

DRAFT

Hanoi, April 2025

**REPORT ON
2024 OPERATIONAL RESULTS AND 2025 TARGETS OF THE BOARD OF
DIRECTORS**

To: General Meeting of Shareholders of Vietnam Forestry Corporation - JSC

The Board of Directors of Vietnam Forestry Corporation - Joint Stock Company (BOD) would like to respectfully report to all shareholders on the results of the Board of Directors' activities in 2024 and the plan of activities in 2025 as follows:

PART ONE

PERFORMANCE RESULTS OF THE BOARD OF DIRECTORS IN 2024

I. Performance of the corporation in 2024

In 2024, Vietnam Forestry Corporation - Joint Stock Company (Vinafor) completed the 2024 production and business plan approved by the General Meeting of Shareholders (GMS) as follows:

1. The results of implementing the 2024 Plan:

No	Indicators	unit	2024 plan	2024 implementation	% compared to 2024 plan	% compared to the same period in 2023
1	2	3	4	6	7=6/4	9
I	Financial indicators of the Parent Company					
	Total Revenue	Billion VND	1.189	1.322	111%	94%
	Profit After Tax	Billion VND	202	262	130%	75%
	Profit After Tax/Equity Ratio	%	5,2	6,7	129%	75%
II	Consolidated financial indicators					
	Total Revenue	Billion VND	1.991	2.066	104%	102%
	Profit After Tax	Billion VND	317	358	113%	130%

(Data based on the 2024 Separate and Consolidated Financial Statements of Vinafor audited by Ernst & Young Vietnam Co., Ltd.)

2. Results of the implementation of the 2024 Investment and Development Plan

- Number of projects implemented: projects.
- Disbursement plan for 2024: billion VND.
- Disbursement value implemented in 2024: billion VND.

3. Assessment:

In the context of intensifying strategic competition among major global powers, prolonged armed conflicts, and sluggish global economic growth, international trade activities have contracted. The domestic economy faces numerous challenges, influenced by unfavorable external factors and internal constraints, leading to limited competitiveness and resilience. Business and production activities, particularly in the processing sector, are encountering significant difficulties, with a widespread shortage of orders. Additionally, both global and domestic purchasing power have declined.

For the wood industry, export turnover of wood and forest products has decreased, while fluctuations in the price of exported wood chips have further exacerbated challenges in production, business operations, and trade activities. Vinafor has also been directly impacted, particularly in 2024, when Typhoon No. 3 caused severe damage to Vinafor's planted forests in northern regions.

Despite these challenges, Vinafor has remained steadfast in its commitment to stability and sustainable development. Under the strong leadership of the Board of Directors and the Executive Board, and with the collective efforts of all employees, the Corporation has effectively leveraged its existing advantages and resources. By strengthening relationships with authorized representatives in capital-contributing units, expanding partnerships both within and beyond the Corporation, and fostering close collaboration with its strategic shareholder, T&T Group JSC, Vinafor has successfully capitalized on synergies to drive mutual growth, enhance operational efficiency, and share benefits. These concerted efforts have played a crucial role in surpassing the 2024 targets set by the General Meeting of Shareholders.

II. Activities of the Board of Directors (the BOD) in 2024:

1. Structure of the BOD:

The members of Vinafor's BOD in 2024 are as follows::

- Mr. Phi Manh Cuong - Chairman of the BOD
- Mr. Do Vinh Quang - Vice Chairman of the BOD *
- Mr. Le Quoc Khanh - Member of the BOD and General Director
- Mr. Nguyen Trung Kien - Member of the BOD and Deputy General Director
- Ms. Ngo Thi Thuy Mai - Member of the BOD and Deputy General Director *

(* Mr. Do Vinh Quang and Ms. Ngo Thi Thuy Mai joined the BOD from June 28, 2024)

2. Activities of the BOD:

The BOD has effectively fulfilled its functions, duties, and authority as stipulated in Vinafor's Charter and relevant legal regulations. It has overseen the implementation of resolutions passed by the General Meeting of Shareholders, provided strategic direction, and issued resolutions to address key management matters within its jurisdiction. Key activities include:

- Organizing the 2024 Annual General Meeting of Shareholders in compliance with regulations and ensuring the prompt implementation of its resolutions.
- Overseeing the continued execution of Vinafor's restructuring plan for the 2021–2025 period, as approved by the General Meeting of Shareholders.
- Steering efforts to successfully achieve the Corporation's 2024 production and business objectives, as mandated by the General Meeting of Shareholders, while ensuring the preservation and growth of state-assigned capital and resources.
- Issuing a resolution authorizing the General Director to lead the research and development of the Carbon Credit Business Project, leveraging the Corporation's strengths.
- Directing the execution of the Corporation's five-year plan (2021–2025) and its long-term development strategy through 2030, with a vision toward 2035, ensuring progress aligns with strategic goals and striving to surpass key targets set for the 2021–2025 period.
- Members of the BOD conducted on-site visits to various units to assess their operational status, gather feedback, and collaborate with the Vinafor's leadership in formulating policies and solutions to address challenges faced by these units.
- Directed the development of high-quality seedlings to support Vinafor's afforestation efforts and benefit local communities in various provinces, aiming to enhance the efficiency and sustainability of afforestation investments.
- Direct the review, amendment and supplementation of the Corporation's management regulations to strengthen and improve the effectiveness and efficiency of internal governance and internal control;
- Instruct member units to effectively manage and utilize real estate assets while ensuring full compliance with legal regulations.
- Oversee the continued implementation of Inspection Conclusion No. 1452/KL-TTCP, issued by the Government Inspectorate on August 21, 2020, as well as the recommendations of the State Audit.
- Instruct units to prioritize the implementation of land measurement and boundary marking, the application process for land use right certificates, and procedures for requesting land rent exemptions and reductions, while continuing to transfer unused land to local authorities for management.
- Strengthen land management and utilization by accelerating the recovery of encroached land and reinforcing measures to prevent re-encroachment and new encroachments.
- Enhance inspection and oversight of capital, asset, and land management, ensuring compliance with the Board of Directors' resolutions and legal regulations across the Corporation and its member units. In 2024, the Corporation plans to conduct six internal audits to reinforce governance and accountability.
- Oversee the review and assessment of the performance of the Vinafor's capital representatives at units, ensuring timely adjustments or replacements to enhance operational efficiency.

- Maintain close coordination with the Party Committee in leading and directing the Vinafor's operations in alignment with the Party and State's guidelines, legal regulations, and the Corporation's Charter, with a particular focus on personnel management in accordance with Party regulations.

- Ensure effective collaboration between the BOD and the two groups representing the owner's capital at the Corporation to promptly address key issues within their jurisdiction, preventing disruptions that could impact the Corporation's business and production activities.

- Strengthen coordination with central agencies, ministries, departments, and local authorities to effectively implement both corporate and national objectives. These efforts contribute to hunger eradication, poverty reduction, and the improvement of living standards for ethnic minorities in remote and mountainous areas. Additionally, they support the consolidation and maintenance of national defense and border security while promoting environmental protection, all in alignment with Vinafor's core business activities.

- Ensure the organization of regular and unexpected the BOD's meetings in compliance with the Vinafor's Charter. All meetings are convened with full participation of BOD members, including those who concurrently serve as the General Director and the Head of the Supervisory Board (or an authorized representative from the Supervisory Board). For critical matters, the BOD invites Deputy General Directors and Heads of relevant departments to attend, providing consultation and additional insights. Voting results reflect a high level of consensus, and written opinion collection is conducted in accordance with established procedures. In 2024, the BOD convened 10 periodic and extraordinary meetings to deliberate on and resolve key strategic issues, including the Corporation's annual operational direction, approval of investment plans and projects, restructuring of affiliated units, personnel organization, internal management regulations, financial investments, and solutions to challenges faced by forestry and processing units, among other responsibilities.

Based on the outcomes of these meetings and various written consultations, the Chairman of the BOD, on behalf of the Board, issued 24 Resolutions, 97 Decisions, and other directives within his authority. Additionally, the BOD reviewed and provided feedback on over 400 documents submitted by the General Director, approving select matters within the General Director's jurisdiction before final decisions were made.

3. Remuneration and operating expenses of the BOD:

In 2024, the salaries and remuneration of the BOD (including the General Director) are paid in accordance with the Resolution of 2024 General Meeting of Shareholders. The total salary paid in 2024 to the BOD (including the General Director's salary) is: VND 6,226,676,156.

III. Supervision results for the General Director and other managers:

1. Supervision of the General Director

In 2024, the BOD exercised close supervision over GD in executing the resolutions of the General Meeting of Shareholders (GMS) and the BOD. Specifically:

- Monitoring the fulfillment of key targets assigned by the GMS, as well as the implementation of the resolutions and decisions issued by the BOD to the General Director.

- Monthly, the GD reports to the BOD on the implementation of the production and business plan and directly reports on the implementation of the Resolutions of the Board of Directors at the BOD's regular meetings.

- the General Director submitted monthly reports to the BOD on the progress of the production and business plan. Additionally, the GD provided direct updates on the implementation of BOD resolutions during the Board's regular meetings

- The BOD also allocated time to attend monthly meetings chaired by the General Director, as well as selected Executive Board meetings, to stay informed and provide timely guidance on relevant matters.

- The Board of Directors oversaw Vinafor's operations to offer practical guidance and recommendations, supporting the General Director in effectively carrying out the tasks assigned by the GMS and the BOD.

The Board of Directors recognizes and appreciates the General Director's efforts in implementing and exceeding several targets outlined in the 2024 Plan.

2. Supervision results of executive managers:

Overall, the executive managers has demonstrated a high level of responsibility in their roles, providing timely and effective proposals to the General Director. The team has maintained internal cohesion and a strong commitment to completing assigned tasks. However, the performance of individual members varies, necessitating continued efforts to enhance efficiency and overall effectiveness in the future.

With a strong sense of responsibility toward shareholders, employees for the development of Vinafor, the BOD has effectively fulfilled its duties in accordance with legal regulations. The Board has successfully directed the implementation of key tasks for 2024 and Vinafor's strategic development orientation for the coming period. Additionally, it has exercised thorough oversight of the GD and supporting departments in executing the resolutions of the GMS, as well as the resolutions and decisions of the BOD.

As a result, despite prevailing challenges, Vinafor has successfully achieved and even exceeded several key targets set by the 2024 Annual GMS.

PART TWO

THE OPERATION PLAN OF 2025

I. Key plans and strategies of the BOD:

1. Directing the implementation of the 2025 Production and Business Plan: Focusing all resources to ensure the successful execution of the 2025 plan targets, while optimizing and leveraging existing resources to enhance operational efficiency and corporate value. Some expected key targets for 2025 include:

a. Parent Company's 2025 Production and Business Plan and Investment Development:

* Parent Company's Production and Business Plan:

- Revenue: 1,420 billion VND;
- Profit after tax: 268 billion VND;
- Expected dividend: 6,6 %/Charter capital;
- State budget Payment: Full compliance with current regulations;
- *The Parent Company's 2025 development investment plan:
- Total number of expected projects: 5 projects;
- Expected investment value: 286 billion VND;
- b. Consolidated Production and Business plan in 2025:
 - Consolidated revenue: 2,231 billion VND;
 - Consolidated profit after tax: 330 billion VND;
- c. Consolidated Forestry Plan in 2025:
 - Production and consumption of seedlings 48.6 million trees
 - first-year afforestation activities: 2,987 hectares;
 - In which:
 - + new forest plantation year-1: 2,447 hectares;
 - + sprout regeneration year - 1: 540 hectares;
 - Clear-cutting: 2,757 hectares;
 - Reclaiming encroached land: 520 hectares;

(The above plan targets do not account for additional unforeseen external factors that may arise in 2025)

2. Continuing executing the Development Strategy of Vinafor through 2030, with a vision toward 2035 and a core focus on forestry development. Closely monitoring the implementation process in accordance with the strategy approved by the 2024 GMS.

3. Advancing the implementation of Vinafor's restructuring plan for the 2021–2025 period, as approved by the 2023 GMS. Expediting progress, evaluate outcomes, and formulate the next five-year development plan (2026–2030), identifying strategic directions, opportunities, potential risks, and implementation solutions..

4. Enhancing organizational structure, human resource management, and employee policies. Fully integrating the Party's regulations on personnel management into Vinafor's internal policies and regulatory framework.

5. Continuously reviewing, amending, and establishing new internal regulations and policies to ensure compliance with current legal requirements. Strengthening internal governance efficiency.

6. Finalizing the Carbon Credit Business Project to capitalize on Vinafor's competitive advantages and reinforce its role as a State-owned enterprise. Directing the Executive Board to collaborate with relevant authorities and consulting firms to own Carbon Credits.

7. Addressing challenges and develop solutions for underperforming units, processing companies and seedling production companies..

8. Continuing implementing Inspection Conclusion No. 1452/KL-TTCP dated August 21, 2020, issued by the Government Inspectorate regarding legal compliance in land management and usage, along with State Audit conclusions..

9. Driving the adoption of Industry 4.0 technologies and digital transformation in the management and operational processes, enhancing efficiency across all member units.

10. Exploring and expanding new markets while evaluating potential investment projects. Overseeing the implementation and regulatory compliance of investment initiatives. Maintaining focus on identifying optimal solutions to maximize Vinafor's benefits from Ha Dong Project.

11. Strengthening and expanding existing joint ventures to enhance operational efficiency, promote trade activities and establish new strategic partnerships.

12. Enhancing inspection and oversight of capital, asset, and land management. Ensuring the compliance with Board of Directors' resolutions and legal regulations across Vinafor and its subsidiaries. Preventing capital and asset losses and eliminate improper land use to preserve and grow Vinafor's financial and operational strength.

13. Implementing the directives of the Party Committee and coordinate with the General Director in overseeing corporate activities in alignment with the Party's policies, State regulations, and the Corporation's Charter, particularly in personnel management.

14. Directing member companies to develop strategic land use plans for the 2026–2030 period, with a vision toward 2035. Clearly defining objectives, such as increasing large timber plantation areas annually, transitioning to multi-purpose afforestation, and maximizing the recovery of encroached and overlapping land (exploring potential land-use transformations, including eco-tourism and high-tech agroforestry development,..).

15. Fostering a culture of thrift and waste prevention. Conducting a comprehensive review of non-agricultural land, agricultural land, and existing assets. Optimizing organizational structures, labor management, and working hours to eliminate inefficiencies and minimize resource wastage. Implementing effective resource utilization strategies, embedding a sustainable culture of cost-consciousness across all units.

16. Implementing Vinafor's Culture Project in the whole system.

II. Direction, inspection, supervision and other tasks:

1. Regarding to the direction, inspection and supervision:

- Focusing resources on implementing key tasks for 2025, including gradually applying 4.0 technology and digital transformation to the management and operation of Vinafor.

- Directing all aspects of the Vinafor's operations according to the rights and obligations of the BOD as stipulated in the Vinafor's Charter and related Laws. Implementing to complete the key tasks in line with the 2025 plan targets.

- Improving the management competence of BOD members for listed company management.

- Strengthening the supervision of the implementing of the Resolutions of the GMS and the Resolutions of the BOD.

2. Activities of the subcommittees under the BOD: The subcommittees perform their duties according to their prescribed functions and tasks and promote their role in guiding the operations of Vinafor. The subcommittees also executive the directions of the Party Committee, coordinate with the GD in operating according to the orientations of the Party and the State, the provisions of law, Vinafor's Charter, especially in personnel work.

3. Organize the 2025 annual general meeting of shareholders according to regulations.

4. Some other tasks:

- Continuing to promote the leadership, direction and coordination role of Party Committees at all levels in implementing key political tasks. Facilitating the effective operation of Trade Union and Youth Union organizations, ensuring alignment between corporate and employee interests.

- Implementing effectively Democratic Regulations, encouraging the practice of thrift, and strengthen measures against wastefulness and corruption. Ensure national security, workplace safety, and fire prevention across the Vinafor's offices and member companies.

- Strengthening coordination between the BOD and the two groups representing main shareholders at Vinafor to promptly address major corporate issues within their jurisdiction, preventing operational bottlenecks that could impact production and business activities.

- Maintaining close collaboration with central agencies, ministries, local authorities, and relevant stakeholders to effectively execute corporate and national initiatives. Contributing to hunger eradication, poverty reduction, and the improvement of living standards in ethnic minority, mountainous, and remote areas. Support efforts to consolidate national defense, border security, and environmental protection in alignment with Vinafor's core business activities.

5. Meeting schedule of the BOD:

- The BOD holds regular meetings on a monthly basis or at least once per quarter, in accordance with regulations.

- Extraordinary meetings will be convened as needed to promptly address and resolve emerging issues within the Board's authority. Additionally, the Board will enhance daily communication among its members and between the BOD and the Executive Board to ensure effective coordination and decision-making.

The Board of Directors respectfully submits this report to the General Meeting of Shareholders..

Sincerely./.

**ON BEHALF OF THE BOARD OF DIRECTOR
CHAIRMAN**

Phi Manh Cuong