Factory;

#### **5. Explanation of the Board of Directors for the audit opinion: None**

#### **6. Assessment Report on the Company's Environmental and Social Responsibility**

##### *Assessment of Environmental Indicators*

We have been focusing on researching and breeding crop varieties that are resistant to pests, drought and salinity, reducing dependence on fertilizers and pesticides, contributing to protecting arable land, water resources and improving product quality. In addition, SSC promotes an environmentally friendly farming model, reducing the amount of seed sown to limit greenhouse gas emissions, saving energy and moving towards organic agriculture. The company proactively applies modern technology, improves production processes and optimizes the supply chain to reduce negative impacts from agricultural activities. At the same time, the use of recycled packaging and expansion of renewable energy application programs demonstrate SSC's clear commitment to developing sustainable agriculture. SSC strives to expand the application of environmental solutions to enhance sustainability in the long-term supply chain.

##### *Employee Issues Assessment*

Regarding social responsibility, SSC always prioritizes building a fair, safe and professional working environment for its staff. We are committed to fully implementing policies on labor, wages and benefits, and investing in training and capacity development for



employees and farmers. We believe that only when human resources develop and connect, can the company achieve long-term progress.

### *Corporate Responsibility to the Local Community Assessment*

With the community, SSC always accompanies farmers through technical support programs, providing high-quality seeds and connecting agricultural product consumption markets. We consider this a corporate responsibility to contribute to improving farmers' livelihoods and promoting the overall development of Vietnam's agricultural sector.

At the same time, SSC has performed well in its role of supporting the community through volunteer activities and commitment to accompany farmers, demonstrating the company's social responsibility. In addition, SSC also focuses on protecting the local environment, ensuring green production and reducing negative impacts on the ecosystem.

## **IV. Board of Directors' assessment of the Company's operations**

### **1. Board of Directors' assessment of the Company's operations**

#### **✓ General context**

In 2024, the macro and market context will have a great impact on SSC's business operations. The agricultural sector continues to face difficulties due to climate change, especially salinity intrusion and drought, which have reduced agricultural productivity in some key areas. At the same time, input material prices, especially fertilizers and pesticides, have increased significantly due to the unstable global economic situation and geopolitical conflicts. These factors put great pressure on production costs and increased competition among businesses in the industry. However, the demand for agricultural products in export markets remains stable, creating opportunities for companies like SSC to develop, especially in expanding and improving product quality to meet the increasing demand from the international market. Faced with the opportunities and challenges of the world economy in general and the Vietnamese economy in particular, the Company's production and business activities have the following advantages and disadvantages:

#### **✓ Advantages**

- Agricultural rice prices remain high, the demand for agricultural products such as rice, corn, vegetables, etc. is stable, the export turnover of rice in particular and agricultural products in general is growing, creating opportunities for SSC Company to increase output and expand the market.
- The demand for high-quality seeds for production is increasing; encouraging businesses to increase investment in research and development of new products;

- Some new products tested from outside are evaluated by farmers and traders as having high prospects and business opportunities.

✓ **Difficulties:**

- The price of input materials such as fertilizers, imported seeds, labor, etc. has increased, affecting product prices, transportation costs, and production competitiveness.
- The situation of strong competition in the seed market, especially the increased marketing of foreign seed companies and the transformation of seed business of some domestic companies.
- Copyrighted varieties have not or cannot promote their competitive strengths, cannot develop the consumption market, purebred rice varieties such as OM 8959, OM 311, OM Nep 406, must be liquidated;
- The planning of raw material areas for purebred rice production does not meet the development strategy in the Mekong Delta; the implementation of corn and vegetable production costs are high; the raw material areas are unstable; there is a lack of factories for drying and processing (must be outsourced), leading to inability to be proactive, so the quality is reduced.
- In the context of 2024 facing many difficulties in the market & products. SSC has taken advantage of the opportunity but has not completed the business plan on revenue assigned by the General Meeting of Shareholders, the specific ratio is as follows:
  - Net revenue: **388.06 billion VND, equal to 98% of the plan**
  - Profit after tax: **42.51 billion VND, equal to 81%**

Fully implement the Resolution of the General Meeting of Shareholders, the directions of the Board of Directors, comply with the law, Charter, Regulations, properly perform functions, and decentralize management.

### **Pay dividends in 2024**

Implementing the Resolution of the Annual General Meeting of Shareholders, SSC paid dividends in 2023 in cash, dividend rate: 30%/charter capital.

### ***Assessment related to environmental and social responsibility***

Recognizing the importance of the environment, the Board of Directors has oriented and encouraged the Board of Directors to develop a "green production" plan to ensure sustainable development and environmental protection. Over the years, the Board of Directors has demonstrated dedication and efforts in implementing, planning and building clear strategies for environmental, social and community activities. By closely cooperating with

relevant departments, the Board of Directors has promoted the implementation of environmental protection activities in the company's production and business. Specifically, measures such as saving raw materials, reusing packaging, using energy-saving electrical equipment, and saving water have been effectively implemented. At the same time, regular maintenance of production equipment and machinery has helped reduce waste and optimize productivity. In addition to focusing directly, the Board of Directors also emphasizes training employees to be aware of saving resources and implementing saving activities effectively and sustainably. Thanks to the thorough implementation of policies, the Company has minimized negative impacts on the environment, while improving production efficiency and enhancing the Company's reputation in the eyes of customers and business partners. The Board of Directors believes that, with the attention and efforts of the entire Board of Directors and employees, the Company will achieve the goal of becoming one of the leading sustainable seed enterprises. In addition to the environment, the Board of Directors highly appreciates the efforts of the Executive Board in developing labor policies. From recruitment, working regime to training policy, salary and benefits, SSC always pays attention to and ensures compliance with the provisions of the Labor Code 2019. The Board of Directors appreciates the efforts of each employee throughout the process of formation and development, contributing to a mature SSC and always striving to improve itself.

In addition to bringing real value to shareholders and stakeholders, SSC also strives to contribute value to the social community. Over the years, the Company has promoted the spirit of mutual love and sharing with families in difficult circumstances and unfortunate lives. SSC respects and takes community values as a guiding principle for actions, striving to make its name on the journey for the community.

## **2. Assessment of the Board of Directors on the performance of the Board of Directors**

Based on the Charter and the Corporate Governance Regulations, the Board of Directors has inspected and supervised the investment and business operations of the Board of Directors and the implementation of the Resolutions of the Annual General Meeting of Shareholders and the Resolutions of the Board of Directors in 2024 as follows:

### **Monitoring activities:**

- Monitoring the implementation of the Resolutions of the General Meeting of Shareholders and the Resolutions of the Board of Directors;
- Monitoring the organization of the Annual General Meeting of Shareholders on April 22<sup>nd</sup>, 2024 of SSC. The Board of Directors has implemented the contents of the organization of the Annual General Meeting of Shareholders in accordance with the prescribed time;

- Monitoring the business activities, sales, debts, the Company's distribution channels of agents/customers, monitoring inventory, product quality;
- Monitoring the management and operation of raw material production and business areas; Monitoring the Company's provisions and risks;
- Monitor financial data, accounting, inventory; Monitor financial work, internal loans of members in the Group, tax settlement with tax authorities;
- Monitor the plan to pay dividends for the first and second periods in 2023 (payment rate is 30% / charter capital);
- Monitor the renovation and repair of the Central Branch;
- Monitor the use of working capital in production and business, exploit cash flow, ensure capital safety. Internal lending activities support Group members in production and business activities;
- Monitor the development of new products, the transfer of copyrighted corn and rice varieties of the Institute's partners;
- Monitor and direct the Executive Board to focus on promoting the progress of extending the Branch's land;
- ✓ **Monitoring results:** Through direction, inspection and supervision, the Board of Directors assesses that the Executive Board:
  - Has made great efforts in the general difficult situation of the Vietnamese agricultural sector, especially in the post-Covid situation which directly affects the Company's production and business;
  - Fully complies with the Resolution of the General Meeting of Shareholders, the Board of Directors' instructions, complies with the law, the Company's Charter and Regulations, performs work in accordance with its functions, authority and decentralization of management.

### 3. Plans and directions of the Board of Directors

#### *Business goals for 2025*

No.	Target	Unit	2024	Plan 2025	Plan 2025/ Implementation in 2024
1	Output	Ton	16.858	17.182	102%
2	Net Revenue	Billion VND	388,1	427,2	110%

3	Profit Before Tax	Billion VND	3,9	70,9	132%
4	Profit After Tax	Billion VND	42,5	56,7	134%

### ***Basic construction investment and procurement plan for 2025***

No	Investment in construction and development 2025	Plan (VND) Funding	Funding	Note
1	Corn packing machine	1.500.000.000	Equity	2024 not implemented and transferred to 2025
<b>TOTAL</b>		<b>1.500.000.000</b>		

#### **✓ Management objectives**

- Growth of key products (corn, vegetables, beans) with high profit margins, to ensure maintaining an average annual growth rate of 20%;
- Orienting the effective operation of CTVS Branches, Cambodia Branches;
- Deploying digital transformation, digitizing data in business administration and management to save costs and minimize risks;
- Controlling operating costs; effectively managing cash flow;
- Deploying outsourcing production for the Group and external partners to fully exploit the potential of the Company's facilities and internal resources;
- Controlling the quality of goods, preventing damage and risks to the Company;
- Completing and synchronizing regulations, strengthening control of compliance with regulations;

## **V. Corporate Governance**

### **1. Board of Directors:**

#### **a. Board composition and structure**

As of 31/12/2024

No	Member	Position	Number of shares owned	Ownership ratio
1	Tran Kim Lien	Chairman of the Board	0	0%

		(non-executive)		
2	Phi Quang Hang	Vice Chairman (Independent Member)	0	0%
3	Dang Van Vinh	Board Member	0	0%
4	Nguyen Quoc Phong	Board Member	0	0%
5	Duong Quang Sau	Board Member (non-executive)	0	0%

***List of Board members holding positions at other companies***

No	Member	Board Member at other companies	Position at other companies
1	Tran Kim Lien	Chairman of the Board of Directors at Vietnam Seed Group Joint Stock Company	-
2	Hang Phi Quang	Do not have	-
3	Dang Van Vinh	Do not have	-
4	Nguyen Quoc Phong	Do not have	-
5	Duong Quang Sau		Deputy General Director at Vietnam Seed Group Joint Stock Company

**b. Changes in Board of Directors members:**

On March 10<sup>th</sup>, 2024, the Board of Directors dismissed Mr. Nguyen Dinh Nam from the position of Board Member, effective from March 10<sup>th</sup>, 2024.

On April 22<sup>nd</sup>, 2024, the Board of Directors appointed Mr. Dang Van Vinh to the position of Board Member, effective from April 22<sup>nd</sup>, 2024.

**c. Subcommittees under the Board of Directors:**

The Company currently has 03 Subcommittees under the Board of Directors, specifically as follows:

No	Subcommittee of the Board of Directors	Member
1	Restructuring and Investment Subcommittee	Tran Kim Lien, Hang Phi Quang, Dang Van Vinh
2	Science and Technology	Tran Kim Lien, Hang Phi Quang, Duong Quang

	Subcommittee	Sau, Nguyen Quoc Phong
3	Human Resources and Compensation Subcommittee	Tran Kim Lien, Hang Phi Quang, Dang Van Vinh

#### d. Activities of the Board of Directors:

In 2024, the Board of Directors held 06 meetings and issued 11 Resolutions related to the direction of the Executive Board on production and business activities, specifically as follows:

No	Board Member	Position	Number of Board of Directors meetings attended	Meeting attendance rate (%)	Reason for not attending the meeting
1	Tran Kim Lien	Chairman of the Board of Directors	6	100%	-
2	Hang Phi Quang	Vice Chairman of the Board of Directors	6	100%	-
3	Dang Van Vinh	Board Member	3	100%	-
4	Nguyen Dinh Nam	Board Member	3	100%	Dismissal of Board of Directors members, effective from March 10 <sup>th</sup> , 2024
5	Duong Quang Sau	Board Member	6	100%	-
6	Nguyen Quoc Phong	Board Member	6	100%	-

#### Resolution content

No.	Resolution No.	Date of issue	Content
1	01/NQ-HĐQT	16/01/2024	Approval of business performance results in 2023 and business plan in 2024
2	02/NQ-HĐQT	19/02/2024	Dismissal and appointment of the Company's General Director
3	03/NQ-HĐQT	29/02/2024	Through the approval of contracts, transactions with Related Persons must be approved by the Company's

			Board of Directors
4	04/NQ-HĐQT	10/3/2023	Approval of the plan to organize the 2024 Annual General Meeting of Shareholders
5	05/NQ-HĐQT	10/3/2024	Approval of 1 <sup>st</sup> quarter / 2024 business results
			Approval of business plan for the 2 <sup>nd</sup> quarter of 2024
			Approval of 2024 salary unit price
			Approving monthly remuneration levels for the Board of Directors, Board of Supervisors, Secretary of the Board of Directors and Head of Corporate Governance
			Approval of the contents of the Board of Directors' Proposal to the 2024 Annual General Meeting of Shareholders
6	06/NQ-HĐQT	15/7/2024	Approval of business results for the first 6 months of 2024
			Approval of business plan for the 3 <sup>rd</sup> quarter of 2024 & the last 6 months of 2024
			Approval of the use of Investment & Development Fund to implement the Sales Channel Efficiency Improvement Strategy Consulting Project
			Business strategy orientation for the period 2025-2027
			Plan to organize branches for production and business activities
7	07/NQ-HĐQT	15/7/2024	Through the policy of borrowing capital from the Bank to meet the production and business activities of the Company.
8	08/NQ-HĐQT	11/09/2024	Approval of the second dividend payment plan for 2024
9	09/NQ-HĐQT	24/10/2024	Approval of 3 <sup>rd</sup> quarter / 2024 business results
			Approval of the plan for the fourth quarter of 2024 and estimated implementation in 2024
			Request to rebuild the entire strategic development goals of SSC in the period 2025 - 2027
			Approval of the business division restructuring plan; Approval of the dissolution of CTVS Branch



10	10/NQ-HĐQT	24/11/2024	Approval of middle management appointments
11	11/NQ-HĐQT	28/11/2024	Through the cost estimate of office relocation

### **Activities of the subcommittees under the Board of Directors:**

#### **✓ Restructuring and Investment Subcommittee:**

- Orientation of pure rice business activities in the Mekong Delta region of SSC in accordance with the Group's general strategy;
- Discussion of lending for production and business activities of affiliated companies and member companies in the Group;
- Orientation of building production material areas in accordance with member companies in the Group's general strategy;
- Discussion of changes in the operation plan of CTVS, Cambodia Branch,
- Discussion of 3-year business strategy, period 2025-2027;
- Discussion of bank loan plan to ensure financial balance for the Company's production and business activities;
- Discussion of land extension progress of Branches; land rental price at Phu Giao Branch - Binh Duong;
- Discussion of moving the Company's office.

#### **✓ Science and Technology Subcommittee**

- Discuss strategic orientation and solutions to promote business activities of kitchen corn seeds, vegetables, beans, agricultural materials;
- Discuss the development of a production strategy according to the Project of cultivating 1 million hectares of high-quality and low-emission rice associated with regional green growth, policies, and programs related to sustainable development;
- Discuss the strategy for developing new products, receiving the transfer of copyrighted corn and rice varieties from the Institute's partners, Vinaseed Group and other partners.

#### **✓ Human Resources - Salary and Bonus Subcommittee**

- Discuss the salary unit price for 2024;
- Discuss the remuneration settlement for the Board of Directors and Supervisory Board in 2023 & the remuneration payment plan for the Board of Directors and Supervisory Board in 2024;

- Discuss the approval of the resignation of Board of Directors member Nguyen Dinh Nam and the nomination of personnel to elect additional Board of Directors member Dang Van Vinh, continuing the term 2020-2025;
- Discussing the completion of the Company's management personnel (Board of Directors);
- Discussing the use of the development investment fund to assign the Executive Board to sign a contract for strategic consulting on the distribution channel system;
- Discussing the time for dividend payment in 2023;
- Discussing the proposal of the Board of Supervisors to select DeLoitte Vietnam Co., Ltd. as Auditor to audit the 2024 Financial Statements of SSC;
- Discussing the development of the Company Charter amendments to the internal governance regulations;
- Discussing the summary of the Board of Directors for the 2020-2025 term and the preparation of personnel for the new term 2025-2030;

#### **f. Activities of independent members of the Board of Directors**

Independent members participate in the activities of the subcommittees of the Board of Directors as the activities of the subcommittees.

#### **g. List of Board members with corporate governance training certificates: None**

### **2. Supervisory Board**

#### **a. Members and structure of the Supervisory Board**

As of December 31<sup>st</sup>, 2024

<b>No.</b>	<b>Member</b>	<b>Position</b>	<b>Number of shares owned</b>	<b>Ownership ratio</b>
1	Phan The Ty	Head of Control Board	0	0%
2	Van Thi Ngoc Anh	Board of Supervisors	0	0%
3	Nguyen Thi Thanh Ha	Board of Supervisors	0	0%

#### **b. Changes in the members of the Board of Supervisors:**

In 2024, the Company did not have any changes in the members of the Board of Supervisors.

**c. Activities of the Board of Supervisors:**

In 2024, the Board of Supervisors held 04 meetings:

No.	Member	Position	Number of meetings attended by the Board of Supervisors	Meeting attendance rate
1	Phan The Ty	Head of Control Board	04	100%
2	Van Thi Ngoc Anh	Board of Supervisors	04	100%
3	Nguyen Thi Thanh Ha	Board of Supervisors	04	100%

**Supervisory activities of the Board of Supervisors towards the Board of Directors, the Executive Board and shareholders:**

- The 2024 Annual General Meeting of Shareholders, meetings of the Board of Directors with the participation of the Supervisory Board to participate in discussions, report on the control of the Company's activities & make recommendations to the Board of Directors;
- The Supervisory Board has conducted regular, quarterly supervision activities towards the Company's Executive Board, controlling when there are issues affecting the Company's production and business activities to recommend the Board of Directors and the Executive Board to comply with the provisions of law, the Company's Charter and current internal management regulations and rules;
- The Supervisory Board participated in giving opinions on the selection of DeLoitte Vietnam Co., Ltd. in the review of the 2024 financial statements;
- The Company's financial statements for the first quarter, semi-annual period, third quarter, and fourth quarter of 2024 are prepared in accordance with current Vietnamese accounting standards and accounting regimes and relevant legal regulations, and are published in accordance with regulations. The outstanding expenses, poor quality goods, provisions for debts, discounted inventories, and doubtful debts are in accordance with the guiding circulars of the Ministry of Finance and the Company's issued regulations and management rules;
- Coordination of activities between the Board of Supervisors and the activities of the Board of Directors, the Executive Board, and other managers

- The Board of Supervisors closely coordinates with the Board of Directors in meetings of the Board of Directors and the Executive Board, and provides comments and reports on the control work and inspection results; - The Board of Supervisors closely coordinates with the Board of Management in periodically inspecting and controlling activities that affect the Company, borrowing activities of internal member companies and affiliated companies. The Board of Management arranges personnel, creates favorable working conditions for the Board of Supervisors, provides information on financial reports, business activities, and expenses in a complete, clear and timely manner.

### 3. Transactions, remuneration and benefits of the Board of Directors, the Board of General Directors and the Board of Supervisors

#### a. Salary, bonus, remuneration and benefits:

(Unit: VND/year)

No.	Full name	Title	Remuneration	Salary	Bonus
<b>I</b>	<b>Board of Directors</b>				
1	Tran Kim Lien	Chairman of the Board of Directors	198.000.000	-	-
2	Hang Phi Quang	Vice Chairman of the Board of Directors	198.000.000	-	-
3	Dang Van Vinh	Board Member	120.000.000	1.040.000.000	117.000.000
4	Nguyen Dinh Nam	Board Member	63.000.000	425.404.000	78.690.000
5	Duong Quang Sau	Board Member	198.000.000	-	-
6	Nguyen Quoc Phong	Board Member	205.500.000	720.000.000	75.000.000
<b>II</b>	<b>Board of Control</b>				
1	Phan The Ty	Head of Control Board	105.600.000	-	-
2	Van Thi Ngoc Anh	Board of Supervisors	105.600.000	-	-
3	Nguyen Thi Thanh Ha	Board of Supervisors	105.600.000	-	-
<b>III</b>	<b>Board of Directors</b>				
1	Dang Van Vinh	General Director	-	1.040.000.000	117.000.000
2	Nguyen Dinh Nam	Deputy General Director	-	425.404.000	78.690.000

3	Nguyen Quoc Phong	Deputy General Director	-	720.000.000	75.000.000
4	Nguyen Thi Phong	Deputy General Director	-	567.600.000	78.220.000
<b>IV</b>	<b>Chief Accountant</b>				
1	Lam Tuan Lac	Chief Accountant	-	408.000.000	73.180.000

Insider stock transactions: None

### c. Contracts or transactions with insiders:

- Transactions between the company and related persons of the company; or between the company and major shareholders, insiders, related persons of insiders:

No.	Name of organization / individual	Relationship with the company	NSH Certificate Number*. Date of issue, Place of issue	Head office address / Contact address	Time of transaction with the company	Resolution / Decision Number of Shareholders' Meeting/Board of Directors	Content, quantity, total transaction value	Note
1	Vietnam Seed Group Joint Stock Company	Major shareholder (Parent company)	0101449271, Date of issue: 11/01/2019 Place of issue: Hanoi Department of Planning and Investment	No. 01 Luong Dinh Cua, Phuong Mai Ward, Dong Da District, Hanoi	2024	No. 03/NQ-HĐQT, dated February 29 <sup>th</sup> , 2024	Dividends payable	25.589.724.000
							Providing goods and services	37.945.701.191
							Purchase of goods and services	5.399.850.000
							Loan interest	1.133.972.601
2	Vietnam Rice Company Limited	Affiliated companies	No. 140213347, first issued on November 1 <sup>st</sup> , 2019, issued by the Department of Planning and Investment of Dong Thap province	Truong Xuan Industrial Cluster, Truong Xuan Commune, Thap Muoi District, Dong Thap Province	2024	No. 03/NQ-HĐQT, dated February 29 <sup>th</sup> , 2024	Collect interest	685.616.437
							Providing goods and services	22.491.360.868
							Purchase of goods and services	238.447.058
3	PAN Group Joint Stock Company	Major shareholder of the parent company)	No. 0301472704, first issued on August 31 <sup>th</sup> , 2005, issued by the Department	Lot A1-9, VL3 Road, Vinh Loc 2 Industrial Park, Long Hiep Commune, Ben	2024	No. 03/NQ-HĐQT, dated February 29 <sup>th</sup> , 2024	Dividend collection	9.900.000.000
							Loan interest	2.493.150.684
							Collect interest	2.967.123.287

			of Planning and Investment of Ho Chi Minh City & according to the adjusted Business Registration Certificates	Luc District, Long An Province			
4	Vinaseed Hanoi Investment and Development Joint Stock Company	Subsidiary of Parent Company	Number 0500437239 first issued on April 18 <sup>th</sup> , 2003, 16th change registered on April 15 <sup>th</sup> , 2024	No. 2 Ba La, Phu Lam, Ha Dong, Hanoi	Providing goods and services	897.240.000	
5	Quang Nam Central Seed Joint Stock Company	Subsidiary of Parent Company	No. 3303070178 issued by the Department of Planning and Investment of Quang Nam province on February 17 <sup>th</sup> , 2006, registered for the 4th change on March 20 <sup>th</sup> , 2019	Km 943, National Highway 1A, Dien Thang Bac Commune, Dien Ban Town, Quang Nam Province	Providing goods and services	468.958.040	

Transactions between company insiders, related parties of insiders and subsidiaries, companies controlled by the company: None

- Transactions between the company and other entities: None

Assessment of implementation of corporate governance regulations:

Corporate governance at SSC is implemented in accordance with the guidelines of the Code of Corporate Governance for Public Companies in Vietnam, according to G20/OECD and the ASEAN Corporate Governance Scorecard. Along with that, SSC also complies with legal regulations related to corporate governance, including Decree 155/2020/ND-CP issued on December 31<sup>th</sup>, 2020 detailing the implementation of a number of articles of the Securities Law, and Circular 96/2020/TT-BTC issued on November 16<sup>th</sup>, 2020 guiding the disclosure of information on the stock market. The Company also performs the task of disclosing information in accordance with regulations to shareholders and investors through SSC's website.

In 2024, SSC continues to apply technology to governance, ensuring compliance and improving efficiency throughout all aspects of operation. Specifically, the Company uses Fast online accounting software for financial and accounting management; BES software for human resource management, work management and operations; DMS and CRM software for customer relationship management. At the same time, the Company maintains an Agricultural Testing Laboratory to ensure safety regulations and quality management referring to ISO 17025 standards, ensuring the accuracy and reliability of test results.

## **VI. Sustainable development report**

### **1. Reports related to environmental indicators**

“SSC is always determined to act towards a more sustainable agriculture, contributing to environmental protection and also protecting the sustainable development future of the enterprise.”

The implementation of SSC's environmental policies is primarily the responsibility of the Executive Board.

### **2. Report on the impact of core business activities on the environment**

SSC not only directly impacts the environment through breeding and propagation activities, but also indirectly impacts the farmers' field ecosystems. Specifically, the characteristics of seeds provided by SSC determine the level of chemical residues in the cultivated varieties, the ability to resist pests and diseases, and the need to use pesticides and fertilizers in cultivation. This affects the balance of the field ecosystem, the quality of soil and natural water resources, thereby shaping the sustainability of the agricultural farming environment. We follow the organic trend of agriculture, gradually aiming to reduce greenhouse gas emissions, make optimal use of water resources for cultivation, and limit the overexploitation of the soil environment leading to the degradation of the natural ecosystem. Efforts to release generations of "green" varieties can have a positive impact on



a large scale when applied by farmers. Throughout our operations, we have always emphasized clarifying and committing to fulfilling our corporate responsibilities to the natural environment, including land, water, and field ecosystems. We expect to use concrete actions to create practical values in the farming areas of our people and the lives of local people.

Policies related to the company's environmental impact

In the context of increasingly urgent global climate change, countries, especially developed countries, have set out specific plans to move towards the goal of carbon neutrality by 2050. After the success of the COP28 Conference held in Dubai, UAE from the end of 2023, 2024 will witness further efforts to implement international commitments under the Paris Agreement. Under the leadership of Prime Minister Pham Minh Chinh, Vietnam continues to affirm its pioneering role by promoting the development of renewable energy and signing direct power purchase contracts from clean energy sources. In parallel, Vietnam, together with other countries, has implemented a plan to mobilize resources to address urgent needs and promote a fair and sustainable energy transition. Specific policies such as developing smart power transmission systems, reducing emissions and actively participating in the Loss and Damage Fund have made important marks, signaling a turning point in the end of the fossil fuel era and affirming the global commitment to dealing with climate change. In compliance with the national development orientation, in 2024 the Company has applied the following to the production and business process:

Reducing greenhouse gas emissions (GHG)

SSC has proposed a project "Sustainable development of 1 million hectares of high-quality and low-emission rice cultivation associated with green growth in the Mekong Delta by 2030" to reduce greenhouse gas emissions (GHG) through efforts to streamline the operating process and optimize quality in each department, while regularly checking and periodically maintaining machinery and equipment, avoiding gas leakage, affecting the health of workers and the area around the branches. In 2024, SSC recorded total direct and indirect greenhouse gas emissions of ...

In addition to applying mechanization technology, digital technology to production, good management of fertilizers, pesticides ..., the extremely important factor that SSC is very interested in is choosing a variety of seeds suitable for climate change, stabilizing productivity and quality, reducing emissions due to reducing the amount of seeds sown, but ensuring the output factor is rice.

No.	Classify	Number of employees participating in training	Average training hours (Unit: Hours/Person)
I	By labor level		
1	University and post-graduate level	178	6
2	College level, professional	40	6

	secondary school		
3	Primary and Technical Workers	7	6
4	General labor	92	6
<b>II</b>	<b>According to the labor contract</b>		
1	Full time	225	6
2	Part time	92	6
<b>III</b>	<b>By gender</b>		
1	Male	281	6
2	Female	36	6
<b>Total</b>		<b>317</b>	

In 2024, Southern Seed Corporation (SSC) organized training for 317 times, with an average training time of 6 hours/person. Training activities were implemented for many subjects, from ordinary workers to university-level staff or higher, including full-time and part-time workers. Training was conducted equally by gender and level, demonstrating the company's commitment to improving the quality of human resources, effectively serving production activities and sustainable development.

#### Labor policy to ensure the health and safety of employees

The working environment of employees is guaranteed to comply with legal regulations on working conditions. SSC always fully implements measures and means to prevent health damage and safety risks for employees. Specific actions can be mentioned as follows:

- For jobs that are frequently exposed to toxic chemicals, explosives, or have the risk of occupational accidents, employees must be provided with full personal protective equipment, participate in training courses, occupational safety training, practice emergency handling measures when exposed, and how to handle chemical waste before discharging into the environment.
- Regularly maintain, maintain, and promptly replace operating machinery systems, minimizing the risk of incidents.
- Develop and disseminate emergency response plans to minimize human and property losses when incidents occur.

### 3. Report on the responsibility of the enterprise to the local community

SSC accompanies the people from the rice fields to the future.

The prosperous life of farmers is the goal and also the reason for the development of SSC. Therefore, in addition to striving to become a Vietnamese brand providing stable and quality plant

varieties, we also promote the spirit of chivalry, solidarity to create strength, overcome difficulties with farmers, and get rich with farmers.

The company also actively trains and guides farmers on advanced farming techniques, contributing to building a modern agriculture, reducing dependence on chemicals and increasing long-term ecological value for the fields.

Reports related to green capital market activities

In recent years, the development of the green capital market has been strongly implemented by the State Securities Commission. This is the activity of issuing valuable papers with the purpose of mobilizing capital for green production policies, plans and environmental activities of each enterprise. By issuing ESG (Environmental, Social and Governance) reports, businesses can technicalize regulations related to environmental, social and human factors, identify opportunities and challenges to contribute to green development goals.

As one of the long-standing enterprises in the industry, SSC always updates and monitors the news announced by the Securities Commission, thereby making appropriate adjustments to internal governance policies, ensuring strict compliance with the regulations of the State Securities Commission. The Company also always improves its operating policies in the direction of "green production", aiming for sustainable development goals in the future.

## **VII. Financial statements**

No: 025/VN1A-HN-BC

## INDEPENDENT AUDITORS' REPORT

**To:** The shareholders  
The Board of Management and Board of General Directors  
Southern Seed Corporation

We have audited the accompanying financial statements of Southern Seed Corporation (the "Company"), prepared on 20 March 2025 as set out from page 05 to page 33, which comprise the balance sheet as at 31 December 2024, the statement of income and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *The Board of General Directors' Responsibility for the Financial Statements*

The Board of General Directors is responsible for the preparation and fair presentation of these financial statements in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting, and for such internal control as the Board of General Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## INDEPENDENT AUDITORS' REPORT (Continued)

### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting.

### Other matter

The financial statements of the Company for the year ended 31 December 2023 were audited by another auditor who expressed an unmodified opinion on those statements on 12 March 2024.

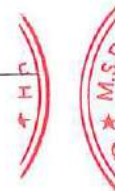


*[Handwritten signature of Phạm Tuan Linh]*

**Phạm Tuan Linh**  
Deputy General Director  
Audit Practising Registration Certificate  
No. 3001-2024-001-1

*[Handwritten signature of Hoàng Lê Thu Phương]*

**Hoàng Lê Thu Phương**  
Auditor  
Audit Practising Registration Certificate  
No. 5603-2025-001-1



**DELOITTE VIETNAM AUDIT COMPANY LIMITED**

20 March 2025  
Hanoi, S.R. Vietnam

## CONFIRMATION OF THE LEGAL REPRESENTATIVE OF THE COMPANY

(Signed, full name, stamped)



*[Handwritten signature of Đặng Văn Vinh]*  
**Đặng Văn Vinh**