

AN GIANG AGRICULTURE AND FOODS IMPORT-EXPORT JOINT STOCK COMPANY

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**REPORT OF THE BOARD OF GENERAL DIRECTORS
ON BUSINESS AND PRODUCTION PERFORMANCE IN 2025**

Distinguished delegates!

Dear Shareholders!

The Board of Directors of An Giang Agriculture and Foods Import-Export Joint Stock Company (hereinafter referred to as "the Company" or "AFIEX") hereby reports on the results of business and production performance in 2025 and proposes a business plan for the Company in 2026 as the following:

I. BUSINESS ENVIRONMENT IN 2025

In 2025 , the global economy continued to face numerous difficulties and challenges. Global trade faced many risks such as conflicts in the Middle East, Russia-Ukraine relations, protectionist policies, and especially the risk of widespread trade conflicts. Natural disasters and climate change continued to have a severe impact. Competition increased, with developed countries applying many new and stricter standards and regulations on supply chains, raw materials, labor, and the environment for imported products. Inflation had cooled but remained high; monetary policy was tightened.

- Domestically, consumer demand is recovering, with a tendency to prioritize essential goods, positively impacting production and business activities.

- The company's leadership has always closely monitored market developments to implement timely business solutions, ensuring the stability of the company's operations and helping the company's business results in 2025 exceed the planned profit target.

1. Report on business performance:

1.1. Table comparing actual business performance against planned targets for 2025 :

TARGETS	Unit	To be implemented in 2025	Plan for 2025	% of Implemented compared to Plan
Total net revenue	Mn VND	2.895.843	2,523,519	114.30
Total cost	Mn VND	2,836,616	2,437,336	113.75

TARGETS	Unit	To be implemented in 2025	Plan for 2025	% of Implemented compared to Plan
Profit before tax	Mn VND	59,227	39,950	148.25
Corporate Income Tax	Mn VND	11,907	7,990	149.02
Net profit after tax	Mn VND	47,319	31,960	148.06
Rice exports				
+ Export turnover	Mn USD	15	28	53.57
+ Export volume	Ton	24,107	47,000	51.29
Importing animal feed ingredients				
+ Import turnover	Mn USD	0.211	0.20	105.5
+ Import volume	Ton	156.22	140.00	111.59
Consumption of Animal Feed	Ton			
+ Feed sold outside	Ton	28,295	32,500	87.06
+ Internal consumption	Ton	3,236	4,500	71.91

The company's business results for 2025 show that all revenue, pre-tax profit, and after-tax profit targets were exceeded. Specifically, as follows:

- The production of animal and aquatic feed only reached 87.06% of the plan due to the strong resurgence of swine disease in the second and third quarters of 2025, causing heavy losses for farmers, and the scarcity of breeding stock led to high prices, discouraging farmers from restocking their herds. Pangasius fish prices increased from the fourth quarter of 2024. Aquaculture companies proactively secured input supplies and expanded their sourcing areas, leading to increased demand for fingerlings. However, climate change negatively impacted the success rate of raising pangasius fingerlings, resulting in a shortage of supply and higher prices. Farmers were unable to restock after harvesting, leading to a decrease in the production of farmed fish. These factors significantly affected the operations of aquaculture feed factories; production decreased but remained profitable.

- The food sector still faces many difficulties regarding output and very high depreciation costs of fixed assets. However, the company has taken advantage of favorable prices to carry out production, business, and trade; although the output is lower than planned, it is still effective.

- The slaughtering business at the Livestock and Forestry Products Processing Enterprise is basically stable .

- Although pig farming activities at Vinh Khanh Livestock Farm have improved, they still face difficulties due to the low total herd size, dilapidated

infrastructure leading to many potential risks of disease outbreaks, and high livestock costs.

- The company's pangasius farming segment benefited from favorable conditions in the last months of the year due to reduced production costs caused by lower input feed prices. Furthermore, the shortage of raw pangasius due to the rebound in the export market also contributed to higher selling prices for pangasius, resulting in increased profits.

- Investment activities with Saigon - An Giang Trading Company Limited yielded better results compared to the same period last year.

1.2. Table of key financial indicators :

Indicators	Unit	2024	2025
1. Solvency ratio			
+ Current ratio:			
Current assets / Current liabilities	Time	1.11	1.44
+ Quick ratio:			
<u>Current assets - Inventory</u> Short-term debt	Time	0.98	1.20
2. Capital structure indicators:			
+ Debt-to-Total Assets Ratio	Time	0.76	0.67
+ Debt/Equity Ratio	Time	3.19	2.01
3. Performance indicators			
+ Inventory turnover ratio:			
<u>Cost of goods sold</u> Average inventory	Ring	11.9	12.73
+ Total asset turnover			
Net revenue / Average total assets	Time	1.3	1.58
4. Expenditure on profitability			
+ Net Profit Margin / Net Revenue Ratio	Time	0.014	0.016
+ Net Profit / Equity Ratio	Time	0.059	0.091
+ Net Profit / Total Assets Ratio	Time	0.014	0,030
+ Operating Profit Margin / Net Revenue Ratio	Time	0.016	0.021

1.3. Evaluation of business performance in 2025:

a. Areas that can be accomplished:

In implementing the resolutions of the 2025 Annual General Meeting of Shareholders, the Board of Directors and the Executive Board have made many concrete efforts in the management and operation of the Company, resulting in the following progress:

- Despite the challenging general circumstances, the company's production and business operations have not been interrupted, ensuring continuous operation from production to product consumption.

- During the year, restructuring financial investments contributed to improved production and business performance .

b. Areas that have not yet been addressed:

- The Animal and Aquatic Feed Enterprise is facing objective difficulties and is reactive in calculating raw material reserves, leading to high production costs and difficulties in sales.

- The Food Export Enterprise: Due to a shortage of manpower, procurement activities are unstable, and distribution channels have not been diversified, resulting in low sales volume.

2. Financial situation:

2.1. Asset situation:

The company's total assets at the end of 2025 were 1,570 billion VND, a decrease of 21.26% compared to the beginning of the year.

- In particular, short-term assets decreased by 10.42%, with cash and cash equivalents increasing by 348.64% (an increase of 129 billion VND), accounts receivable increasing by 64.77% (an increase of 311 billion VND), short-term financial investments decreasing by 74.44% (a decrease of 699 billion VND), and inventory increasing by 28.57% (an increase of 54 billion VND).

- Long-term assets decreased by 79.04% compared to the beginning of the year (a decrease of 249 billion VND), mainly due to a 100% decrease in long-term receivables (a decrease of 240 billion VND). Long-term financial investment targets decreased by 70.66% (a decrease of 5 billion VND).

2.2. Liabilities Situation:

Liabilities decreased by 30.96% (a reduction of 470 billion VND), including a 79.59% increase in accounts payable to suppliers (an increase of 117 billion VND), a 99.32% decrease in other short-term payables (a decrease of 740 billion VND), and a 20% increase in other short-term loans and financial lease liabilities (an increase of 123 billion VND).

2.3. Investment Results Report :

During the year, the company made financial investments totaling 220 billion VND.

3. Improvements in organizational structure, policies, and management :

3.1. Improvements in organizational structure:

Continue to reorganize the personnel structure based on clear task assignments that match professional capabilities. Implement a transparent salary and bonus policy linked to business results and work efficiency, as well as the

professional competence of each individual and subordinate unit, creating motivation for dedication and growth in all aspects of the Company's operations.

3.2. Improvements in policy and management:

- Continue to innovate and supplement human resources, strengthen training to improve the professional knowledge, skills, and expertise of workers.

- Strengthen institutional frameworks and internal governance capacity by enhancing control and strict management of input material and raw material quotas and other costs to reduce expenses, manage competitive pricing, and improve business efficiency.

- Maintain a quality management system in accordance with international standards for the processing and production of food and animal feed.

II. BUSINESS PLAN FOR 2026:

1. Assessing the advantages and disadvantages in 2026:

1.1. Advantages:

- In 2026, there are still many opportunities for rice exports because of increasing global food demand, and furthermore, the quality of Vietnamese rice is favored by consumers in many countries.

- Forecasts indicate that demand for seafood is expected to recover and increase in major seafood markets for Vietnam such as the United States, the EU, China, South Korea, etc. This will boost Vietnam's seafood exports and create opportunities for aquaculture and feed production businesses to develop.

1.2. Difficulties :

- Overall, in 2026, the potential risks from the global economic environment are still expected to persist. Production, business activities, and import/export of goods will continue to be negatively impacted by hotspots and military and political conflicts around the world.

- Animal feed production still depends on imported raw materials for over 70%. Rising raw material and fuel costs lead to increased production costs.

- The ongoing risk of disease outbreaks in livestock and the volatile prices of livestock products are major factors impacting animal feed production.

- Rice exports remain heavily dependent on a few traditional markets, posing risks when these markets change their policies or import demands. The company's food purchasing and processing facilities are not yet adequately meeting the market demand for high-quality rice.

2. Business plan for 2026 and implementation solutions:

Based on the identified advantages and disadvantages mentioned above, the Board of Directors of the Company proposes the following solutions to achieve the

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important targets of the 2026 production and business plan:

- Total revenue: 3,780,500 million VND.
- Profit before tax: 94,419 million VND.

Solutions for implementing the 2026 Plan: Continuing to implement comprehensive restructuring solutions for the Company. Optimizing resources, implementing a transparent mechanism for assigning authority at all levels, and evaluating effectiveness in a timely manner, the Company's Board of General Directors proposes the following solutions:

2.1. Human Resources Solutions:

- Continue to arrange and recruit personnel according to their expertise and strengths .
- Focus on training and updating employees' knowledge and skills . Build a positive work environment that encourages creativity and innovation to attract and retain talent.
- Promote effective teamwork.

2.2. Solutions regarding management and administration:

- Continuously improve products, services, and business processes to meet customer needs.
- Continue reviewing and revising the company's procedures and regulations to suit the new situation.
- Focus on developing strategic product lines with high sales and profitability.
- Strengthen risk management measures in raw material procurement, accounts receivable, warehousing, and production/processing to Optimizing production costs and enhancing competitiveness in the market.
- Building and maintaining strong relationships with customers will help increase revenue and competitiveness.
- Continue to cooperate and utilize experts in each field to update advanced management and operational practices.

2.3. Investment Solutions:

The company will continue to pursue its investment plan as soon as it secures the necessary funding. including:

- Invest in expanding the feed processing plant and increasing production capacity.
- Invest in renovating rice processing plants.
- Renovate pig farms and fish ponds, and water treatment ponds.

- Construct rooftop solar power systems to provide energy for animal feed factories and rice processing plants.

2.4. Financial solutions:

- Developing a sound financial management strategy includes financial planning, expense tracking, cash flow management, and seeking additional funding sources.

- Continue to seek additional medium- and long-term investment/cooperation opportunities from both domestic and foreign sources.

Dear Shareholders!

The above is the report on the business performance in 2025 and the business plan for 2026 of the Company's Board of General Directors, submitted to the General Meeting of Shareholders for approval.

Thank you very much./.

Recipients:

- General Shareholders' Meeting;
- Board of Directors, Board of Supervisors;
- Save.

