

**REPORT OF THE BOARD OF DIRECTORS**  
**To the Annual General Meeting of Shareholders**

Based on the provisions of law, the Charter, internal regulations on corporate governance, and the audited financial statements of 2024 of Quang Ngai Sugar Joint Stock Company, the Board of Directors reports to the 2025 Annual General Meeting of Shareholders on the activities in 2024 and the orientation for 2025 as follows:

**I. The Board of Directors' Assessment of Business Performance in 2024**

In 2024, the global political landscape remained complex and unpredictable, with intense strategic competition, escalating conflicts in Ukraine, the Middle East, and the Red Sea, as well as rising tensions on the Korean Peninsula and in the Taiwan Strait. Oil prices, essential commodities, and transportation costs fluctuated significantly. Economic and trade recovery was slow and unstable, with declining global demand and investment. Exchange rates and interest rates remained highly volatile, while natural disasters, climate change, and concerns over energy security, food security, and cybersecurity continued to pose significant challenges.

Domestically, political stability was maintained, and economic growth remained relatively strong. Vietnam's GDP grew by 7.09% in 2024 compared to 2023, while inflation was controlled at 3.63%. However, despite high GDP growth, domestic demand remained low (the lowest since 2022) as consumers tightened their spending.

The production and business activities of QNS in 2024 remained stable and experienced growth, exceeding the targets approved at the 2024 Annual General Meeting of Shareholders. Specifically, the results are as follows:

Items	Unit	Actual 2023	Planned 2024	Actual 2024	Percentage (%)	
					Compared to Actual 2023	Compared to Plan 2024
Share capital	VND billion	3,569	3,676	3,676	103%	100%
Total revenue	VND billion	10,516	9,000	10,678	102%	119%
Total net profit before tax	VND billion	2,447	1,500	2,645	108%	176%
Profit after tax	VND billion	2,183	1,341	2,377	109%	177%
Dividend rate	%	40	≥ 15	40	100%	

## **1. Sugar and Biomass power Segments**

### ***Vietnam's Sugar Industry Overview:***

Since 2021, after Vietnam implemented trade defense measures against certain imported sugarcane products, the domestic sugar industry has experienced a revival.

According to the Vietnam Sugarcane and Sugar Association, the total harvested sugarcane area nationwide for the 2023-2024 season reached 163,000 hectares, an increase of 11.4%. The total sugarcane output was 11,204,789 tons, up 17.9%, producing 1,107,777 tons of sugar, an increase of 18.4% compared to the previous season. Compared to the 2020/2021 crushing season, over four consecutive seasons, sugarcane crushing output has increased by 66%, while sugar production has risen by 61%.

Domestic sugar prices remained relatively stable.

### ***QNS's Sugar Business Performance:***

- In 2024, QNS's sugar business operations remained stable. The results of the 2023-2024 crushing season were as follows:

+ The sugarcane cultivation area continues to expand, total raw material area of the 2023-2024 crushing season: 29,057 hectares, up 12% compared to the 2022-2023 season.

+ Sugarcane supplied for processing: 1.97 million tons, up 15% compared to the 2022-2023 season.

+ Crushing capacity has increased and remained stable, and processing efficiency has been maintained at 8.8 tons of sugarcane per ton of sugar.

+ Sugar production from sugarcane: 215,272 tons, an increase of 12%, accounting for 19.4% of Vietnam's total sugar output.

- Sugar consumption volume in 2024: 210,000 tons, down 6% compared to 2023. During the year, the Company did not produce and consume sugar from imported raw sugar due to excessively high import quota auction fees.

- Packaged sugar products (0.5kg and 1kg) have achieved nationwide distribution across modern retail channels. QNS's sugar products are increasingly favored by industrial customers using sugar as a raw material for processing. The Company has also met the quality standards of major food processing enterprises, including Vinamilk, Coca-Cola, Dutch Lady, and Tan Hiep Phat....

- In 2024, total electricity consumption reached 210 million kWh, an increase of 2% compared to 2023. Electricity production from bagasse increased, ensuring a sufficient and timely supply of steam energy for processing, which played a crucial role in maintaining high and stable crushing capacity and ensuring smooth production processes.

## 2. Soymilk and Plant-Based Nutrition Segments

The fast-moving consumer goods (FMCG) sector faced many challenges as consumer purchasing power remained low.

In 2024, the Company implemented significant changes in its business strategy to upgrade, expand, and revitalize its core product categories, stimulating growth and optimizing investment efficiency. Specifically:

- Renewing and optimizing Vinasoy's flagship products, upgrading the soymilk category with the introduction of Fami GreenSoy, featuring groundbreaking technology.

- Reaffirming Vinasoy's position as a leading plant-based nutrition brand, restructuring Veyo fermented yogurt drink made from five types of nuts, and launching a premium nut milk product line (including Veyo 5 Nuts and Veyo Oat Milk).

- Investing in sales management and distribution system upgrades, as well as enhancing the management system to ensure consistent quality control capabilities across all three factories.

Results in 2024:

- Total soymilk consumption in 2024 reached 255 million liters, a 5.6% increase, while revenue grew 4.3% compared to 2023.

- + Certain soymilk product groups with long-term growth potential, such as Fami Low Sugar, recorded an 8% increase compared to 2023. Notably, the Fami Flavored and Fami Go product lines sustained double-digit annual growth, achieving an impressive 31% increase in 2024 compared to the previous year.

- + The Nut Milk category experienced outstanding revenue growth, surging 104% compared to 2023.

- Vietnam Market: Vinasoy's market share in the soymilk segment continued to grow, solidifying its leading position while maintaining its rank as the second-largest brand in the ready-to-drink milk category in 2024.

- Export Market:

- + Vinasoy expanded its global footprint, seeking new partnerships and market opportunities. Current export markets include Japan, South Korea, the U.S., Taiwan, and others, with five distributors and a network of 2,900 retail outlets.

- + Export revenue has shown consistent growth over the years. In 2024 alone, export revenue increased by 80% compared to 2023.

## 3. Other Segments

Despite the ongoing economic challenges and the slow recovery of consumer purchasing power, the consumption volume of other products such as mineral water,

beer, confectionery, etc., continued to grow, contributing to the Company's overall profitability.

#### **4. Notable Achievements in 2024**

Alongside the strong business performance in 2024, the Company's reputation and brand value remained firmly established.

- In 2024, the company continued to be ranked in the VNR500 list published by Vietnam Report:

- + *Ranked 143<sup>rd</sup> among the 500 largest enterprises in Vietnam*
- + *Ranked 71<sup>st</sup> among the 500 largest private enterprises in Vietnam*
- + *Ranked 63<sup>rd</sup> among the 500 most profitable enterprises*
- + *Ranked 33<sup>rd</sup> among the 500 most profitable private enterprises*

- Top 50 Most Innovative and Efficient Businesses in 2024

- Top 100 Most Valuable Brands in Vietnam in 2024

- Top 100 Sustainable Businesses in 2024

- Awarded the Vietnam Digital Transformation Award 2024, organized by the Vietnam Digital Communications Association and VietTimes e-magazine.

- The Company's product brands ranked in the Top 10 Most Reputable Food Companies in the sugar, confectionery, and nutritional food sectors, as evaluated by Vietnam Report.

- The Company's products were recognized as part of Vietnam National Brand 2024-2026, certified by the National Brand Council under the Ministry of Industry and Trade.

- The Fami Green Soy soymilk product won the "Technology Innovation" category at the 2024 International Plant-Based Food Innovation Awards.

These achievements reaffirm the effectiveness of the Board of Directors' management, the operation of the Board of Management, and the close coordination between the Board of Directors, the Board of Management, and socio-political organizations in fostering a transparent and open business environment, contributing to improved business efficiency and further enhancing QNS's brand reputation in the market.

#### **II. Evaluation of the Board of Directors on the Activities of the Board of Management:**

The 2024 business performance, with a 2% increase in revenue and an 8.9% increase in post-tax profit compared to 2023, is a remarkable achievement. The Board of Directors highly appreciates the efforts and results achieved by the Board of Management over the past year.

The Board of Management has implemented flexible, timely, and market-responsive management solutions, ensuring high efficiency while remaining aligned

with the development orientation approved by the Annual General Meeting of Shareholders. The Board of Management has effectively executed the directives and policies set by the Board of Directors with a strong sense of responsibility.

With the contributions of the Board of Management, the Board of Directors believes that QNS will continue to expand its presence in domestic, regional, and international markets.

In 2024, the Board of Directors carried out the following supervisory activities:

- Monitored the implementation of resolutions from the Annual General Meeting of Shareholders and other resolutions issued by the Board of Directors.

- Provided strategic direction for the Company's overall development in various areas, including business operations, finance, investment, market expansion, raw material development, and human resources.

- Regularly directed the Board of Management to ensure business operations comply with legal regulations and company regulations while maintaining financial balance to secure timely capital supply for business activities and investment projects.

- Conducted frequent inspections and monitoring of the Company's investment projects.

- Aligned with the Board of Management in continuing to implement an effective salary mechanism that encourages innovation, technical improvements, and rationalization in production and business operations...to improve employee performance.

### **III. Activities of the Board of Directors in 2024**

The Board of Directors has consistently operated in compliance with legal regulations, the Company's Charter, internal governance regulations, and the Resolutions of the General Meeting of Shareholders.

#### **1. Meetings of the Board of Directors**

Throughout the year, the Board of Directors held 11 meetings, including:

- 01 Annual General Meeting of Shareholders in 2024;
- 03 in-person Board of Directors meetings at the Company's headquarters;
- 07 Board of Directors meetings were held to collect written opinions.

A total of 13 resolutions were issued, covering various aspects of business operations and corporate governance. All Board meetings were conducted in accordance with the Company's internal regulations and legal provisions. Decisions made, whether through direct meetings or written consultations, received unanimous approval from the Board of Directors members.

Members of the Board of Management, leaders of affiliated organizations, and the Board or Supervisors were invited to attend direct meetings of the Board of

Directors or were provided with full documentation for meetings conducted through written consultations.

*(Detailed information on the meetings and corporate governance status is disclosed in the Report on Corporate Governance 2024 No. 04/BC-HĐQT, dated January 23, 2025, issued by the Board of Directors)*

## **2. Payment of the remaining 2023 dividends and interim dividends for 2024:**

In accordance with the resolution of the 2024 Annual General Meeting of Shareholders, the Company's Board of Directors has approved the payment of the remaining 2023 dividends and the interim dividends for 2024 as follows:

- *Payment of the remaining 2023 dividends:* The dividend rate is 20%, the payment date is on April 26, 2024.

- *Interim dividends for 2024:*

+ - *First interim payment:* The interim dividend rate is 10%, the payment date is on September 11, 2024.

+ *Second interim payment:* The interim dividend rate is 10%, the payment date is on January 21, 2025.

## **3. Investment Projects**

### **3.1. Report on previously approved Projects:**

- In 2023, the Board of Directors approved the plan Investment in Additional Fixed Assets for the RS Line Drying/Cooling System, with an approved value of VND 11.3 billion (excluding VAT). However, to meet actual needs, in 2024, the Board of Directors adjusted the investment value of this plan to VND 15.2 billion.

- Regarding the investment project "Pie Production Line (1,000 kg/hour) and Hard Candy Production Line (500 kg/hour)" at Biscafun Confectionery Factory, which was approved by the Board of Directors in 2021 with a total estimated investment of VND 152 billion, the Company has not proceeded with the investment due to market conditions and other factors.

### **3.2. Projects Approved in 2024:**

In 2024, the Company's Board of Directors approved the following projects:

*Unit: VND*

<b>No.</b>	<b>Name of Projects</b>	<b>Approve value (excluding VAT)</b>
1	Investment in a 15MW generator at An Khe Sugar Factory.	13,700,000,000

No.	Name of Projects	Approve value (excluding VAT)
2	Expansion of the sugarcane processing system capacity to 25,000 tons sugarcane per day at An Khe Sugar Factory.	1,169,359,000,000
3	Expansion of the An Khe Biomass Power Plant to increase the design capacity to 135MW.	846,763,000,000
4	Adjustment of the investment value for the plan "Investment in Additional Fixed Assets for the RS Line Drying/Cooling System" at An Khe Sugar Factory.	15,167,498,822
5	Investment in Warehouse B1 at Biscafun Confectionery Factory.	15,860,000,000
6	Investment in a 1,000 kg/hour hard candy production line.	58,771,000,000
7	Renovation of the fire prevention and fighting system at Vinasoy Bac Ninh Soymilk Factory.	13,710,000,000
	<b>Total</b>	<b>2,133,330,498,822</b>

#### **4. Remuneration of the Board of Directors**

In 2024, the Company has not provided any remuneration to the Board of Directors or the Board of Supervisors.

#### **5. Affiliated Persons and Transactions Between the Company and Affiliated Parties in 2024**

##### ***5.1 List of Affiliated Persons***

The list of affiliated persons of the Company, internal persons, and affiliated persons of internal persons is detailed in Appendix 01 and Appendix 03 of the Report on Corporate Governance No. 04/BC-HĐQT, dated January 25, 2025, issued by the Company's Board of Directors.

##### ***5.2 Transactions Between the Company, Subsidiaries, and Affiliated Parties***

During the year, the Company's Board of Directors approved contracts and transactions with affiliated parties. The total actual transaction value with affiliated parties is detailed in Appendix I attached.

#### **6. Contents of the Annual General Meeting of Shareholders approved but not implemented:**

The 2024 Annual General Meeting of Shareholders approved a plan to issue shares under the Employee Stock Ownership Plan (ESOP) based on the Company's 2024 production and business results. Although the Company's 2024 production and

business results improved compared to 2023, they did not reach the level to issue ESOP according to the plan approved by the General Meeting of Shareholders

### **7. Maximum Foreign Ownership Rate at the Company**

In 2014, the Company registered its securities at the Vietnam Securities Depository and Clearing Corporation (VSDC) and in 2016, the Company registered for UPCOM trading at the Hanoi Stock Exchange (HNX). HNX and VSDC have informed that the maximum foreign ownership rate at QNS is 49%.

According to the provisions of the Securities Law 2019 and Decree No. 155/2020/ND-CP dated December 31, 2020 of the Government (Decree 155), elaboration of some articles of the law on securities, public companies must be responsible for determining the investment and business sectors and performing the procedures for notifying the foreign ownership rate to the State Securities Commission according to the sectors in which the enterprise has registered to do business.

Currently, the Company operates in 60 business lines

Based on current legal regulations, trade agreements to which Vietnam is a member, and the Company's registered business lines (after the 2025 Annual General Meeting of Shareholders approves the adjustment contents), the Company determines that its maximum foreign ownership rate is 50%.

The Company will complete the notification procedures for the maximum foreign ownership rate under Decree after completing the procedures for adjusting business lines according to regulations.

## **IV. Development Orientation in 2025**

### **1. Assessment and Challenges in 2025**

Global Economic Forecast for 2025, although inflation is decreasing, labor market conditions are gradually improving, and monetary policies are being loosened, global economic growth in 2025 is still expected to remain below pre-pandemic levels, with the global economy continuing to face significant uncertainties.

According to the 2025 forecast, global and domestic sugar prices will be adjusted, driven by a more optimistic supply outlook. In particular, Brazil's current sugar crop yield is at a high level compared to previous years, thanks to favorable weather conditions.

The FMCG industry in Vietnam will face both opportunities and intense competition. Businesses must not only meet current consumer demands but also research and develop new trends, focusing on environmentally friendly, sustainable, and highly convenient products.



QNS is always prepared to flexibly adapt to domestic and global economic and political changes, seize business opportunities, and maximize its advantages to enhance the Company's efficiency.

## **2. Development Orientation in 2025**

### ***- Increasing Investment for Sustainable Development***

+ Continue investing in raw material development (sugarcane, soybeans) sustainably through investment policies (e.g., raw material purchase pricing, seeds, fertilizers, mechanization) and apply modern technology in raw material management.

+ Enhance research & development (R&D) investments to create innovative, environmentally friendly, and sustainable products aligned with green food trends.

+ Continuously innovate and apply advanced science and technology to improve labor productivity and business efficiency.

### ***- Brand Development and Expansion***

+ Leverage the green growth and sustainability trend, capitalizing on the strong reputation of QNS and its existing product brands.

+ Focus on improving business model of the Company, incorporating circular economy principles, renewable energy usage, and environmentally friendly technology.

+ Enhance modern management capabilities, adopting advanced, transparent, and sustainable management standards to promote long-term growth.

### ***- Expanding the Domestic Market & Developing Export Markets***

+ Strengthen investments in marketing activities to expand market reach.

+ Build and strengthen the product distribution system.

+ Enhance foreign market research efforts, identifying and partnering with distributors for international expansion.

### ***- For the sugar cane business segment:***

+ Simultaneously invest in 3 projects: expanding and increasing the capacity of An Khe Sugar Factory to 25,000 TMN; Expand and increase the capacity of An Khe Biomass Power Plant to 135MW and Ethanol project to optimize the benefits of An Khe sugarcane area.

+ Continue to research and develop new products to serve the needs of customers such as liquid sugar...

### ***- For the plant nutrition segment:***

+ Optimize production and business activities through the application of digital technology, standardize operating processes to improve work efficiency.

+ Continue to innovate the core Soy Milk product line and expand new product lines.

**- For other business segments:**

+ Invest in equipment to mechanize, automate, innovate technology in production and management.

+ Continue to improve the quality of existing products, research new products.

**3. Financial and Business Production Plan for 2025:**

Based on the business development orientations for 2025 and the need for strong investments in market expansion and raw material areas to establish a solid foundation for future business activities, while also anticipating potential challenges in the global and domestic economy, the Company's Board of Directors proposes the 2025 Business Production Plan as follows:

Items	Unit	Actual 2024	Planned 2025	Planned 2025/ Actual 2024 (%)
Share capital	VND billion	3,676	3,676	100
Total revenue	VND billion	10,678	10,000	94
Total net profit before tax	VND billion	2,645	2,000	76
Profit after tax	VND billion	2,377	1,790	75
Depreciation	VND billion	438	455	104
Dividend rate	%	40	≥ 15	

Above is the 2024 Performance Report and 2025 Development Orientation of the Board of Directors, submitted to the 2025 Annual General Meeting of Shareholders. In the coming period, to overcome challenges, achieve business and production goals, and continue driving Quang Ngai Sugar Joint Stock Company towards sustainable development, the Board of Directors looks forward to the continued support and long-term commitment of our valued shareholders, partners, and all employees.

Sincerely,

FOR ON BEHALF OF THE BOD  
CHAIRMAN



Tran Ngoc Phuong

**Phụ lục I: Giao dịch giữa công ty với người có liên quan của công ty, người có liên quan của người nội bộ năm 2024**

**Annex I: Transactions between the Company and its affiliated persons, internal affiliated persons.**

*(Kèm theo Báo cáo của Hội đồng quản trị Công ty trình tại ĐHĐCĐ thường niên 2025)*

*(Attached to Report of the Board of Directors at The AGM 2025)*

STT / No.	Tên tổ chức/cá nhân Name of organization/ individual	Mối quan hệ liên quan với công ty/ Relationship with the company	Số Giấy NSH/No.	Ngày cấp/date of issue	Nơi cấp/Place	Địa chỉ trụ sở chính/Address	Thời điểm giao dịch với công ty/ Time of transactions with the Company	Số Quyết định/Nghị quyết của HĐQT/ Resolution No. or decision No. approved by Board of Directors	Nội dung giao dịch/Content of transaction	Giá trị giao dịch chưa bao gồm thuế VAT (đồng)/Total value of transaction (VND)	Ghi chú
1	Công ty TNHH MTV TM Thành Phát (Thành Phát)/ Thanh Phat Trading One Member Limited Company (Thanh Phat)	Công ty con/ Subsidiary	4300369451	23/08/2022	Sở KH và ĐT tỉnh Quảng Ngãi	02 Nguyễn Chí Thanh, TP. Quảng Ngãi	2024	30/NQ/QNS-HĐQT ngày 04/07/2024	Thành Phát nộp lợi nhuận về cho QNS/ Thanh Phat pays profits to QNS	194.961.168.256	Đã điều chỉnh số với Báo cáo tình hình quản trị năm 2024 theo số liệu sau kiểm toán.
								QNS trả cổ tức cho Thành Phát/ QNS pays dividends to Thanh Phat	222.138.420.000		
								QNS mua hàng hóa, dịch vụ của Thành Phát/ QNS buys goods and services from Thanh Phat	21.932.875.826		
								QNS bán hàng hóa, dịch vụ cho Thành Phát/ QNS sells goods and services to Thanh Phat.	2.070.268.941.342		



STT / No.	Tên tổ chức/cá nhân Name of organization/ individual	Mối quan hệ liên quan với công ty/ Relationship with the company	Số Giấy NSH/No.	Ngày cấp/date of issue	Nơi cấp/Place	Địa chỉ trụ sở chính/Address	Thời điểm giao dịch với công ty/ Time of transactions with the Company	Số Quyết định/ Nghị quyết của HĐQT/ Resolution No. or decision No. approved by Board of Directors	Nội dung giao dịch/Content of transaction	Giá trị giao dịch chưa bao gồm thuế VAT (đồng)/Total value of transaction (VND)	Ghi chú
2	Công ty TNHH Một thành viên Phúc Thịnh/ Phuc Thinh One Member Co., Ltd.	Doanh nghiệp do ông Trần Tấn Huyền (em rể ông Nguyễn Thành Huy - TV. Ban kiểm soát) làm chủ sở hữu/The enterprise is owned by Mr. Tran Tan Huyen, the brother- in-law of Mr. Nguyen Thanh Huy, Supervisor.	4300371820	01/10/2019	Sở kế hoạch và đầu tư tỉnh Quảng Ngãi	78 Lê Thánh Tôn, TP. Quảng Ngãi, tỉnh Quảng Ngãi	2024	07/NQ/QNS- HĐQT ngày 16/01/2024, 11/NQ/QNS- HĐQT ngày 07/03/2024, 20/NQ/QNS- HĐQT ngày 24/04/2024, 23/NQ/QNS- HĐQT ngày 18/05/2024, 26/NQ/QNS- HĐQT ngày 15/06/2024, 44/NQ/QNS- HĐQT ngày 02/12/2024	Cung cấp vật tư; bảo trì, sửa chữa, bảo dưỡng hệ thống phòng cháy chữa cháy/ Supply materials; maintenance, repair, maintenance of fire prevention and fighting systems.	5.731.870.065	
3	Công ty TNHH Một thành viên Kinh doanh dịch vụ Hồng Vân/ Hong Van Service Business One Member Limited Liability Company	Doanh nghiệp do bà Tạ Thị Hồng Vân (vợ ông Đặng Phú Quý - TV. HĐQT, P. Tổng giám đốc) làm chủ sở hữu/The enterprise is owned by Ms. Ta Thi Hong Van, the wife of Mr. Dang Phu Quy, Director and Deputy CEO.	4300777556	08/04/2016	Sở kế hoạch và đầu tư tỉnh Quảng Ngãi	80 Bà Triệu, P. Lê Hồng Phong, TP. Quảng Ngãi	2024	07/NQ/QNS- HĐQT ngày 16/01/2024, 20/NQ/QNS- HĐQT ngày 24/04/2024, 23/NQ/QNS- HĐQT ngày 18/05/2024	Cung cấp dịch vụ vận chuyển hành khách/ Providing passenger transport services.	30.574.074	