



KHANH HOA SANEST SOFT DRINK JOINT STOCK COMPANY

VIETNAM VALUE

ANNUAL REPORT 2024



ACCOMPANYING COMMUNITY HEALTH

CONTENTS



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Soft Drink Joint Stock Company at:
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01

General information

08	General information
22	Business lines and locations of the business
	Information about governance model, business organization and managerial apparatus
32	Information about governance model, business organization and managerial apparatus
36	Development orientations
44	Risks

02

Operations in the Year

52	Situation of production and business operations
60	Organization and Human resource
84	Investment activities, project implementation
90	Financial situation
96	Shareholders structure, change in the owner's equity.
98	Environment-Social-Governance (ESG) Report of the Company

03

Reports and assessments of the Board of Management

108	Assessment of operating results
120	Financial Situation
122	Improvements in organizational structure, policies, and management.
122	Development plans in future
122	Explanation of the Board of Management for auditor's opinions
125	Assessment Report related to environmental and social responsibilities of the Company

04

Assessments of the Board of Directors

130	Assessments of the Board of Directors on the Company's operation, including the assessment related to environmental and social responsibilities.
136	Assessment of Board of Directors on Board of Management's performance
138	Plans and orientations of the Board of Directors

05

Corporate governance

146	Board of Directors
152	Board of Supervisors
154	Transactions, remunerations and benefits of the Board of Directors, Board of Management and Board of Supervisors

06

Financial statements

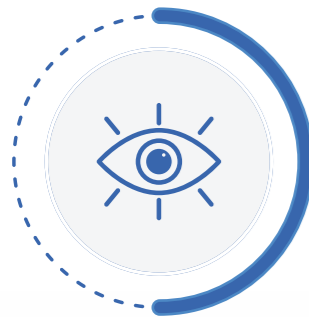
172	Auditor's opinions
173	Audited financial statements

MISSION, VISION, CORE VALUES



MISSION

To bring the nutritional value from Khanh Hoa natural Salanganes' Nest to the health of the community.



VISION

To make Sanest Khanh Hoa Company a leading symbol domestically and globally in the field of production and business of Salanganes' Nest products. Developing the business along with the commitment to fulfill responsibilities to shareholders, the community, and society, towards the goal of

"Sustainable business development for the benefit of the community".



CORE VALUES

Product quality is the core value of the Company. Therefore, the Company adheres to domestic and international standards in implementing the quality management system and production processes to ensure quality and food safety. At the same time, building a corporate culture environment of Khanh Hoa Salanganes Nest, considering people as the central foundation of the business.

For community health: With the motto of accompanying community health, Sanest Khanh Hoa constantly strives to R&D product lines with high nutritional quality to serve and improve consumer health.

Social Responsibility: Towards the goal of "Sustainable business development for the benefit of the community".

Prestige: Maintaining credibility, acting for the benefit of the Company, shareholders, and customers.

Honesty: Always upholding honesty in production and business activities.

Quality: Commitment to continuously improving product quality, suitable for all ages.

Respect: Respecting generations of leaders of Khanh Hoa Salanganes Nest, Sanest Khanh Hoa, colleagues, shareholders, partners, and customers.

Dedicated to customers: Experiencing to meet customer requirements according to current trends.

ĐẢNG CỘNG SẢN VIỆT NAM QUANG VINH MUÔN NĂM



CHAPTER 01 GENERAL INFORMATION



GENERAL INFORMATION

KHANH HOA SANEST SOFT DRINK JOINT STOCK COMPANY

Abbreviated name	Sanest Khanh Hoa JSC
Business Registration Certificate No.	4201675916 issued by the Department of Planning and Investment of Khanh Hoa Province on January 28, 2016, and amended for the second time on July 7, 2020.
Address	National Highway 1, My Thanh Hamlet, Cam Thinh Dong Commune, Cam Ranh City, Khanh Hoa Province, Vietnam
Owners' equity	408,359,892,260 VND



CHARTER CAPITAL

330,000,000,000 VND

Phone number	0258 3865 666
Fax number	0258 3865 664
Website	https://www.sanestkhanhhoa.com.vn
Stock code	SKH (UPCOM)



ESTABLISHMENT AND DEVELOPMENT PROCESS

2011

Khanh Hoa Salanganes Nest One Member State-owned LLC (Khanh Hoa Salanganes Nest Company) commenced construction of the Salanganes Nest High-Class Soft Drink Factory in Cam Thinh Dong Commune, Cam Ranh City, Khanh Hoa Province on an area of 50,000 m² and large-scale architectural works.

2012

The Salanganes Nest High-Class Soft Drink Factory in Cam Thinh was established on 06/6/2012 according to Decision No. 581/QĐ-YS of the General Director of Khanh Hoa Salanganes Nest Company. On 25/8/2012, this Factory was inaugurated and officially put into operation. This is one of the modern factories, of Southeast Asian scale in the field of Salanganes' Nest drink production with a capacity of 15,000 products/hour. The factory is invested with a completely automatic, synchronous, and modern equipment line directly imported from Europe with advanced technology features, belonging to the latest generation.

2013
2015

Step by step building a distribution channel system, expanding the provincial market, aiming to exceed 1,000 billion from 2016.

2016

On 26/12/2015, Chairman of the Members' Council of Khanh Hoa Salanganes Nest Company issued Decision No. 2336/QĐ-YS to establish Khanh Hoa Sanest Soft Drink One Member LLC according to the policy of Khanh Hoa Provincial People's Committee on restructuring state-owned enterprises.

2020

On 07/01/2020, the Company inaugurated the Svmart store system in Khanh Hoa, specializing in distributing Khanh Hoa Salanganes Nest - Sanest product lines and nutritional products directly imported from many countries around the world: USA, Australia, Japan, Korea, Thailand... ensuring quality, meeting the nutritional needs, and health enhancement of consumers to diversify business models.

2019

On 16/07/2019, established a subsidiary named Sanest Khanh Hoa One Member Limited Liability Company with a charter capital of 36 billion VND.

2018

On 28/03/2018, Khanh Hoa Sanest Soft Drink Joint Stock Company became a public company. On 26/11/2018, the Company officially traded with an additional registered number of shares of 8,175,100 shares.

2017

On 18/10/2017, the Company was granted the stock code SKH with a total registered securities value of 79,516,400,000 VND. On 25/10//2017, the Company was traded on the UPCOM. On 16/11/2017, the Company converted from a One Member Limited Liability Company to operate as a Joint Stock Company with a charter capital of 330 billion VND.

2021

Successfully defended the topic "Building a process for producing cosmetic products from Khanh Hoa Salanganes' Nest extract" at the Department of Science & Technology on 22/03/2021, the result was "Excellent".

Adapting to the new normal, the Company has both safely responded to and prevented the epidemic, organized production, and restored the business system; ensured jobs and stable income for more than 1,000 employees; shared difficulties with customers; fully paid taxes; and completed the targets set by the GMS.

2022

On 9/11/2022, Khanh Hoa Sanest Soft Drink Joint Stock Company was honored and proud to receive the Third-class Labor Medal awarded by the President.

On 22/08/2022, the Company established Salanganes Nest Special Processing One Member Limited Liability Company, a subsidiary of Khanh Hoa Sanest Soft Drink JSC, according to Resolution No. 07/NQ-SKH, with a charter capital of 36 billion VND. On 2/11/2022, Sanest and Khanh Hoa Salanganes Nest products were recognized as Vietnam Value in 2022.

2023

In October 2023, in Hanoi and HCMC, Sanest Khanh Hoa consecutively received three major prestigious awards with nationwide scale: "Top 10 Prestigious Beverage Companies in 2023", "Best Working Environment in 2023", and "Typical Enterprise for Employees in 2023".

On 31/01/2024, the Company received the National Quality Award for 2022 according to Decision No. 132/QĐ-TTg of the Prime Minister.

2024

On the occasion of the 12th anniversary of its establishment (June 6, 2012 - June 6, 2024), the Company inaugurated and put into operation the Salanganes Nest Special Processing Factory, marking a crucial step in the formation and development of SKH. In early 11/2024, the launch of the Sanest Salanganes' Nest drink product increased the salanganes' nest content to 26% for the children's jar line, 21% for the 70ml jar products, and 7.5% for the canned products. On 21/10/2024, the SANEST and Khanh Hoa Salanganes Nest brands continued to be recognized as Vietnam Value.



NOBLE TITLES



THIRD-CLASS
LABOR MEDAL



ỦY BAN NHÂN DÂN TỈNH KHÁNH HÒA
CÔNG TY YẾN SÀO KHÁNH HÒA



LỄ ĐÓN NHẬN HUÂN CHƯƠNG LAO ĐỘNG
KỶ NIỆM 32 NĂM NGÀY THÀNH LẬP
CÔNG TY TNHH NHÀ NƯỚC MTV YẾN SÀO KHÁNH HÒA

Khánh Hòa, ngày 09 tháng 11 năm 2024



TYPICAL AWARDS IN 2024



Khanh Hoa Salanganes Nest, Sanest, Sanvinest achieved Vietnam Value.

The Company was honored to achieve the National Quality Gold Award.

TYPICAL AWARDS IN 2024



Khanh Hoa Sanest Soft Drink Joint Stock Company is proud to be a Vietnamese enterprise that has achieved the "Global Performance Excellence Award (GPEA)" with the highest category - World Class.



The Company was honored to achieve "Vietnam No. 1 Brand Awards 2024".

TYPICAL AWARDS IN 2024



The Company achieved award Typical Enterprise for Employees.



The Company was honored with the award Large-scale Public Company on UPCOM for well performance in Information Disclosure and Transparency

BUSINESS LINES AND LOCATIONS OF THE BUSINESS

BUSINESS LINES

Processing and trading Khanh Hoa Salanganes Nest drink products – Sanest from natural Khanh Hoa salanganes' nest sources.

LOCATIONS OF THE BUSINESS

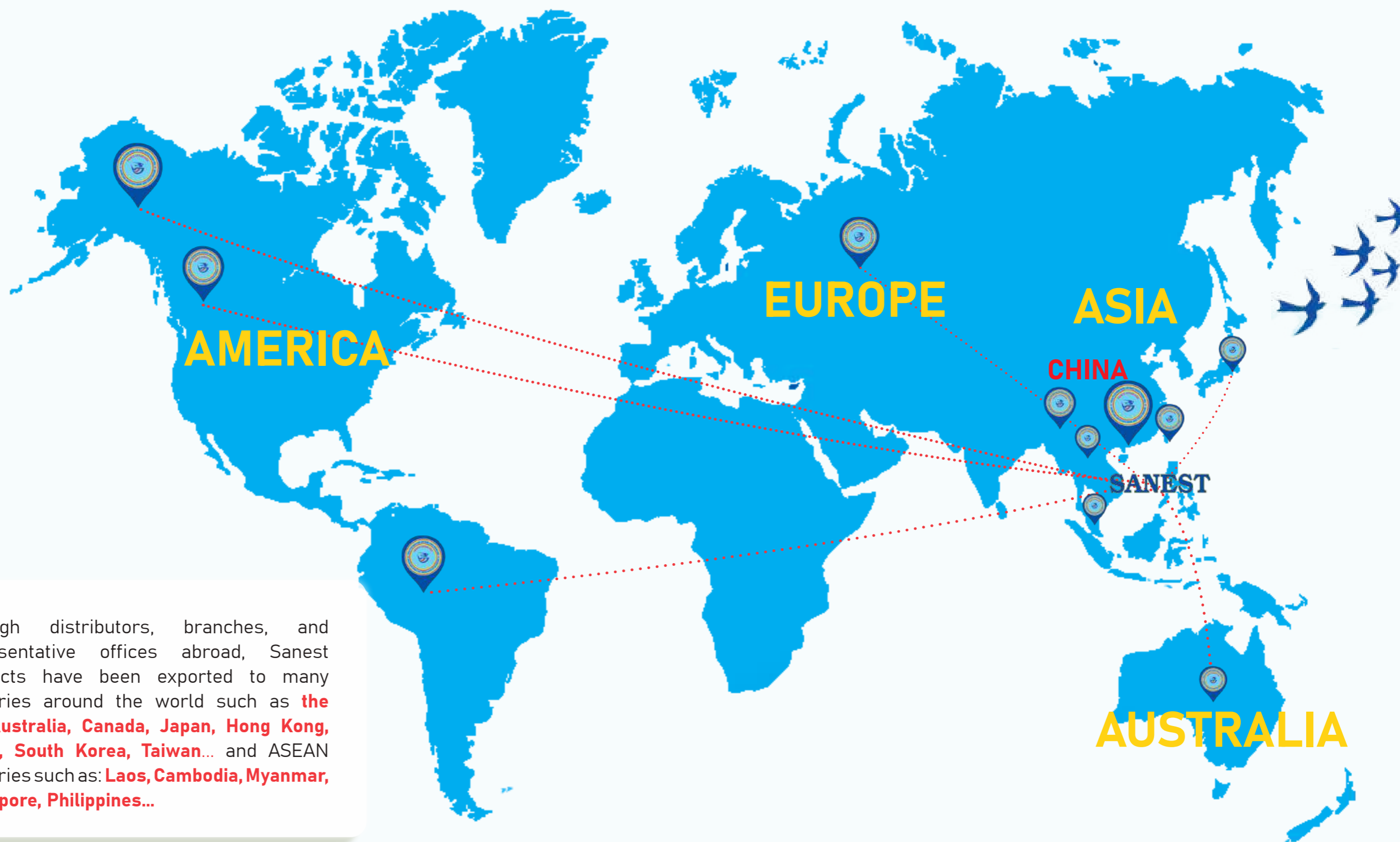
1000 DISTRIBUTORS

The Sanest business system covers all 63 provinces and all channels with more than 1,000 distributors and agents: **Khanh Hoa, Ninh Thuan, Binh Thuan, the Central Highlands provinces, Ho Chi Minh City, the Eastern provinces and the Southwestern provinces...**

Following consumer trends, the unit has now strongly deployed on modern sales channels, including live streaming for product introductions and sales on social media platforms, e-commerce sites, supermarket systems, and convenience stores.



BUSINESS LINES AND LOCATIONS OF THE BUSINESS



Through distributors, branches, and representative offices abroad, Sanest products have been exported to many countries around the world such as **the US, Australia, Canada, Japan, Hong Kong, China, South Korea, Taiwan...** and ASEAN countries such as: **Laos, Cambodia, Myanmar, Singapore, Philippines...**

TYPICAL PRODUCTS



KHANH HOA SALANGANES NEST SANEST 190 ml can



KHANH HOA SALANGANES NEST SANEST SUGAR-FREE 190 ml can



KHANH HOA SALANGANES NEST SANEST FOR KIDS 190 ml can

Sanest®

NGUỒN BỔ DƯỠNG THIÊN NHIÊN DIỆU KỲ



TYPICAL PRODUCTS



KHANH HOA SALANGANES NEST SANEST 70 ml jar



KHANH HOA SALANGANES NEST SANEST SUGAR-FREE 70 ml jar



KHANH HOA SALANGANES NEST SANEST COLLAGEN 70 ml jar



NGUỒN BỔ DƯỠNG THIÊN NHIÊN DIỆU KỲ





KHANH HOA SALANGANES NEST SANEST
FUCOIDAN GINSENG 70 ml jar



KHANH HOA SALANGANES NEST SANEST
CORDYCEPS 70 ml jar



KHANH HOA SALANGANES NEST SANEST
FOR THE ELDERLY 70 ml jar

Sanest®

for Kids
Dành Cho Trẻ Em

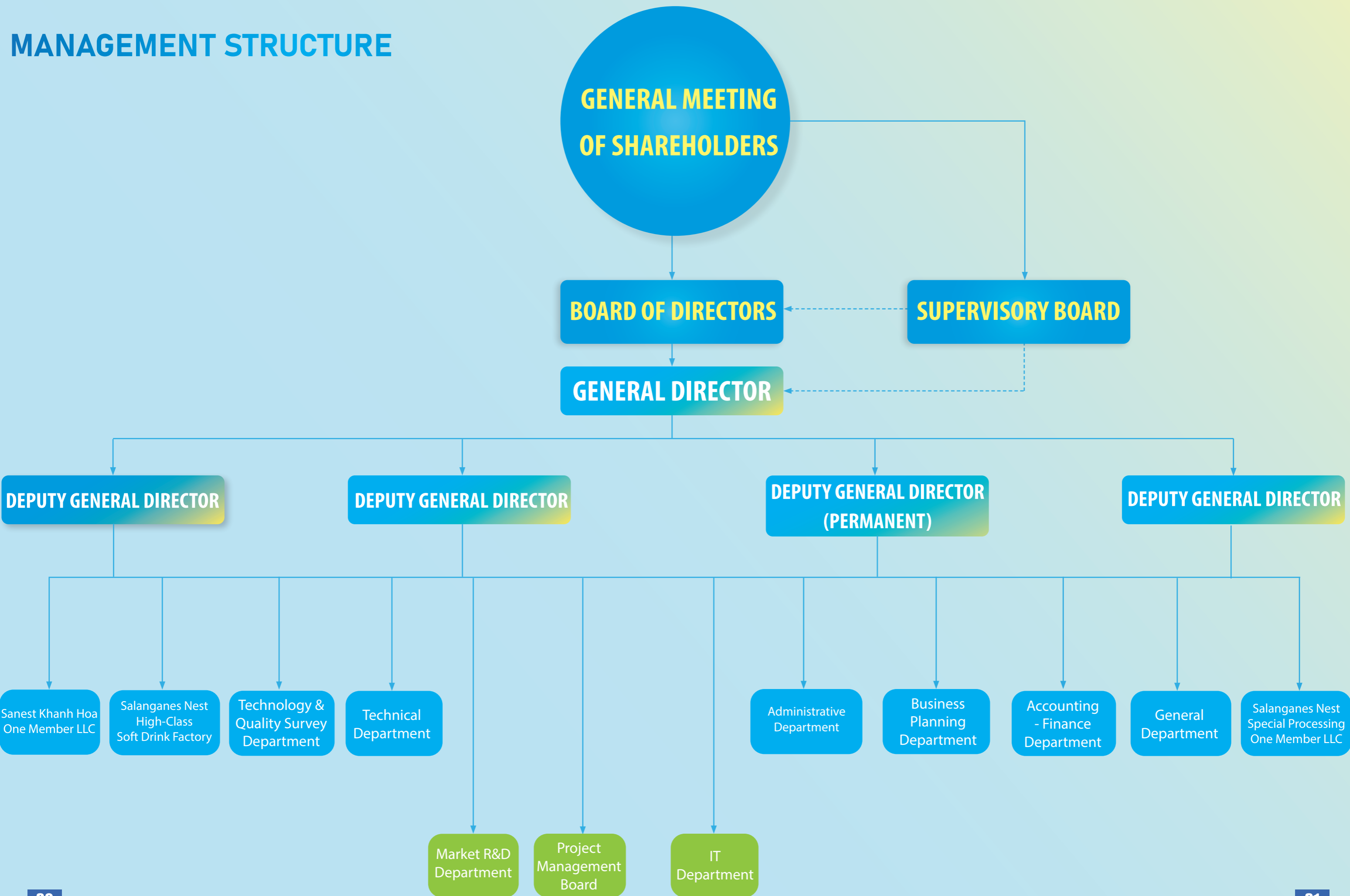
**THÔNG MINH HƠN
KHỎE MẠNH HƠN**

26%
YẾN SÀO



KHANH HOA SALANGANES NEST SANEST
FOR KIDS 190 ml can and 62 ml jar

MANAGEMENT STRUCTURE



SUBSIDIARIES, AFFILIATED COMPANY

SANEST KHANH HOA ONE MEMBER LIMITED LIABILITY COMPANY

Address: Lot number 10, Dien Phu - VCN Industrial Cluster, Dien Phu Commune, Dien Khanh District, Khanh Hoa Province

Charter capital: 36,000,000,000 VND

Business lines: Food wholesale

Ownership ratio: 100%

After completing the enterprise registration procedures to record the merger, the charter capital of Sanest Khanh Hoa One Member LLC is 72 billion VND. The head of-office address changed to the new address at Lot number 10, Dien Phu - VCN Industrial Cluster, Dien Phu Commune, Dien Khanh District, Khanh Hoa Province.

SALANGANES NEST SPECIAL PROCESSING ONE MEMBER LLC

Address: Lot TP3, Song Cau Industrial Cluster, Song Cau Commune, Khanh Vinh District, Khanh Hoa Province

Charter capital: 36,000,000,000 VND

Business lines: Food wholesale

Ownership ratio: 100%

In order to combine the resources of 2 subsidiaries, reduce costs and increase competitiveness, the Board of Directors of Khanh Hoa Sanest Soft Drink Joint Stock Company issued Resolution No. 13/NQ-SKH dated December 31, 2024 to merge 02 subsidiaries. The merging company is Sanest Khanh Hoa One Member LLC and the merged company is Salanganes Nest Special Processing One Member LLC.



MAIN OBJECTIVES OF THE COMPANY

01.

RESEARCH

- The Company promotes research on new products and enhances product quality. It continues to focus on scientific research, applying the results of research projects and collaborating with scientists to diversify product lines derived from Salanganes' Nest.
- Research alternative raw materials to ensure supply for the production process, competitive pricing, and naturally sourced raw materials for production, enhancing superior product quality compared to competitors.
- Improve packaging designs to be beautiful, eye-catching, and luxurious, applying new technologies to create unique highlights for Sanest products, meeting customer needs.

02.

BUSINESS

- The Company researches and coordinates with units within the Khanh Hoa Salanganes Nest Company system to prepare a major promotion program in 2025, using QR code scanning for rewards to boost sales, create attraction for consumers, and stimulate market demand: The customer appreciation program "Khanh Hoa Salanganes Nest, Sanest, Sanvinest - Pride of Vietnamese Brands" with many valuable prizes such as cars, motorbikes, televisions... and millions of other attractive gifts.
- Effectively implement market support programs, take good care of points of sale, develop more new points of sale, increase product coverage, as well as consolidate the system of distributors and agents, and expand more distribution channels suitable to the situation of each market area.
- Build modern sales channels and online sales channels nationwide to meet the needs of consumers in the developing digital age of Industry 4.0.
- Promote export activities, strengthen trade promotion to seek new export customers, build sales programs, develop markets in countries with existing distribution channels to continue to increase revenue, market share, and the number of orders, bringing the Sanest Khanh Hoa brand further into the international market, meeting technical barriers in countries, especially market areas with large Vietnamese and Chinese communities.

PRODUCTION

03.

- The Company implements strict control over the production process to ensure products meet published quality standards. It maintains the effective management system according to ISO 9001:2015, ISO 14001:2015, ISO 22000:2018, HACCP, Halal, the Food Safety Modernization Act (FSMA), and the Brand Reputation Compliance Global Standards (BRCGS).
- Strictly comply with regulations on occupational safety and hygiene, food safety and hygiene, and fire prevention and fighting. Production quotas ensure compliance with regulations to reduce losses and avoid waste.

MANAGEMENT

04.

- Facing increasingly fierce competition in the market, to improve operational capacity, apply science and technology, optimize costs, and ensure effective use of human resources, the Company has restructured and streamlined its workforce to select high-quality human resources, individuals with virtue, talent, and dedication to the profession to accompany the Company's development in the future.
- Successfully achieve the targets and Resolutions of the annual General Meeting of Shareholders, ensure a high dividend payout ratio, and continuously increase the value of SKH shares in the stock market.
- Protect and register intellectual property, trademarks, and industrial designs for Sanest and new brands, domestically and in targeted export markets.

DEVELOPMENT STRATEGIES IN MEDIUM AND LONG TERM



ENHANCE QUALITY

- The Company implements a strategy of bringing the nutritional values of Khanh Hoa natural salanganes' nest to community health. Following the trend of consuming nutritious products, the Company focuses on exploiting the strengths of products with natural raw materials origin, no preservatives in products, and environmentally friendly packaging for business, suitable for the green, clean, and safe consumption trend for consumers.

- Promoting the strength of being a unit directly exploiting the source of raw materials: salanganes' nest from Khanh Hoa natural island, affirming brand position, customer trust and expectations, the Company always focuses on improving quality, diversifying products, modern and convenient packaging designs, providing the market with nutritious and high-class Salanganes' Nest product lines, meeting customer needs and tastes.

- Implementing the business production development strategy with the goal of increasingly improving product quality, accompanying community health, the Company officially introduces Sanest products with increased Salanganes' Nest content to 26% for kids' jar product lines, 21% for 70ml jar product lines, and 7.5% for canned product lines. This is the result of the scientific research process, practical experience, and dedication of the Company's staff and employees with the desire to bring customers superior quality products and improve community health.

- Coordinating with Khanh Hoa Salanganes Nest Soft Drink JSC to research low-sugar product lines following current trends.



TECHNOLOGY IMPROVEMENT

Investing in machinery and equipment systems to ensure improved product quality, while also improving packaging quality with modern, convenient, and anti-counterfeiting printing technology: converting designs and packaging to 3D pearl eye printing technology for product lines. To date, the product has received positive feedback from consumers.



MANAGEMENT SYSTEM

Sanest Khanh Hoa has focused on applying science and technology to business production, maintaining and improving the effectiveness of the management system according to ISO 9001:2015, ISO 14001:2015, ISO 22000:2018, HACCP, Halal, the US Food Safety Modernization Act (FSMA), and the Brand Reputation Compliance Global Standards (BRCGS) to optimize and enhance products.



DIGITAL TRANSFORMATION

- Applying digital transformation, building specialized software to comprehensively link from production to business, a unified and consistent data system from inputs to outputs, strictly controlling the production process, goods distribution, and sales in the market. Applying AI technology in the process of statistics, control, and decision support.

- Upgrading the Distribution Management System (DMS) software to suit the actual sales situation in the market. The application features of DMS are a good support tool for business staff in sales, customer care, as well as developing new points of sale; continuously and quickly updating data on market conditions, sales, inventory, points of sale, etc.

DEVELOPMENT STRATEGIES IN MEDIUM AND LONG TERM



EXPORT ACTIVITIES

In export activities, maintaining customer care and expanding market development in countries that already have Sanest products such as: USA, Australia, Canada, Japan, Taiwan, UK, Myanmar, Hong Kong, Philippines, Thailand, New Zealand, South Korea... Building sales programs, supporting product promotion through the Company's agents in those countries. Registering SKHPearlNest products for official export to markets such as USA, Canada, Australia, Philippines, Hong Kong...



ENHANCED PROMOTION

Increasing promotion on mass media, strengthening marketing activities, building sales programs suitable for each customer segment. Marketing activities on digital platforms such as Facebook, Google, and e-commerce platforms continue to be promoted and innovated according to each consumption stage to achieve certain effectiveness, ensuring Sanest Khanh Hoa brand and products are always the top choice in the high-class nutritious soft drink segment.



BRAND DEVELOPMENT

Continue to invest in and develop brands: Svmart, SKHlife sports drinks, and SKHPearlNest premium salanganes' nest.



SWIFTLET HOUSE DEVELOPMENT

Continue the joint venture program to develop a system of Swiftlet Houses and Caves to ensure raw materials inputs for the company's business activities.



“ In the coming time, the Company strives to innovate and create, focusing on promoting digital transformation and green transformation, bringing the bird's nest industry to new heights, building the Khanh Hoa Salanganes Nest - Sanest brand to meet the criteria of **“Quality - Innovation - Pioneering Capacity”**, worthy of being a Vietnam Value. ”



SUSTAINABLE DEVELOPMENT GOALS

ENVIRONMENTAL GOALS

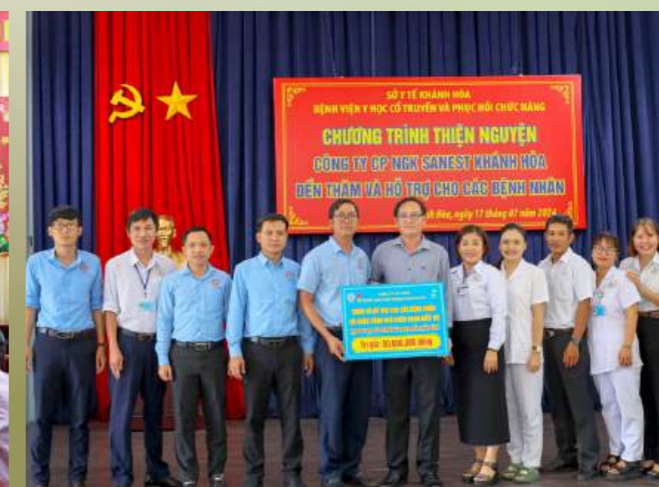
- With a pioneering role in the production and business industry, especially exporting products from natural salanganes' nest, the Company not only focuses on improving product quality but also focuses on sustainable development goals, ESG (Environmental - Social - Governance).
- The Company's overall goal is to protect the environment and prevent pollution through activities such as economical use of natural resources, reducing electricity and water consumption, classifying and effectively treating waste, especially investing in building a wastewater treatment system with a capacity of 600 m3/day and night.
- The Company will research and develop product lines with environmentally friendly packaging, using natural raw materials and green energy sources. Focusing on sustainable environmental goals and complying with environmental permits will help the Company contribute positively to environmental protection and building a sustainable community.

COMPLIANCE WITH ENVIRONMENTAL PROTECTION LAWS

- Sanest Khanh Hoa is committed to fully complying with legal regulations related to environmental protection. The Company has implemented many specific measures and actions to ensure compliance and improve environmental quality.
- Signing a contract with the Khanh Hoa Provincial Center for Quality Measurement Standards to carry out periodic wastewater measurement 4 times/year and groundwater measurement 2 times/year helps the Company assess the quality of wastewater and groundwater, thereby ensuring that the production process does not create negative impacts on the environment.
- Sanest Khanh Hoa also focuses on preparing and declaring taxes in accordance with legal regulations. The Company regularly reports periodically to the authorities, including reports on groundwater exploitation, wastewater discharge, and environmental protection work.
- The Certificate of Merit from the Chairman of the Khanh Hoa Provincial People's Committee is evidence of and recognizes the Company's outstanding achievements in organizing and implementing environmental protection plans. This is a great motivation for Sanest Khanh Hoa to continue maintaining and enhancing activities to ensure compliance with all legal regulations and continue to contribute positively to environmental protection.

GOALS FOR SOCIETY AND THE COMMUNITY

- Besides focusing on environmental goals, the Company also actively carries out charitable activities for society and the community.
- Every year, the Company implements educational support programs such as "Supporting Students to School," sponsoring tuition fees for disadvantaged students, and sponsoring disadvantaged students in Cam Thinh Dong Commune, Cam Ranh City, from 2012 to the present.
- In 2024, the Company donated 16 charity houses to policy beneficiaries and disadvantaged families throughout the province and localities where the Company operates. This activity demonstrates social responsibility and community engagement, contributing to those affected by Typhoon Yagi, supporting the Khanh Hoa provincial scholarship fund, and collaborating with local authorities to assist policy beneficiaries in particularly difficult circumstances, contributing to poverty reduction and community development.



RISKS

ECONOMIC RISKS

The global economy in 2024 is gradually stabilizing with improved global merchandise trade, eased financial market conditions, and a recovering labor market. As of December 2024, most international organizations maintained or raised their global economic growth forecasts by 0.1 to 0.3 percentage points compared to previous forecasts, reaching 2.7% to 3.2%, equivalent to the 2023 growth rate.

Domestic consumer demand grew positively, with consumer spending recovering compared to 2023 but not yet reaching pre-Covid-19 expectations. The growth rate of total retail sales of goods and consumer service revenue in 2024 was only higher than in 2020 and 2021 (the years of the Covid-19 pandemic) during the 2014-2024 period. Furthermore, high input costs continue to affect businesses' operating activities. The producer price index and the raw material price index for production in 2024 increased compared to the previous year.



Recognizing the limitations of the domestic and international economic situation, the Company's Board of Directors continuously monitors and closely follows the fluctuations of the economy, thereby adjusting business plans to mitigate risks for the Company and developing expansion plans when conditions are favorable.

LEGAL RISKS

As a state-owned enterprise with 51.06% charter capital, Khanh Hoa Sanest Soft Drink Joint Stock Company operates under the control of its owner, Khanh Hoa Salanganes Nest Company, and the management of the Khanh Hoa Provincial People's Committee. Furthermore, as a joint-stock company primarily operating in the food and beverage industry and listed on the stock exchange, it is also governed by the Securities Law, the Food Safety Law, the Occupational Safety and Health Law, as well as legal documents on environmental protection, fire prevention, and rescue. This poses many challenges for the Company in its business operations. Therefore, to ensure smooth and favorable business operations, the Company needs to regularly update, train, consult information, and flexibly adjust its business activities to comply with legal regulations. Thus, the Company's resources, with their professional knowledge, working skills, and quick response to situations, create motivation to strive to perform well in all aspects for the sustainable development of the Company.

INFLATION RISKS

According to the General Statistics Office, Vietnam's average consumer price index in 2024 increased by 3.63% compared to 2023. This inflation rate is appropriate for the domestic socio-economic situation, positively supporting economic growth and contributing to macroeconomic stability, a bright spot in Vietnam's economic development results in 2024. To stabilize the macroeconomy and successfully control inflation, Vietnam implemented several solutions in 2024, such as ensuring smooth supply, circulation, and distribution of goods, especially essential goods for people's lives. Focus was placed on strengthening price management, especially during natural disasters and floods, and promptly releasing national reserves to support and assist people affected by floods. Proactive, flexible, timely, and effective monetary policy contributed to inflation control. In addition, the cooling of global inflation has impacted Vietnam's inflation, reducing pressure from the imported inflation channel.

Accordingly, in 2024, the Company consistently monitors domestic and international inflation to develop appropriate financial plans and effectively control input costs to ensure the achievement of business production and operating results for the year, maximizing benefits for the Company.



RISKS

EXCHANGE RATE RISK

In 2024, the VND depreciated by approximately 4.8% against the USD. Consequently, the increase in the VND/USD exchange rate will significantly impact the Company's raw material import costs because SKH's packaging, machinery, and equipment suppliers are primarily foreign. Operating in various regions globally, the Company regularly monitors exchange rate fluctuations to establish appropriate policies for its export activities.

COMPETITIVE RISKS

One of the most significant challenges related to business activities is the prevalence of counterfeit goods, models, designs, packaging, and pricing... Currently, in the market, bird's nest products from competitors have similar designs and origins to Sanest Khanh Hoa salanganes' nest drinks, causing confusion for consumers. The lengthy process of intellectual property infringement handling by authorities affects the Company's business operations.

Recognizing the importance of brand protection and consumer protection, the Company has been and continues to implement various measures:

COMPETITIVE RISKS (CONT)

- Strengthen internal communications and train the market sales team to understand product information, emphasizing to customers that only Khanh Hoa Salanganes Nest, Sanest, and Sanvinest are reputable products that have achieved Vietnam Value and National Quality Gold Award status through various marketing channels.
- Meet customer needs regarding quality, price, and development orientation based on a harmonious combination of the Company's and customers' interests.
- Establish a robust internal legal system in close coordination with consulting units and authorities to prevent and handle intellectual property infringement cases, contributing to brand reputation protection and preventing low-quality, counterfeit of Sanest Khanh Hoa products in the market.
- Enhance market competitor monitoring. In addition to using anti-counterfeiting labels on each product, the Company also applies modern packaging printing techniques integrating anti-counterfeiting technologies to protect products, the Sanest Khanh Hoa brand, and consumer rights.
- Collaborate with Khanh Hoa Salanganes Nest Company to protect product intellectual property rights domestically and internationally, creating a solid legal framework for business activities, increasing revenue, and developing sustainable market share.
- For customers, suppliers, partners, and related stakeholders, the Company also requires compliance with laws and ethical business conduct: Requiring the distribution system and agents to sign commitments to comply with legal regulations such as not selling or supplying counterfeit or low-quality goods, and providing accurate and complete advice to customers about product quality and uses.

RISKS

RAW MATERIALS RISK

In 2024, the global and domestic economies are gradually recovering but still face numerous difficulties and challenges from economic policy instability, geopolitical conflicts, and trade wars... leading to increased input raw materials and logistics costs, affecting the Company's export activities.

Sanest Khanh Hoa is considered a modern and large-scale unit in the Asian region in the field of salanganes' nest drink production. Therefore, the essential input raw materials for these drink products are natural salanganes' nest raw materials. However, climate change, urbanization, and especially the rampant hunting of salanganes affect the safety of the salanganes population and the decline of salanganes' nest resources.

Fully aware of the adverse factors directly impacting natural salanganes' nest raw materials, from its inception, the Company has researched and applied numerous advanced technologies. These include artificial salanganes egg incubation, artificial salanganes breeding, food production techniques, attraction and migration techniques, and house construction for salanganes. Furthermore, to address storms and unusual weather, the Company has built winter shelters on islands to protect the salanganes' population. The Company is also actively investing in lighting, humidity, and food solutions, applying advanced technologies to develop the salanganes' population, and collaborating with Khanh Hoa Salanganes Nest Company to urge authorities to strengthen enforcement against salanganes hunting nationwide.

OTHER RISKS

Besides the aforementioned risks, there are other force majeure factors such as fires, natural disasters, epidemics, technical barriers, and wars in other countries... These risks, if they occur, will significantly impact the business operations and profits of the unit. The Company proactively prepares and develops solutions to respond promptly in all situations.





CÔNG TY CỔ PHẦN NGK SANEST KHANH HOA
KHANH HOA SANEST SOFT DRINK JOINT STOCK COMPANY

LỄ KHÁNH THÀNH NHÀ MÁY CHẾ BIẾN ĐẶC SẢN YẾN SÀO

Diên Phú, ngày 06 tháng 6 năm 2024

Công Ty Cổ Phần Sanest Khánh Hòa
Chúc Mừng

Sanest Khánh Hòa
Chúc Mừng

Đông Chi Lê Hải Hoàng
Phó Chủ tịch Ủy ban Nhân dân Tỉnh Khánh Hòa
Chúc Mừng

Phụ Ủy Ủy Ban Nhân Dân Tỉnh Khánh Hòa
Chúc Mừng

Công Ty Cổ Phần Yến Sào Khánh Hòa
Chúc Mừng

Nhà Máy Chế Biến Yến Sào
Chúc Mừng

SANEST KHANH HOA
SKH

SITUATION OF PRODUCTION AND BUSINESS OPERATIONS

GENERAL SITUATION OF THE CONSUMER GOODS SECTOR

For the entire year of 2024, the General Statistics Office recorded total retail sales of goods and consumer service revenue (including four components: Retail sales of goods; accommodation and food services; tourism and travel; other services) at current prices estimated at 6,391 trillion VND, a 9.0% increase compared to 2023. Within this, all four components – retail sales of goods; accommodation and food services; tourism and travel; and other services – grew by 8.3%, 12.9%, 16%, and 9% respectively, compared to 2023. It can be seen that the retail sales of goods sector had a lower growth rate compared to the other sectors overall.

INCREASE 9.0%

Total retail sales and consumer services compared to 2023

Retail goods sector **INCREASE 8.3%**

Is the lowest increase among the remaining sectors overall.

“Sanest accompanies community health”



For the consumer goods sector, especially essential consumer goods, exports are becoming a crucial growth channel for Vietnamese consumer goods companies in the current context. Consumers are increasingly concerned with health, sustainability, and the eco-friendliness of products, prioritizing those with clear origins and certified quality standards. Consequently, manufacturers must be more transparent with product information and pay greater attention to ESG issues. Consumers are shifting to online shopping channels. This can also put pressure on some consumer goods companies, both essential and non-essential, to adapt to the new retail landscape. Simultaneously, during economic difficulties, consumers tend to cut back on non-essential spending, limiting purchases and saving more.

OPERATIONS IN THE YEAR 2024

REGARDING PRODUCTION ACTIVITIES

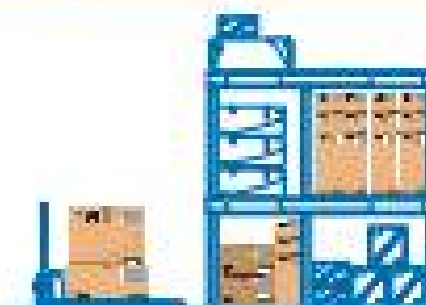


In 2024, Sanest Khanh Hoa continued to invest in modern and automated equipment & machine, such as robots for picking trays/cases of 30 cans, date checking equipment for production lines; improved the jar drying tunnel to reduce noise and improve the working environment; and improved the conveyor system for transporting jar baskets from manual to semi-automatic, reducing labor by 50%.



Competition in the market is increasingly fierce, especially unfair competition such as counterfeit and imitation goods, which are widespread and openly occurring. The Company coordinates with authorities to resolutely combat this counterfeiting and imitation, and to proactively protect its brand, the Company is also gradually changing and improving packaging designs, cans, jars, lids, anti-counterfeiting labels, and registering intellectual property protection in various product categories and industrial designs for new packaging specifications in domestic and international markets.

As a manufacturer of high-end natural salanganes' nest products, the Company always ensures occupational safety, food hygiene safety, and fire prevention by applying systems. Maintenance and upkeep of equipment & machine are carried out periodically, maintaining quality management systems such as ISO 22000:2018, ISO 9001:2015, ISO 14001:2015, 5S, HACCP, Halal, and BRCGS. The Company also focuses on training human resources to comply with production processes and working rules, fostering a sense of responsibility and professional ethics to meet the production demands of strict domestic and international standards, thereby building a corporate culture towards sustainable development.



OPERATIONS IN THE YEAR 2024 REGARDING BUSINESS ACTIVITIES

The Vietnam Value and the National Quality Award over the years have helped the Company enhance its capacity to build, develop, and protect its product brand. To affirm the strength of the Vietnam Value, the Company's business team has continuously spread the nutritional values of the product and the differences of natural bird's nest products compared to competitors to customers through various means.

As the leading company compared to competitors and businesses in the same industry, Khanh Hoa Sanest Soft Drink JSC implements a strategy to bring the nutritional values of Khanh Hoa natural bird's nest to community health. The Company collaborates with branches within the Khanh Hoa Salanganes Nest system, consolidating the domestic market distribution system. Enhancing effectiveness in sales activities, managing revenue, orders of each employee, and strictly controlling the distributor's warehouse.



Currently, the trend of online shopping and consumption is becoming increasingly popular. Therefore, in addition to traditional sales channels, supermarkets, shopping malls, convenience stores, Horeca sales channels, new sales channels by river in the West, etc., the Company also diversifies online sales channels, promotes marketing on media channels such as websites, Facebook, Google, and e-commerce platforms. Enhancing promotional activities through the image of the Sanest Khanh Hoa volleyball team.

OPERATIONS IN THE YEAR 2024 REGARDING BUSINESS ACTIVITIES



The Company focuses on organizing sampling programs in crowded places to enhance the introduction of Sanest bird's nest drink products to consumers. Approaching customers to gather their opinions and feedback, thereby flexibly adjusting business strategies and improving products to best meet the diverse needs of the market.



The Company continues to develop market share in new markets, promoting exports to many countries around the world, especially markets with large Vietnamese and Asian communities, bringing Khanh Hoa Salanganes Nest products to the global market.



NET REVENUE STRUCTURE

Unit: million VND

Items	FY 2023	Plan 2024	FY 2024	FY 2024/ Plan 2024	FY 2024/ FY 2023
Revenue from goods sale	1,894,173	1,167,500	1,174,608	100.61%	62.01%
Revenue from raw material sales	3,678	1,300	1,389	106.85%	37.76%
Other revenue	2,199	1,200	1,340	111.67%	60.94%
Total	1,900,050	1,170,000	1,177,337	100.63%	61.96%

In 2024, the economy faced many difficulties, leading to a sharp decrease in people's income, and changes in consumer demand. Accordingly, consumption in markets decreased significantly, especially in the key market of provinces and cities in the Southern region. At the same time, the widespread and public occurrence of counterfeit and fake goods created competitive pressure on Sanest bird's nest drink products in the market. Despite facing many challenges, the Company always strives to achieve the revenue targets set by the General Meeting of Shareholders. At the end of 2024, Sanest Khanh Hoa recorded 1,177,337 million VND, reaching 100.63% of the annual plan. In which, revenue from goods sale remained the key activity contributing to the Company's total revenue, recording 1,174,608 million VND, accounting for about 99.77% of the net revenue structure. To achieve the above results, in addition to ensuring quality according to industry standards and maintaining the national brand, the Company always focuses on researching and developing new product lines, building business strategies, long-term development orientations, and has launched high-content bird's nest drink products into the market, promoting production and business activities, especially exporting to markets where Sanest Khanh Hoa products are already present as well as new market areas, driving the Company to complete its revenue plan.

ORGANIZATION AND HUMAN RESOURCE

LIST OF THE BOARD OF DIRECTORS (AS OF DECEMBER 31, 2024)



Mr. Le Duc Tien
Chairman of the Board of Directors

Qualification: Master of Business Administration

Work Experience:

12/2003 - 12/2004	Sales staff at Salanganes Nest High-class Soft Drink Factory.
01/2005 - 02/2006	Sales Team Leader at Salanganes Nest High-class Soft Drink Factory.
03/2006 - 05/2008	Supply Officer at Salanganes Nest High-class Soft Drink Factory.
06/2008 - 01/2010	Supply Cluster Leader at Salanganes Nest High-class Soft Drink Factory.
02/2010 - 05/2012	Deputy Head of Marketing and Sales at Salanganes Nest High-class Soft Drink Factory in Dien Khanh.
06/2012 - 11/2015	Head of Marketing and Sales at Salanganes Nest High-class Soft Drink Factory in Cam Thanh,
12/2015 - 10/2017	Deputy General Director and Head of Marketing and Sales, Khanh Hoa Sanest Soft Drink One Member LLC.
11/2017 - 06/2020	Member of the Board of Director, Deputy General Director of Khanh Hoa Sanest Soft Drink Joint Stock Company.
7/2020 - 7/2022	Cell secretary, Chairman of the Board of Directors of Khanh Hoa Sanest Soft Drink Joint Stock Company.
7/2022 - present	Deputy General Director of Khanh Hoa Salanganes Nest Company.; Cell secretary, Chairman of the BOD of Khanh Hoa Sanest Soft Drink JSC.

Current position at other organizations: Deputy General Director of Khanh Hoa Salanganes Nest Company; Chairman of Sanest Khanh Hoa One Member LLC; Chairman of Salanganes Nest Special Processing One Member LLC.

Number of shares held at present: 4,995,100 shares, accounting for 15.14% of charter capital.



Mrs. Bui Thi Hanh
Member of the Board of Directors

Qualification: Bachelor of Finance and Accounting

Work Experience:

09/1987 - 10/1990	Nha Trang Seafood Joint Venture.
11/1990 - 08/2001	Officer of the Planning and Finance Department, Khanh Hoa Salanganes Nest Company.
09/2001 - 02/2004	Deputy Head of Planning and Finance Department, Khanh Hoa Salanganes Nest Company.
03/2004 - 02/2005	Deputy Head of Planning and Finance Department, and Director of HCMC Branch, Khanh Hoa Salanganes Nest Company.
03/2005 - 10/2009	Deputy Director of Khanh Hoa Salanganes Nest Company.
10/2009 - 2016	Deputy General Director of Khanh Hoa Salanganes Nest Company.
2016 - 10/2017	Party Secretary, Deputy General Director of Khanh Hoa Salanganes Nest Company.
11/2017 - 01/2018	Party Secretary, Deputy General Director of Khanh Hoa Salanganes Nest Company, Chairman of the BOD of Khanh Hoa Sanest Soft Drink Joint Stock Company.
02/2018 - 07/2020	Chairman of the BOD of Khanh Hoa Sanest Soft Drink Joint Stock Company.
07/2020 - 05/2022	Vice Chairman of the BOD of Khanh Hoa Sanest Soft Drink Joint Stock Company.
05/2022 - Present	Member of the BOD of Khanh Hoa Sanest Soft Drink Joint Stock Company.

Current Position at other organizations: None

Number of shares held at present: 5,000 shares, accounting for 0.015% of charter capital.

ORGANIZATION AND HUMAN RESOURCE

LIST OF THE BOARD OF DIRECTORS (AS OF DECEMBER 31, 2024)



Ms. Nguyen Thi Hai Ha

Member of the Board of Directors

Qualification: Bachelor of Economics

Work Experience:

3/2001 - 5/2014	Specialist of Accounting and Finance Department, Khanh Hoa Salanganes Nest Company.
5/2014 - present	Deputy Head of Planning and Finance Department, Khanh Hoa Salanganes Nest Company.
01/2018 - present	In charge of salanganes' nest raw materials processing workshop, Khanh Hoa Salanganes Nest Company.
6/2024 - present	Member of the Board of Directors of Khanh Hoa Sanest Soft Drink Joint Stock Company.

Current Position at other organizations: Deputy Head of Planning and Finance Department, Khanh Hoa Salanganes Nest Company.

Number of shares held at present: 3,960,000 shares, accounting for 12% of charter capital.



Mr. Le Huynh Phung

Member of the Board of Directors ,
Deputy General Director

Qualification: Mechanical Engineer

Work Experience:

2002 - 2012	M&E Team Leader, Salanganes Nest High-class Soft Drink Factory in Dien Khanh.
2012 - 2015	Deputy General Director of Salanganes Nest High-class Soft Drink Factory in Cam Thinh.
2015 - 2017	Deputy General Director of Khanh Hoa Sanest Soft Drink One Member LLC.
2017 - 12/2024	Deputy Cell secretary, Deputy General Director of Khanh Hoa Sanest Soft Drink Joint Stock Company.
2022 - 12/2024	Member of the BOD, Deputy General Director of Khanh Hoa Sanest Soft Drink Joint Stock Company.

Current Position at other organizations: None

Number of shares held at present: 3,984,900 shares, accounting for 12.08% of charter capital



Mr. Nguyen Xuan Anh

Member of the Board of Directors,
Deputy General Director

Qualification: Bachelor of Economics

Work Experience:

04/2001 - 04/2007	Ajinomoto Vietnam Company
09/2007 - 04/2008	Vinpearl Tourism and Trading Joint Stock Company
05/2008 - 11/2009	Sales staff, Khanh Hoa Salanganes Nest Company
12/2009 - 04/2011	Sales staff, Da Nang Branch, Khanh Hoa Salanganes Nest Company
10/2011 - 01/2013	Deputy Operating Segment Manager, Da Nang Branch, Khanh Hoa Salanganes Nest Company
02/2013 - 11/2019	Deputy Director, Hanoi Branch, Khanh Hoa Salanganes Nest Company
12/2019 - 09/2020	Market Director, Hai Phong, Khanh Hoa Salanganes Nest Company
10/2020 - 05/2022	Deputy General Director, Khanh Hoa Sanest Soft Drink Joint Stock Company.
05/2022 - Present	Member of the BOD, Deputy General Director, Khanh Hoa Sanest Soft Drink Joint Stock Company.

Current Position at other organizations: None

Number of shares held at present: 3,960,000 shares, accounting for 12% of charter capital.

ORGANIZATION AND HUMAN RESOURCE

LIST OF THE BOARD OF SUPERVISORS (AS OF DECEMBER 31, 2024)



Ms. Hoang Thi An Vu

Head of the Board of Supervisors

Qualification: Bachelor of Economics

Work Experience:

2005 - 2022	Accountant, Khanh Hoa Salanganes Nest Company.
2016 - 11/2017	Chief Accountant, Sanna Khanh Hoa Beverage One Member LLC.
11/2017 - 03/2018	Member of the Board of Directors, Sanna Khanh Hoa Beverage Joint Stock Company.
2018 - Present	Head of the Board of Supervisors, Khanh Hoa Sanest Soft Drink Joint Stock Company.

Current Position at other organizations: None

Number of shares held at present: 10,000 shares, accounting for 0.03% of charter capital.



Mr. Nguyen Minh Quan

Member of the Board of Supervisors

Qualification: Associate Degree in Accounting

Work Experience:

2012 - 11/2017	Finance Accountant, Salanganes Nest High-class Soft Drink Factory in Cam Thinh, Khanh Hoa Sanest Soft Drink One Member LLC, Khanh Hoa Sanest Soft Drink JSC.
11/2017 - Present	Member of the Board of Supervisors, Khanh Hoa Sanest Soft Drink Joint Stock Company.

Current Position at other organizations: None

Number of shares held at present: 2,800 shares, accounting for 0.008% of charter capital.



Ms. Huynh Thi Tran Le

Member of the Board of Supervisors

Qualification: Bachelor of Economics

Work Experience:

2003 - 05/2004	Accountant, Xuan Bich Construction Limited Liability Company.
06/2004 - 03/2010	General Accountant, Vietnam - Denmark Mold Manufacturing Joint Venture.
08/2010 - 04/2022	Accounting Staff, Khanh Hoa Salanganes Nest Company.
06/2020 - Present	Member of the Board of Supervisors, Khanh Hoa Sanest Soft Drink Joint Stock Company.
05/2022 - Present	Deputy Head of Planning and Finance Department, Khanh Hoa Salanganes Nest Company.

Current Position at other organizations: Deputy Head of Planning and Finance Department, Khanh Hoa Salanganes Nest Company; In charge of accountant of Salanganes Nest Raw Materials Processing Factory, Khanh Hoa Salanganes Nest Company.

Number of shares held at present: 0 shares, accounting for 0% of charter capital.

ORGANIZATION AND HUMAN RESOURCE

LIST OF THE EXECUTIVE BOARD (AS OF DECEMBER 31, 2024)



Mr. Le Hoang Anh
General Director

Qualification: Bachelor of Economics

Work Experience:

02/2009 - 9/2012	Staff of Business - Import-Export Department & Deputy Khanh Hoa Market Manager at Khanh Hoa Salanganes Nest Company.
9/2012 - 2/2019	Director of Customer Service Center & Deputy Khanh Hoa Market Manager at Khanh Hoa Salanganes Nest Company.
3/2019 - 9/2020	Director of Customer Service Center & In charge of Khanh Hoa Market at Khanh Hoa Salanganes Nest Company.
9/2020 - 9/2023	Deputy Head of Business - Import-Export Department, President of Fishsan Aquaculture One Member Limited Liability Company & In charge of Khanh Hoa Market at Khanh Hoa Salanganes Nest Company.
10/2023 - 10/2024	Deputy Head of Business - Import-Export Department, Chairman of Lam Dong Khanh Hoa Salanganes Nest Tourism Services and Restaurant One Member Limited Liability Company & In charge of Khanh Hoa Market at Khanh Hoa Salanganes Nest Company.
11/2024 - Present	General Director, Khanh Hoa Sanest Soft Drink Joint Stock Company.

Current Position at other organizations: Chairman of Lam Dong Khanh Hoa Salanganes Nest Tourism Services and Restaurant One Member LLC.

Number of shares held at present: 0 shares, accounting for 0% of charter capital.



Mr. Truong Van Trung
Deputy General Director

Qualification: Electrical - Electronic Engineer

Work Experience:

12/2003 - 11/2009	Technical Staff - Filling Team, Dien Khanh Salanganes Nest High-class Soft Drink Factory
12/2009 - 10/2010	Deputy Filling Team, Dien Khanh Salanganes Nest High-class Soft Drink Factory
11/2010 - 11/2012	Team Leader of Packing Team 2, Dien Khanh Salanganes Nest High-class Soft Drink Factory.
12/2012 - 06/2015	Team Leader of Filling Team, Cam Thinh Salanganes Nest High-class Soft Drink Factory.
07/2015 - 04/2017	Deputy Workshop Manager, Cam Thinh Salanganes Nest High-class Soft Drink Factory.
05/2017 - 05/2018	Workshop Manager, Cam Thinh Salanganes Nest High-class Soft Drink Factory, under Sanest Khanh Hoa JSC.
06/2018 - 05/2019	Deputy Director of Cam Thinh Salanganes Nest High-class Soft Drink Factory, under Sanest Khanh Hoa JSC.
06/2019 - 06/2022	Director of Cam Thinh Salanganes Nest High-class Soft Drink Factory, under Sanest Khanh Hoa JSC.
7/2022 - 01/11/2024	Deputy General Director of Khanh Hoa Sanest Soft Drink JSC.
01/11/2024 - Present	Deputy General Director of Khanh Hoa Sanest Soft Drink JSC, Director of Sanest Khanh Hoa One Member LLC.

Current position at other organizations: Director of Sanest Khanh Hoa One Member LLC.

Number of shares held at present: 9,800 shares, accounting for 0.03% of charter capital.

ORGANIZATION AND HUMAN RESOURCE

LIST OF THE EXECUTIVE BOARD (AS OF DECEMBER 31, 2024)



Mrs. Nguyen Thi Minh Huong
Deputy General Director

Qualification: Bachelor of Business Administration

Work experience:

9/1992 - 7/2003	Technician at Nha Trang Vaccine Institute
9/2003 - 7/2006	Knowledge-centered support staff of Salanganes Nest High-class Soft Drink Factory, Khanh Hoa Salanganes Nest Company
8/2006 - 6/2011	Deputy Head of Knowledge-centered Support Technical Department at Salanganes Nest High-class Soft Drink Factory, Khanh Hoa Salanganes Nest Company
7/2011 - 2/2013	Head of Knowledge-centered Support Technical Department at Salanganes Nest High-class Soft Drink Factory, Khanh Hoa Salanganes Nest Company
3/2013 - 3/2021	Deputy Director of Premium Food Factory, Khanh Hoa Salanganes Nest Company
4/2021 - 10/2024	Director of Premium Food Factory, Khanh Hoa Salanganes Nest Company
28/10/2024 - Present	Deputy General Director of Khanh Hoa Sanest Soft Drink JSC.

Current position at other organizations: None

Number of shares held at present: 0 shares, accounting for 0% of charter capital.



Mrs. Ngo Thi Huong Lien
Chief Accountant

Qualification: Bachelor of Economics (majoring in Corporate Finance)

Work experience:

1994 - 3/2007	Khanh Hoa Post Office.
4/2007 - 02/2012	Dien Khanh Salanganes Nest High-class Soft Drink Factory.
3/2012 - 31/12/2024	Chief Accountant of Khanh Hoa Sanest Soft Drink Joint Stock Company.

Current position at other organizations: None

Number of shares held at present: 12,900 shares, accounting for 0.039% of charter capital.

Mr. Nguyen Xuan Anh Review Board of Director' member's profile

Mr. Le Huynh Phung Review Board of Director' member's profile

ORGANIZATION AND HUMAN RESOURCE

CHANGES IN THE BOARD OF DIRECTORS, EXECUTIVE BOARD (AS OF DECEMBER 31, 2024)

No.	Full name	Position	Dismissal date	Appointment date
1	Ms. Vo Thi Lieu Nhi	Member of the Board of Directors	06/6/2024	-
2	Ms. Nguyen Thi Hai Ha	Member of the Board of Directors	-	06/6/2024

No.	Full name	Position	Dismissal date	Appointment date
3	Mrs. Le Thi Hong Van	General Director	22/01/2024	-
4	Mr. Le Hoang Anh	General Director	-	28/10/2024
5	Mrs. Nguyen Thi Minh Huong	Deputy Director General	-	28/10/2024



ORGANIZATION AND HUMAN RESOURCE

NUMBER OF OFFICIALS, EMPLOYEES IN 2024

No.	Criteria	Year 2023		Year 2024	
		Quantity (people)	Percentage (%)	Quantity (people)	Percentage (%)
I	By labor qualification	925	100.00%	860	100.00%
1	Bachelor's degree and above	249	26.91%	255	29.65%
2	College, Intermediate professional education	270	29.18%	262	30.47%
3	Elementary and technical workers	14	1.51%	12	1.40%
4	Unskilled labor	392	42.40%	331	38.49%
II	By type of labor contract	925	100.00%	860	100.00%
1	Seasonal contract	2	0.21%	1	0.12%
2	01-03 year term contract	186	20.11%	162	18.84%
2	Indefinite term contract	737	79.68%	697	81.05%
III	By gender	925	100.00%	860	100.00%
1	Male	593	64.10%	536	62.33%
2	Female	332	35.90%	324	37.67%

AVERAGE INCOME OF EMPLOYEES FROM 2020 - 2024

Year	Year 2020	Year 2021	Year 2022	Year 2023	Year 2024
Average income of employees (VND/person/month)	15,100,000	13,700,000	17,900,000	18,500,000	13,900,000





Annually, the Company organizes an Employee Conference to develop plans and gather employee feedback to improve the apparatus and strengthen relationships within the collective.

The Company has a beautiful space, with the campus and surrounding greenery system arranged very reasonably. In addition to planting and caring for trees, the Company also focuses on creating a green, clean, and beautiful environment.

The Company built a break room for employees with full essential equipment. In addition, wifi, water heaters, and air conditioners are also installed to serve the living needs of employees.

All employees of the Company are transported to work by high-quality cars.

REMUNERATION AND WELFARE POLICIES



For many years, the Company's leaders have always paid close attention to and ensured stable salaries and average income for employees. In 2024, the average income is 13,900,000 VND/person/month based on business performance. In the context of a global economy with many fluctuations, this is an effort by the Company's leaders for the Company's employees. The working environment is increasingly improved, ensuring safety in production, providing adequate labor protection equipment, serving nutritious meals for employees...



Every month, all employees receive birthday gifts. Female employees receive a makeup allowance and quarterly childcare support.



The Company has fully implemented the regimes and regulations on labor protection as prescribed by law.



Annually, the Company organizes periodic health checkups for employees at least once, and all employees meet health standards for work.



The Company has a medical room with a dedicated medical staff member who has a practicing certificate and is fully equipped with essential tools to serve employees in case of incidents. Medicine cabinets are located in the office, security room, production control room, and break room.





Additionally, the Trade Union consistently prioritizes the well-being of its members, providing timely and thoughtful support for sickness, bereavement, and family events. The Union successfully organized a non-profit booth under the “Member Welfare” program and established “Non-profit Booths” offering a comprehensive range of nutritional products from Khanh Hoa Salanganes Nest, Sanest Khanh Hoa, and SKHPearlNest, along with hundreds of other essential necessities, on the company premises. All items were supported and supplied by Sanest Khanh Hoa at non-profit prices, ensuring quality and clear origin, suitable for all family needs and as gifts for the Tet holidays of the year of the Dragon 2024 and the year of the Snake 2025. The program aims to support employees within the company, its subsidiaries, and residents in the Cam Thinh Dong commune, Cam Ranh City, facing financial difficulties during the Tet shopping season.



ORGANIZATION AND HUMAN RESOURCE

POLICIES FOR EMPLOYEES



RECRUITMENT POLICY

The recruitment policy is clear, transparent, and non-discriminatory. Recruitment and attraction regulations for employees are established, offering appropriate compensation for qualified candidates. Policies are in place to attract outstanding university graduates to work for the company, aiming to rejuvenate the workforce and collaborate on scientific research and technology transfer for practical application in business operations.

The company focuses on recruiting personnel with qualifications matching job descriptions, good health, and dedication to their profession.

Employees undergo a probationary period as per regulations. Upon successful completion, they are offered official labor contracts according to established company procedures.

All employee-related regulations are implemented in accordance with labor laws.





TRAINING AND DEVELOPMENT POLICY

- To maintain and promote the company's traditions, prioritizing "people-centricity" is considered crucial, as people are the objective and driving force behind industrialization and modernization. The company consistently focuses on policies that encourage workforce commitment and unity to effectively fulfill the company's mission.

- Regular skills training courses are provided for newly recruited workers to facilitate appropriate job placement. Quarterly and annual evaluations are conducted to assess skills and worker levels, serving as a basis for salary increases.

- For the company, human resources are a crucial pillar contributing to its current success. The company consistently prioritizes training and developing human resources and core competencies for its employees.

- New personnel receive training and education on fostering corporate culture, upholding the traditions of the Salanganes Nest industry, protecting the reputation of the Khanh Hoa Salanganes Nest - Sanest - Sanvinest brand, ensuring absolute confidentiality of technology and production processes.

- The company bases its human resource planning on performance reports and the contributions of each labor group. This provides employees with clear career development paths aligned with the company's joint operation objectives, enhancing individual benefits.

- In the past year, the company facilitated employee participation in professional development courses, such as:

- + April 2024: Food Safety and Hygiene Training.
- + July 2024: Security Training for Businesses and Schools 2024; Occupational Safety and

Health Training 2024; Document Management and Administration Software Training.

+ August/2024: Training to update new legal documents on occupational hygiene management - Occupational health sector meeting of Khanh Hoa province's workplaces in 2024.

+ September/2024: Conference on connecting appropriate solutions for technology transformation, digital transformation, business models, and governance; Advanced nutrition training; First aid skills training; Chemical safety technical training 2024; Conference and training on codes, barcodes, and traceability.

+ October/2024: Participate in training on information about Sanest products with increased Salanganes'Nest content; Training conference "Dissemination of programs and policies for intellectual asset development in Khanh Hoa province and the implementation of industrial property rights protection - Intellectual Property"; Occupational safety and health training; Training on Social Insurance Law No. 41/2024/QH15 issued on June 29, 2024; Professional training on fire prevention, fighting, and rescue in 2024.

+ November/2024: Training and dialogue conference on tax and customs in 2024; Dissemination of legal documents on chemical management.

+ December/2024: Training course to update and disseminate new regulations of Circular 44/TT-BTC effective from February 15, 2024, amending Circular 05/2018/TT-BTC stipulating the origin of goods and Circular 33/2023/TT-BTC stipulating the determination of origin of exported and imported goods - Notes when applying to limit risks.

- With the motto: Training is a key factor in human resource development, the Company always creates opportunities for employees at all levels to participate in training courses to improve work skills and give each employee development opportunities in their work.



SAFETY AND LABOR PROTECTION POLICY

Occupational safety is one of the most important and decisive criteria in the operation of Khanh Hoa Sanest Soft Drink Joint Stock Company. The Company always has a plan to establish and maintain a safe working environment, eliminating potential hazards that may cause accidents to people and asset damage.

Occupational safety management at the Company includes three main objectives:

- Create a safe environment.
- Create safe jobs.
- Create awareness of occupational safety among employees.

To achieve these objectives, Khanh Hoa Sanest Soft Drink Joint Stock Company always meets and strictly complies with safety conditions in production to avoid and ensure no risks and dangers occur during production as follows:

- + Fully equip labor protection gear.
- + The Company ensures good implementation of occupational safety training activities so that the Company's employees work in a safe environment.



- + The Company has plans and necessary activities to control working environmental conditions to ensure safety. The occupational safety issues that the Company applies are practical and effective.
- + Check the safety of all machinery and equipment before production.
- + The main objective of the occupational safety policy is that all employees are responsible for ensuring occupational safety for themselves and for everyone working around them.



INVESTMENT ACTIVITIES, PROJECT IMPLEMENTATION

MAJOR INVESTMENTS

Due to the need to serve business activities, the Company develops projects ensuring compliance with the law's processes and regulations, putting them into operation soon to bring efficiency to the Company. Specifically as follows:

**SALANGANES NEST SPECIAL
PROCESSING FACTORY**



TOTAL INVESTMENT CAPITAL
57,388,306,980
VND



DESIGN CAPACITY
1.000.000
PRODUCTS/YEAR



INAUGURATION CEREMONY
06/06/2024



INVESTMENT ACTIVITIES, PROJECT IMPLEMENTATION

MAJOR INVESTMENTS

SALANGANES NEST SPECIAL PROCESSING FACTORY

Investor name	Sanest Khanh Hoa One Member Limited Liability Company
Investment form	Greenfield
Investment objective	Produce and supply Bird's Nest raw materials, health Bird's Nest drinks, Bird's Nest beauty products for domestic and export markets, and goods warehousing.
Project scale	<ul style="list-style-type: none"> - Office building, workshop, warehouse, production line, machinery and equipment, and auxiliary items serving the project. - Design capacity: 1,000,000 products/year
Project location	Lot 10, Dien Phu - VCN Industrial Cluster, Dien Phu Commune, Dien Khanh District, Khanh Hoa Province.
Total investment capital	57,388,306,980 VND
Project implementation time and progress	<p>11/2022 - 6/2024</p> <p>On June 6, 2024, Khanh Hoa Sanest Soft Drink Joint Stock Company held the inauguration ceremony of the Salanganes Nest Special Processing Factory, successfully organized the 2024 Annual General Meeting of Shareholders, and celebrated the 12th anniversary of the company's establishment (June 6, 2012 - June 6, 2024). After more than one year of construction, the Salanganes Nest Special Processing Factory has been completed on schedule, with quality construction, and business operations meeting market demands.</p>



MAJOR INVESTMENTS

FIRE PROTECTION SYSTEM AND FIREFIGHTING WATER PUMP CLUSTER

Investor name	Khanh Hoa Sanest Soft Drink Joint Stock Company
Investment form	Greenfield
Investment objective	Ensure fire safety in accordance with regulations. Supplement the water pump cluster for the fire protection water supply system to meet the plant's fire protection capacity.
Project scale	Fire protection system for the warehouse, fire pump cluster connected to the existing 1000 m ³ water tank.
Project location	Cam Thinh Dong, Cam Ranh, Khanh Hoa
Total investment capital	3,985,163,000 VND
Project implementation time and progress	June 2024 - December 2024

JOINT VENTURE SWIFTLET HOUSES SYSTEM

Investor name	Khanh Hoa Sanest Soft Drink Joint Stock Company, Sanest Khanh Hoa One Member LLC, Salanganes Nest Special Processing One Member LLC.
Investment form	Greenfield
Investment objective	Ensure raw materials source for business operations.
Project scale	Select a swiftlet house construction model suitable for each region.
Project location	Central Highlands and South Central provinces
Total investment capital for 07 swiftlet houses	11,488,000.000 VND
Project implementation time and progress	March 2024 - December 2024

OPERATIONS SITUATION OF THE SUBSIDIARIES, ASSOCIATED COMPANIES

★ SANEST KHANH HOA ONE MEMBER LIMITED LIABILITY COMPANY

The Svmart store system has operated very effectively with a full range of diverse products from affordable to high-end, suitable for many customer segments. The company implements many promotional and customer appreciation programs on major holidays and the company's anniversary, attracting the attention and shopping of local and tourist customers, especially during holidays and Tet.

To ensure the safety and health of employees, the company has equipped a shuttle bus to transport employees. The production unit strictly ensures food hygiene and safety, closely monitors quotas, contributing to increasing output, saving costs, and bringing efficiency to the company.

Implementing improvement initiatives that bring high economic efficiency, typically: Designing and manufacturing raw materials processing equipment to help double productivity, improving the production process to increase the productivity of the recovery quota rate, etc.

As of December 31, 2024, Profit before tax reached more than 5.9 billion VND, contributing to the overall profit of the SKH system.

★ SALANGANES NEST SPECIAL PROCESSING ONE MEMBER LLC:



To combine the resources of the two subsidiaries, reduce costs, and increase competitiveness, the Board of Directors of Sanest Khanh Hoa JSC issued Resolution No. 13/NQ-SKH dated December 31, 2024, to develop the merger of the two subsidiaries. Accordingly, Salanganes Nest Special Processing One Member LLC will be merged into Sanest Khanh Hoa One Member LLC.

As of December 31, 2024, Profit before tax reached more than 7.8 billion VND, contributing significantly to the overall profit of the SKH system.

FINANCIAL SITUATION

FINANCIAL SITUATION

Unit: million VND

Indicator	FY 2023	FY 2024	% 2024/2023
Total assets value	953,805	818,478	85.81%
Net revenue	1,900,050	1,177,337	61.96%
Profit from operating activities	128,521	70,749	55.05%
Other profit	489	565	115.54%
Profit before tax	129,010	71,314	55.28%
Profit after tax	102,501	56,267	54.89%
Dividend payout ratio	21.12%	11.59%	-

In summary of 2024, the company's financial situation is specifically recorded: Net revenue was 1,177,337 million VND and Profit before tax was 71,314 million VND, reaching 100.63% and 101.88% respectively compared to the adjusted plan (Net revenue: 1,170,000 million VND, Profit before tax: 70,000 million VND). Facing a volatile market and a deep decline in consumer demand, the Company's leaders and all employees of SKH have constantly strived in all fields. Always ensuring prestige to maintain the brand, striving to improve products, and successfully launching Sanest and Sanvinest bird's nest drink lines with increased Salanganes'Nest content with the goal of accompanying community health, bringing consumers the most optimal products. In addition, the company establishes appropriate sales policies, expands market share to foreign markets, and promotes the brand through conferences, exhibitions, and trade promotion. Therefore, despite the context of many economic difficulties, the company has tried and strived to achieve the planned targets for revenue and profit.

MAJOR FINANCIAL INDICATORS

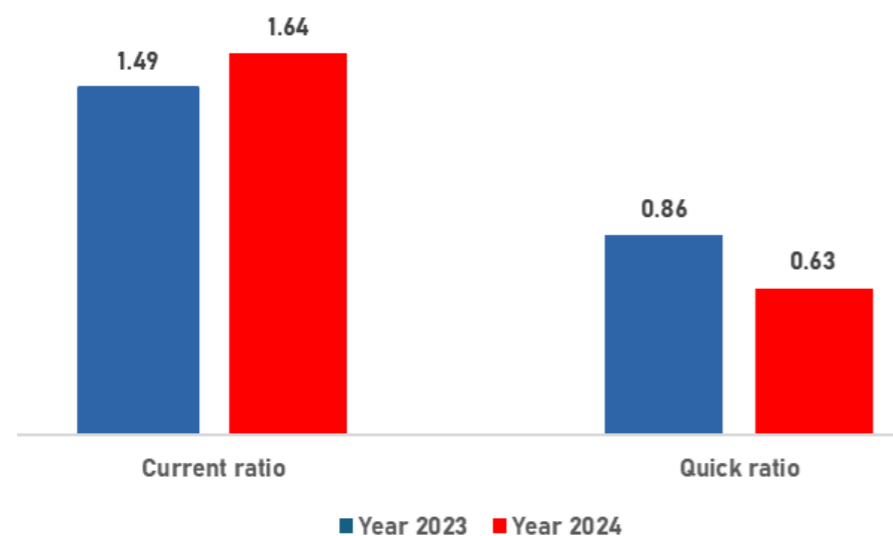
No.	Indicator	Unit	2023	2024
I Liquidity ratio				
-	Current ratio	times	1.49	1.64
-	Quick ratio	times	0.86	0.63
II Capital structure ratio				
-	Debt/Total assets ratio	%	54.48	50.11
-	Debt/Owner's Equity ratio	%	119.69	100.43
III Operation capability ratio				
-	Inventory turnover	turns	3.34	2.35
-	Total asset turnover	turns	2.14	1.33
IV Profitability				
-	Return on sales (ROS)	%	5.39	4.78
-	Return on equity (ROE)	%	24.05	13.36
-	Return on assets (ROA)	%	11.53	6.35
-	Profit from business activities/ Net revenue Ratio	%	6.76	6.01

FINANCIAL SITUATION

MAJOR FINANCIAL INDICATORS

Liquidity ratio

Unit: times



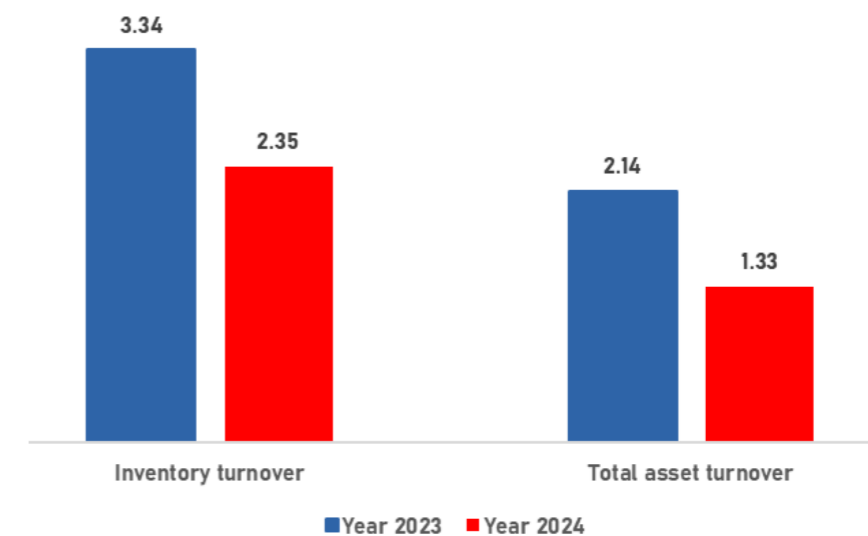
The current ratio and quick ratio reflect the business's ability to pay current liabilities. Sanest Khanh Hoa's current liabilities in 2024 were mainly borrowed from Joint Stock Commercial Bank for Foreign Trade of Vietnam, Vietnam Joint Stock Commercial Bank for Industry and Trade, and Military Commercial Joint Stock Bank, which were used to supplement working capital to serve the company's business activities. This financial loan was disbursed by the company with a value of 28,990 million VND (from 140,013 million VND at the end of 2023 to 111,023 million VND at the end of 2024), helping the company's current liabilities decrease by 25.26% compared to the same period last year. This is the main reason why the current ratio increased from 1.49 times (in 2023) to 1.64 times (in 2024).

In addition, within current assets, cash and cash equivalents decreased by 7,361 million VND compared to 2023, as in 2024, the Company flexibly utilized cash resources, quickly collected receivables to serve the task of providing timely working capital for business operating activities. Facing the fluctuating prices of raw materials and packaging in the future, the Company proactively increased inventories at the end of 2024 (inventories increased by 18.67% compared to the same period last year, corresponding to an increase of 60,245 million VND) to ensure continuous production, sufficient supply of goods during the Lunar New Year period, and cost savings for the Company. Therefore, Sanest Khanh Hoa's quick ratio decreased from 0.86 times (in 2023) to 0.63 times (in 2024).

Overall, although the quick ratio decreased, the short-term solvency improved significantly and remained at a level >1. This demonstrates the Company's liquidity has remained stable and secure over the years, ensuring the ability to meet liabilities when due.

Operation capability ratio

Unit: turns



The inventory turnover ratio in 2024 decreased from 3.34 turns to 2.35 turns, a decrease of approximately 1 turn. Although the cost of goods sold in 2024 (827,713 million VND) decreased compared to 2023 (1,412,128 million VND), and the average inventory value in 2024 (352,819 million VND) decreased compared to 2023 (422,651 million VND). The rate of decrease in the cost of goods sold in 2024 compared to 2023 was 41.44%; however, the rate of decrease in the average inventory value in 2024 compared to 2023 was only 16.59%. The fundamental reason is also due to the discontinuous consumption of products by customers, while some key raw materials still need to be prioritized for storage, causing the average inventory situation to not decrease correspondingly. The issue of counterfeit goods also has a significant influence on the Company's sales. The Company continuously monitors and coordinates with authorities to address this situation, ensuring product quality and prestige to maintain the Company's market share.

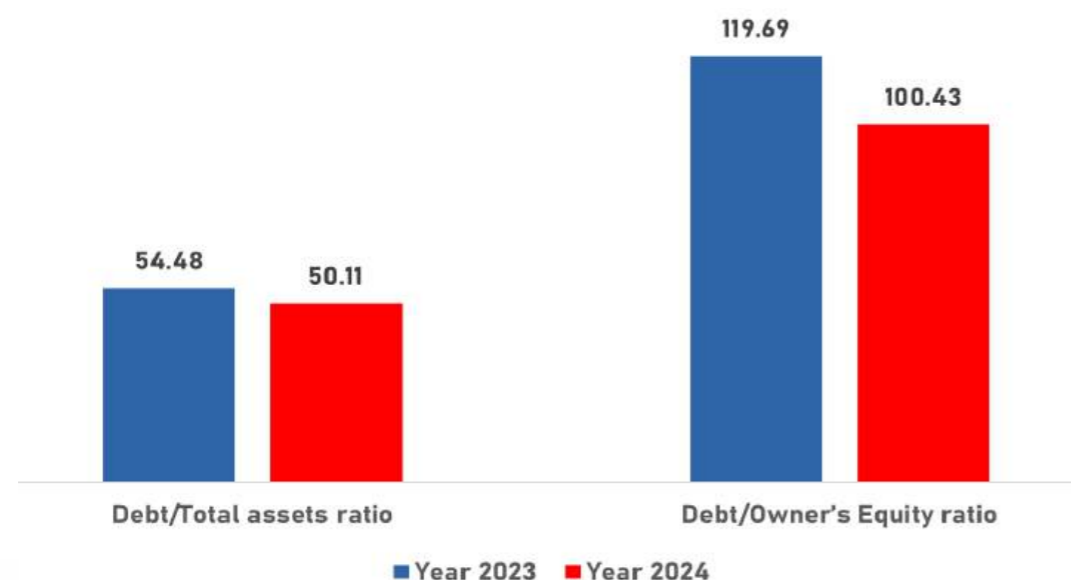
The same reason also led to a significant decrease in net revenue in 2024 (1,177,337 million VND) compared to 2023 (1,900,050 million VND), while the total average asset value remained relatively unchanged, causing the asset turnover ratio in 2024 to decrease from 2.14 turns to 1.33 turns, a decrease of 0.81 turns.

FINANCIAL SITUATION

MAJOR FINANCIAL INDICATORS

Capital structure ratio

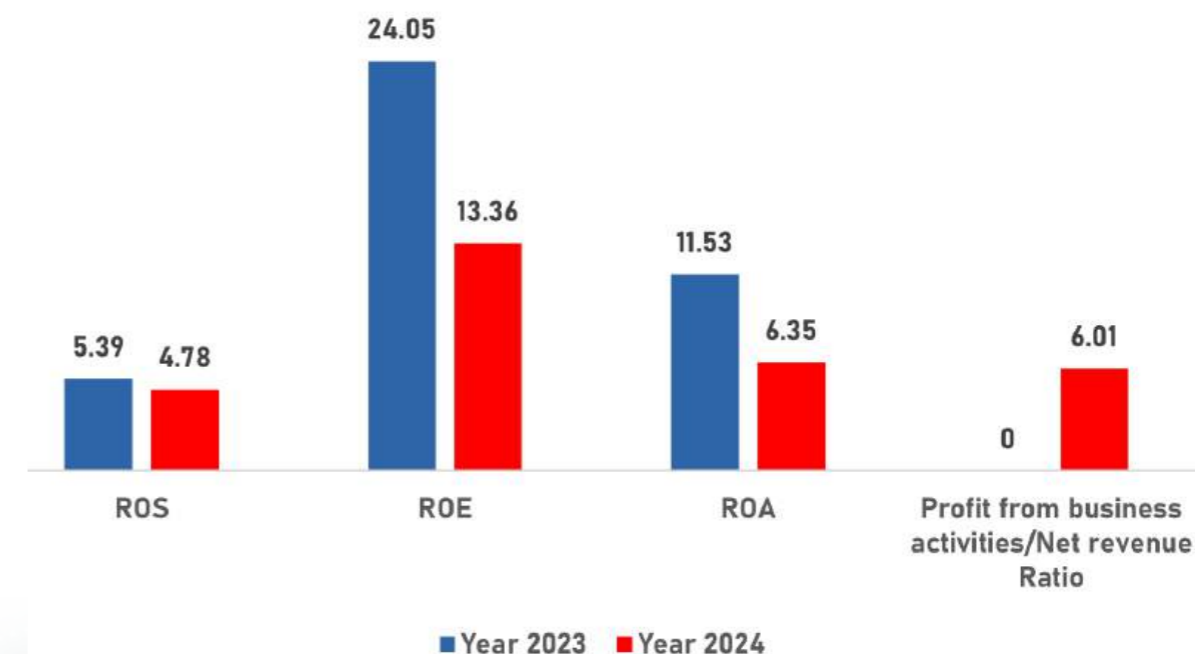
Unit: %



The debt-to-asset ratio and the debt-to-owners's equity ratio decreased significantly. In 2024, the debt-to-asset ratio decreased from 54.48% to 50.11%, and the debt-to-owners's equity ratio decreased from 119.69% to 100.43%. This demonstrates the Company's capital structure is maintained and utilized effectively. The Company always strictly controls payables, actively negotiates with suppliers for payment extensions, flexibly uses cash resources, balances loan sources appropriately, proactively manages short-term and long-term financial plans, and ensures stable capital resources for business operating activities and investment projects.

Profitability

Unit: %



The commodity market in 2024 faced many fluctuations and influences from economic, political, and social factors, leading to a significant decrease in profits, considerably affecting the Company's profitability indicators. Specifically, Profit after tax in 2024 was recorded at 56,267 million VND.

The return on sales ratio (ROS), return on equity ratio (ROE), return on assets ratio (ROA), and Operating profit to Net revenue ratio also decreased compared to the same period, by 0.61%, 10.69%, 5.18%, and 0.75%, respectively. Although the Company's profitability this year did not meet expectations, the Company has made strategic changes: Improving modern and luxurious packaging designs, introducing Sanest and Sanvinest bird's nest drink products with increased bird's nest content to enhance competitiveness, implementing various promotional programs, increasing product presence on store shelves, expanding market coverage, and restructuring the distribution system and sales channels for long-term stable development, achieving a dividend payout ratio of 11.59% in 2024.

SHAREHOLDERS STRUCTURE, CHANGE IN THE OWNER'S EQUITY SHARES

TOTAL ISSUED SHARES **33.000.000** SHARES

OUTSTANDING SHARES **33.000.000** SHARES

TREASURY SHARES **0** SHARES

SHARE TYPE Ordinary share

PAR VALUE **10.000** VND/SHARE

NUMBER OF FREELY TRANSFERABLE SHARES **33.000.000** SHARES

SHAREHOLDER STRUCTURE (As of November 5, 2024)

No.	Shareholder	Number of shares	Ownership percentage (%)	Number of shareholders
1	State shareholders	16,850,000	51.06	1
2	Major shareholders (owning 5% or more of the charter capital)	3,300,000	10.00	1
3	Employee shareholders not yet deposited	395,900	1.20	189
4	Trade Union	23,260	0.07	1
Deposited shareholders				
- Domestic				
	+ Individual	11,340,840	34.37	692
5	+ Institutional	1,074,900	3.26	6
- Foreign				
	+ Individual	15,100	0.05	5
	+ Institutional	4,300	0.01	4
	+ Institutional	10,800	0.3	1
TOTAL				
Including: - Domestic		32,984,900	99.95	890
- Foreign		15,100	0.05	5

FOREIGN SHAREHOLDER'S MAXIMUM PERCENTAGES: 20%

CHANGES IN OWNERS' CAPITAL: None

TREASURY SHARES TRANSACTIONS: None

OTHER SECURITIES: None



ENVIRONMENT-SOCIAL-GOVERNANCE (ESG) REPORT OF THE COMPANY



Environmental impact

Stemming from the Company's sustainable development goals, Sanest Khanh Hoa always aims for environmental protection criteria in its business activities. As a producer of Khanh Hoa natural bird's nest products with traditional processing methods combined with modern production technology, the Company strictly complies with environmental protection regulations related to scientific and economical energy consumption, while focusing on waste, wastewater, and emissions treatment.

All employees of Sanest Khanh Hoa always comply with the policies and guidelines on economical use of electricity, water, and raw materials set forth by the Company's leaders. In addition, the Company has invested in building a wastewater treatment system with a capacity of 600 m³/day and night and a bio-lake system to reuse treated wastewater for watering plants.

In 2024, packaging designs were improved following the green trend, focusing on reusability, environmental friendliness, and customer convenience. The Company has applied modern technical technologies, advanced machinery and equipment, and optimal production lines to minimize emissions into the environment. This helps the Company's business activities achieve the highest efficiency and productivity, protect the environment, save raw materials and natural resources, and aim towards the globally prevalent ESG goals.

Raw materials management

Natural bird's nest is the main raw material used in the Company's product production, supplied by Khanh Hoa Salanganes Nest Company, units within the Khanh Hoa Salanganes Nest system, and partners in salanganes population conservation, management of exploitation on islands, development of the birdhouse system in the future, and proactive backup supply sources to ensure uninterrupted production. Raw materials are processed through a stage of complete impurity removal and sterilization to ensure that they meet food safety standards for production. To optimize and enhance product value, Sanest Khanh Hoa has actively combined traditional secrets with the application of science, technology, and modern machinery in production to bring customers the best quality products that meet customer requirements in the modern era.



Raw materials management (cont)

All food additives and other raw materials are also carefully sourced by the Company, with clear labels and undergoing quality inspection processes according to industry regulations. This increases transparency and ensures that all ingredients used in production meet safety and quality standards. This commitment not only enhances product quality but also strengthens customer trust and confidence in the brand.



ENVIRONMENT-SOCIAL-GOVERNANCE (ESG) REPORT OF THE COMPANY

Energy consumption

All employees of Khanh Hoa Sanest Soft Drink Joint Stock Company are always informed and aware that efficient and economical energy consumption is a way to reduce unnecessary costs to improve the efficiency of the Company's business activities. To achieve this, the Company has implemented measures following these principles:

- **Conserve energy and minimize waste** by identifying and rectifying production process inefficiencies.
- **Improve and optimize production processes** by implementing new technologies, modern machinery, equipment, and production lines.

Regarding electricity consumption: In 2024, the Company consumed approximately over 2.7 million Kw of electricity for production activities. Accordingly, the Company has proposed and implemented several measures to save electricity, as follows:

- **Monitor monthly electricity consumption** in each area of the Company to promptly detect significant energy fluctuations and make appropriate adjustments.
- **Turn off unnecessary electrical equipment** when leaving the room or after working hours.



- **Convert from Neon lights to LED lights and implement intelligent lighting systems** suitable for each working area.

In the future, the Company will research some areas to install solar energy for lighting, replacing LED lights to reduce electricity consumption costs.

Regarding DO oil: The Company uses DO oil for boilers with advanced and environmentally friendly combustion technology. Emissions released into the environment always meet Column B standards according to QCVN 19:2009/BTNMT. For emissions from transportation activities, the Company regularly maintains and replaces technically inadequate vehicles. Annually, the Company plants more trees around the factory to filter emissions and create a fresh and airy atmosphere.

Water consumption

The Company consumes water from two sources: Cam Ranh Urban JSC and Ninh Thuan H2O JSC, with stable quality and flow, ensuring production and domestic activities. The tap water supplied by these units is further treated by the Company's water treatment systems before being used for production and domestic purposes. Clean water is used efficiently and economically by the Company through the following measures:

- **Inspect and repair leaks** in the Company's water supply system.
- **Improve each production stage, optimize cleaning processes** for cans, bottles, equipment, and workshops to avoid water waste.
- **Plant drought-tolerant trees** while maintaining green spaces for the Company. Utilize 78,306 m3 of treated wastewater for reuse in irrigating trees around the Bio-Lake area and Cam Think Coconut Farm, with a recycled water/used water percentage of 0.63%.



REUSED WATER QUANTITY

> 78.306 M³

RATIO OF RECYCLED WATER TO WATER USED

0,63%

The Company currently has 02 wastewater treatment systems and 03 Bio-Lakes to treat all wastewater generated from production and domestic activities:

- **300 m3/day and night wastewater treatment system:** Currently inactive and serves as a backup plan to respond to the Company's overload incidents.
- **600 m3/day and night wastewater treatment system:** Operating effectively, treating all 78,306 m3 of wastewater generated by the Company.

- **System of 3 Bio-Lakes:** Wastewater, after passing through the three lakes, will be reused to irrigate trees around the Bio-Lake area.

Treated wastewater meets Column A standards of QCVN 40:2011/BTNMT and is then passed through the Bio-Lake system. Subsequently, the treated wastewater is reused for watering plants. This not only reduces the amount of wastewater discharged into the environment and conserves natural resources but also contributes to a clean and sustainable production process. These efforts by the Company not only comply with legal regulations but also align with the current global ESG trend.



ENVIRONMENT-SOCIAL-GOVERNANCE (ESG) REPORT OF THE COMPANY

Compliance with environmental protection laws



The Company has fully implemented measures and strictly adhered to environmental protection commitments throughout its business operations, in accordance with Environmental Permit No. 2520/GPMT-UBND issued by the Khanh Hoa Provincial People's Committee on September 9, 2022, the ISO 14001:2015 environmental management system, and the provisions of the 2020 Law on Environmental Protection. Annually, the Company has organized various forms of communication, sent staff to participate in environmental training courses, and launched environmental protection contests to help employees develop proper awareness, attitudes, and responsibility towards the environment.

The Company has fully implemented the periodic environmental monitoring program as per the Environmental Permit with a frequency of 3 months/time for wastewater and emissions, and 6 months/time for groundwater. Periodic environmental monitoring is carried out by the Khanh Hoa Provincial Center for Quality Measurement Standards (VIMCERT code 107). The results of periodic environmental monitoring (wastewater, emissions, groundwater) are all within the permissible limits of national technical regulations. The Company periodically plans and organizes drills for responding to unqualified wastewater incidents and chemical leak incidents with a frequency of once a year.

Policies related to employees



As of December 31, 2024, the Company's workforce reached 860 people, with an average salary of 13,900,000 VND/person/month.

Since its establishment, Khanh Hoa Sanest Soft Drink Joint Stock Company has always identified the consolidation and development of human resources as one of the key and central factors to improve the efficiency of the Company's business operations. The Company always emphasizes the Qualification, working capacity of employees, and always creates the most favorable conditions for all employees to both work and study, contributing positively to the sustainable development of the Company.

The Company's leaders has developed appropriate, transparent, and equitable recruitment policies to attract highly qualified employees with good working capacity who can commit to the job in the long term. All employee-related regimes are implemented in accordance with labor laws. After the recruitment process, the Company continues to focus on personnel training policies to open up many promotion opportunities for its employees. After periodic training and refresher courses, the Company will conduct tests and evaluations to assess skills and worker levels for salary increases. The Company's leaders always encourages and supports employees to study while working, improving their qualification in economic management, political theory, foreign languages, informatics, and postgraduate studies.

To retain talent, the Company's leaders always pays timely and profound attention to salary, bonus, allowance, and welfare regimes for employees. The trade union always cares about the lives of employees, provides assistance, and calls for donations to support families of employees in difficulty. Visiting the sick, mourning, and celebrating happy occasions are always timely and thoughtful. Annually, the Company awards children of employees with good academic achievements during the school year and gives gifts on holidays and Tet.

ENVIRONMENT-SOCIAL-GOVERNANCE (ESG) REPORT OF THE COMPANY

Policies related to employees (cont)

The Company always strives to create the best working environment for employees, always listens to and accepts employee feedback to improve the apparatus and consolidate relationships within the Cluster. All of the Company's employees are transported to work by high-quality cars, have a canteen, a mid-shift rest house, a sports area, and a medical room. Every 6 months, the Company coordinates with hospitals to organize health check-ups and establish employee health records.

During production operations, the Company's leaders always prioritizes enhancing and improving the effectiveness of occupational health and safety management.



The Company consistently meets and strictly adheres to occupational health and safety requirements, such as providing protective equipment, conducting professional knowledge tests on machinery and equipment operation, verifying equipment standards, establishing, training, and periodically inspecting occupational health and safety at departments and production sites.

For the Company, employees are not merely individuals who generate products and revenue, but also "Brand Ambassadors." As those most familiar with the products and the most loyal customers, they disseminate the noble values of the profession, safeguard the brand, and promote products to their relatives and families. With a work environment that consistently ensures physical and mental health and benefits, Sanest Khanh Hoa becomes an ideal workplace for employees to collaborate and commit to.



Report regarding responsibilities to the local community

Over more than 10 years of establishment and development, Khanh Hoa Sanest Soft Drink Joint Stock Company not only focuses on successfully completing political tasks and business activities, but also directs its attention towards responsibilities to the local community.

During production, the Company always strictly adheres to legal regulations on environmental protection to create a friendly and safe environment for the community. The Company has invested in constructing a Wastewater Treatment System and a biological pond to reuse treated wastewater, meeting regulatory standards.

The Company applies modern technical technologies and advanced production lines to minimize air emissions.

The Company also regularly organizes humanitarian activities for the local community: Supporting and giving hundreds of gifts to disadvantaged children in Cam Lam and Cam Ranh on the Mid-Autumn Festival and June 1st. Donating books and school supplies to students in Cam Ranh for the new school year opening. Contributing to support compatriots affected by storm number 3. Continuing to donate 3 charity houses in Cam Ranh city and Van Ninh district, supporting 5 houses in response to the movement to

eradicate temporary houses launched by the Vietnam Fatherland Front Committee of Khanh Hoa province, bringing the total number of charity houses donated by the Company to 21.

Organizing the "Union Member Welfare - Non-profit Tet At Ty 2025 Booth" program to serve employees and local people at non-profit prices, demonstrating the responsibility and humanity of the Board of Directors and the Company's Trade Union, contributing to spreading the goal of "Accompanying community health," thereby creating strong motivation for employees to contribute to the Company's business activities.



Report related to green capital market activities as guided by the SSC: None

CHAPTER 03 REPORT AND ASSESSMENT OF THE BOARD OF MANAGEMENT



ASSESSMENT OF OPERATING RESULTS

Unit: million VND

Indicator	Plan 2024	FY 2023	FY 2024	FY 2024/ Plan 2024	FY 2024/ FY 2023
Net revenue	1.170.000	1.900.050	1.177.337	100,62%	61,96%
Profit before tax	70.000	129.010	71.314	101,88%	55,28%
Profit after tax	56.000	102.501	56.267	100,48%	54,89%

In the past year, the Company's business activities faced many difficulties due to the influence of the domestic and global economic situation. However, the greater the challenges, the more the Sanest Khanh Hoa brand affirms its position. This is evidenced by the fact that business performance indicators, while not as expected, remained stable, while many large enterprises reported losses and ceased operations.

The Company's revenue in 2024 recorded over 1,177,337 million VND, reaching approximately 100.63% of the adjusted plan that was approved. Furthermore, facing a challenging economic landscape, the Company proactively reduced numerous expenses, with total expenses in 2024 recorded at 1,108 billion VND, approximately 62.52% compared to the same period in 2023. The Company's expenses were allocated to essential purposes such as costs of goods sold, selling expenses, contributing to consolidating and developing the Company's business activities, reaching and promoting product lines to potential customers, while affirming the Company's position and prestige within the industry. The Company achieved the revenue and profit after tax targets approved by the General Meeting of Shareholders. Accordingly, the Company's profit after tax reached over 56,267 million VND, achieving 100.48% of the set plan. This result reflects the timely direction, flexible strategies of the Board of Directors and the Company's General Director, along with the unity and determination of all employees, propelling the Company towards higher goals in the future.

In 2024, the economic situation faced numerous difficulties, with decreased purchasing power leading to a decline in consumer demand for goods. Currently, many individual units are producing bird's nest products rampantly and increasingly complexly in the market, and the widespread problem of counterfeit goods imitating Khanh Hoa Salanganes Nest, Sanest, and Sanvinest brands has caused confusion for consumers, significantly impacting the Company's reputation, brand, and business results. With the close direction and guidance of the Board of Directors, the Executive Board, the efforts of all employees, and the support of customers and market regions, the SKH collective has strived to achieve the business plan targets set by the GMS according to Resolution No. 02/2024-ĐHĐCĐ in 2024.

REASONS FOR ACHIEVING THE 2024 BUSINESS PLAN



“ Sanest Khanh Hoa always receives deep interest from Khanh Hoa Salanganes Nest Company, the SKH collective, distributors, valued customers, partners, and shareholders. ”

As a member of the Khanh Hoa Salanganes Nest family, Sanest Khanh Hoa always receives profound attention, flexible management, and timely direction from the Party Committee, the Members' Council, and the General Director Board of Khanh Hoa Salanganes Nest Company; the unity, determination, and efforts of the SKH collective, along with the sincere trust and consistent support of market regions, branches, distributors, agents, valued customers, partners, and shareholders, create favorable conditions for Khanh Hoa Sanest Soft Drink Joint Stock Company to successfully complete political and business tasks, consolidate and develop the domestic market, maintain market share, and expand customer partnerships in markets such as the US, Canada, etc.

REASONS FOR ACHIEVING THE 2024 BUSINESS PLAN



The staff and employees possess high professional qualifications and are dedicated to their profession. The Company always focuses on assigning and arranging labor appropriately for each position, creating conditions for employees to work in their specialized fields, promoting creativity, improving productivity, stabilizing quality, and increasing production efficiency. The team of experienced sales staff, with their practical experience, enthusiasm, dedication, and passion for their profession, has built a positive and reputable image for the Khanh Hoa Salanganes Nest - Sanest brand.

“ Sanest Khanh Hoa has a team of professional and dedicated staff and workers, a modern machinery and equipment system, and particularly takes steps in implementing digital transformation...”

The system of machinery and equipment is modern and continuously upgraded to meet production demands. Applying advanced technical technologies, investing in modern machinery and equipment to improve product quality and maintain stable prices, expanding business activities, reaching various customer segments in many domestic and international markets, especially promoting export activities.

Gradually implementing digital transformation following global technological trends in the Company's operating activities, such as: Applying robots to the production process to increase labor productivity, perfecting software towards minimizing manual operations and expanding new subsystems and functions according to operational needs.



HỘI NGHỊ TRI ÂN VÀ TÔN VINH KHÁCH HÀNG YẾN SÀO KHÁNH HÒA NĂM 2024

Khánh Hòa, ngày 16 tháng 6 năm 2024



REASONS FOR ACHIEVING THE 2024 BUSINESS PLAN

“ The product quality and brand reputation are superior to competitors. The company continuously develops new product lines and diversifies business methods. ”

Superior product quality compared to competitors, with brand reputation established over 20 years. The Company has continuously consolidated and developed traditional brands for Khanh Hoa Salanganes Nest, Sanest, and Sanvinest product lines; simultaneously researching and building new brands for SKHPearlNest's refined specialty Bird's Nest product line and new products... ensuring product quality according to domestic and international standards. The Company has improved product packaging quality through modern and innovative printing technology, collaborating with authorities in protecting trademarks, intellectual property, and industrial designs of Khanh Hoa Salanganes Nest, Sanest,

and Sanvinest products, resolutely combating the current proliferation of counterfeit and imitation goods. Effective business strategies, suitable for the realities of each market. In the context of fierce competition, to increase market recognition and coverage, and create a familiar impression with consumers, the Company has developed effective business strategies. The Company not only promotes sales through traditional direct methods but also strengthens online sales channels and e-commerce platforms to adapt to the increasingly popular online shopping trend. Holidays and Tet are promising business times that the Company decisively seizes to contribute to effective business growth.



REASONS FOR ACHIEVING THE 2024 BUSINESS PLAN

“ Aiming to affirm brand strength, Sanest Khanh Hoa participates in many domestic and international programs. ”



In addition, Khanh Hoa Sanest Soft Drink Joint Stock Company was also honored to participate in programs organized by foreign socio-economic organizations, typically:

- Korea Tourism Education Future Forum 2024 held in South Korea (May 16, 2024).
- Seminar meeting Vietnamese businesses with businesses, investment funds, and groups in the US and Khanh Hoa Investment and Tourism Promotion Conference in the US (May 29 - June 3, 2024).
- Exhibition at the India - Khanh Hoa Tourism Promotion Conference 2024 (August 28, 2024).
- China International Small and Medium Enterprises Fair (CISMEF) held in China (November 15-18, 2024).



In 2024, Khanh Hoa Sanest Soft Drink Joint Stock Company had the honor of participating in many notable domestic programs such as:

- Conference on Socio-Economic Development Cooperation between Khanh Hoa, Phu Yen, and Ninh Thuan provinces (January 21, 2024).
- South Central Coast - Central Highlands Trade Promotion - Trade Connection Conference 2024 (May 23-24, 2024).
- Lobster Festival - Green Bay Shining Bright (August 3-11, 2024).



REPORT & ASSESSMENT OF THE BOARD OF MANAGEMENT

ADVANTAGES

➤ A team of highly specialized and dedicated officers and employees. The Company always focuses on assigning and arranging labor appropriately for each position, creating conditions for employees to work in their specialized fields and strengths, promoting creativity, improving productivity, stabilizing quality, and increasing production efficiency. A team of experienced sales staff, with extensive practical experience, enthusiasm, dedication, and passion for their profession, has built a beautiful and reputable image for the Khanh Hoa Salanganes Nest - Sanest brand.

➤ Superior product quality compared to competitors. Following consumer trends, people are increasingly turning to nutritious product lines that support health enhancement, are free of preservatives, and use natural raw materials, so this is a very positive factor affecting the development of Sanest product lines.

➤ The Khanh Hoa Salanganes Nest brand - Sanest, established and developed since 2004, has become a major and prestigious brand in the market, achieving valuable awards from the government, ministries, and sectors: Vietnam Value continuously in 2022 and 2024; Global Performance Excellence Award (GPEA) in 2024; National Quality Award in 2022... focusing on community health, this product is characteristic of Khanh Hoa.

➤ Effective business strategies are tailored to the realities of each market. The company has developed appropriate sales policies, strengthened support for the distributor and agent system; promoted sales through various direct and online channels, especially sales campaigns during holidays and Tet when consumer demand increases.

➤ Sanest Khanh Hoa products are available in provinces and cities nationwide and are exported to more than 20 countries worldwide. The company has continuously affirmed the strength of the Vietnam Value through traditional direct sales channels, modern online means, and especially through fairs, exhibitions, festivals, seminars, and export conferences. Thanks to this, the company can easily expand its business and cooperation network, reach many potential customer segments and partners, especially gain a better understanding of international market needs to promote export strategies, contributing to bringing high-quality Vietnamese products to many countries globally.

➤ The company has had the honor of welcoming many domestic and international delegations for visits and work. In 2024, the company welcomed a delegation from the "Korea Trade-Investment Promotion Agency" (June 13, 2024), more than 200 customers who are distributors, agents, and affiliated stores from the Can Tho market (13 western provinces) (July 14, 2024), more than 100 customers who are distributors, agents, and affiliated stores from the Ho Chi Minh City market (July 19, 2024)... This is a valuable opportunity for the company to promote its brand and high-class natural Salanganes Nest product lines, understand consumer needs, and act as a bridge to strengthen relationships, opening up many business markets in the future.

ADVANTAGES

➤ The company always focuses on improving quality, providing the market with nutritious and high-class natural Salanganes Nest products to meet customer needs and tastes. In 2024, the company continued to research, develop, and launch bird's nest drink products with increased Salanganes Nest content in all specifications and categories, aiming to increasingly improve product quality for consumer health and accompany community health. Not only improving product quality, but the company also aims to maintain stable product prices to reach different customer segments.

➤ Fierce competition exists for Sanest bird's nest drink products in the market, especially the widespread and open prevalence of counterfeit and fake goods. Currently, these production units self-declare product quality and bird's nest content, making it difficult to verify product quality, making it difficult for consumers to distinguish between genuine and fake goods, leading to the purchase of poor quality products that are not safe for health. Many unethical competitors even copy packaging labels up to 90% similar to Sanest Khanh Hoa's packaging to deceive consumers. With increasing competition from rivals, the company's Legal Department continuously detects units infringing on intellectual property rights through various sophisticated methods.

DIFFICULTIES

➤ The current economic situation is facing many difficulties, leading to a sharp decrease in people's income. Consumption in markets has decreased significantly, especially in the key market of southern provinces and cities. People prioritize buying essential products and minimize expenses for healthcare products. The decline in market purchasing power affects the market's sales plan. Inventories are high at points of sale, which in turn affects distributor inventories, directly impacting the market's revenue plan.



COMPANY ACHIEVEMENTS

In the context of a slow economic recovery in 2024, significantly impacting production and business activities, Sanest Khanh Hoa achieved the following results in 2024: Revenue reached 1,177,337 million VND, Profit after tax reached 56,267 million VND, employee income reached 13.9 million VND/person/month, state budget contribution reached 68,724 million VND, ensuring dividend payment of 11.59%, completing the production and business tasks for the whole year 2024 as set out in Resolution No. 02/2024-ĐHĐCĐ 2024. With pride in the industry's tradition, creativity in labor, and a sense of responsibility, the Company has promoted solidarity and strived to overcome difficulties to achieve these results.



NET REVENUE
1,177,337 MILLION VND



PROFIT AFTER TAX
56,267 MILLION VND



DIVIDEND PAYMENT
11.59%



PAYMENT TO THE STATE BUDGET
68,724 MILLION VND



➤ In November 2024, Sanest Khanh Hoa launched a product with increased Salanganes' Nest content, aiming to bring high-quality nutritional value from Khanh Hoa's natural Salanganes' Nest to domestic and international consumers. Sanest Khanh Hoa continuously researches and develops to increase the Salanganes' Nest content in its products. Not only enhancing traditional brands for the Khanh Hoa Salanganes Nest, Sanest, and Sanvinest product lines; the Company also researches, develops, and introduces new brands for the refined Salanganes Nest product line SKHPearlNest, products for active people SKHLife, affirming its position as a leading brand in the production and business of Salanganes' Nest products.

➤ The Company was honored to receive the GPEA in the World Class category in Mexico on October 3rd; and the National Quality Award 2022 on December 18th. The Khanh Hoa Salanganes Nest, Sanest Khanh Hoa, and Sanvinest Khanh Hoabrands have continuously been recognized as Vietnam Value in 2022 and 2024. In addition, the Company was honored to receive many other prestigious awards for production and business, information disclosure, and corporate governance in 2024. These are important steps to enhance the Company's position and prestige.

➤ Export activities and online marketing have developed strongly, contributing to bringing Sanest Khanh Hoa products to consumers through various channels.

➤ The commissioning of the Salanganes Nest Special Processing Factory in June 2024 contributed to increasing production and business efficiency within the system. This factory, inaugurated at the Dien Phu Industrial Cluster, helps the Company proactively source raw materials for production, ensuring traceability of raw materials and product diversification to meet domestic and export standards.

➤ The application of the Distribution Management System (DMS) software has helped the Company control data in the supply chain, supporting the Company's management in quickly updating the business and sales situation, distribution system, inventories, receivables, etc., and handling market information promptly.



FINANCIAL SITUATION

Assets

Unit: million VND

Indicator	31/12/2023		31/12/2024		% Increase/ Decrease
	Value	Proportion	Value	Proportion	
Current assets	758.652	79,54%	621.789	75,97%	-18,04%
Non-current assets	195.153	20,46%	196.688	24,03%	0,79%
Total asset	953.805	100,00%	818.478	100,00%	-14,19%

The total assets value of Sanest Khanh Hoa recorded at the end of 2024 decreased by 14.19% compared to the end of 2023.

Of which, current assets still accounted for over 75% of the asset structure, recording 621,789 million VND, a decrease of 18.04% over the same period.

With the pressure of increasing raw materials entry price during the year, the Management Board proactively stockpiled supplies, packaging, raw materials, materials, and finished products to implement the Board of Directors' direction to increase revenue and expand market share.

Short-term receivables, mainly from customer receivables during the year, recorded 77,869 million VND, much lower than the 267,386 million VND recorded in 2023, affected by the consequences of the decline in sales revenue during the year.

Non-current assets account for 24.03% of total assets, recorded at 196,688 million VND, a 0.79% increase compared to 2023, mainly due to the completion of Office Building 2, the warehouse system, and the inauguration of the Salanganes Nest Special Processing Factory in Dien Phu Industrial Park.

Debt Payable

Unit: million VND

Indicator	31/12/2023		31/12/2024		% Increase/ Decrease
	Value	Proportion	Value	Proportion	
Current liabilities	508.015	97,76%	379.701	92,58%	-25,26%
Non-current liabilities	11.622	2,24%	30.417	7,42%	161,72%
Liabilities	519.637	100,00%	410.118	100,00%	-21,08%

Overall, SKH's debt structure is dominated by current liabilities, accounting for 92.58%. As of December 31, 2024, current liabilities decreased by 25.26% compared to the same period in 2023.

Of which, payables to sellers and accruals accounted for the largest proportion, 55.5% of total current liabilities, recorded at 211,062 million VND, a decrease compared to 2023, which was 235,489 million VND.

Short-term loans accounted for the second-highest proportion of total debt, at 29.24%, recorded at 111,023 million VND, a decrease compared to 2023, which was 140,014 million VND. This is mainly the result of loans to supplement working capital for the production-business of bird's nests and processed bird's nest products. In 2024, the Company incurred additional non-current liabilities to pay for expenses related to the aforementioned construction project.



IMPROVEMENTS IN ORGANIZATIONAL STRUCTURE, POLICIES, AND MANAGEMENT.

OPERATIONAL POLICIES



- › The Company's Leaders has developed quality policies that bring legitimate benefits to employees, customers, suppliers and partners, shareholders, and state agencies. Specifically:
- › **For employees:** Ensure income, material and spiritual life for employees, provide opportunities for training to improve qualification, create a safe, friendly working environment, and create all conditions for career advancement.
- › **For customers:** Provide Khanh Hoa - Sanest bird's nest products with high nutritional value at a reasonable price.
- › **For suppliers and partners:** Create sustainable relationships based on mutual benefit.
- › **For shareholders:** Ensure stable annual dividends and fully implement shareholders' rights according to law.
- › **For the environment:** Preserve and protect the sustainable environment; production-business activities must meet environmental protection requirements.
- › **For the State:** Preserve and develop State resources, pay the budget and taxes according to regulations, and comply with other regulations in accordance with the law.
- › **For society:** Actively contribute to social charity programs, scholarships, gratitude programs... contributing to building a prosperous and beautiful locality and society.

ORGANIZATIONAL STRUCTURE



- › Consolidated the positions of General Director, Deputy General Director, and several management positions in departments/units to enhance leadership and management at the Company.
- › Implemented a plan to rearrange the organizational structure and streamline personnel at SKH to ensure sustainable development and enhance production - business efficiency.
- › Personnel in departments/units are increasingly complete, with employees assigned to the right jobs and tasks.
- › Management staff at the Company are increasingly stable in their Qualification, managing each department/unit well.

FUTURE DEVELOPMENT PLAN: see details on pages 138 - 143

EXPLANATION OF THE BOARD OF MANAGEMENT FOR AUDITOR'S OPINIONS: None



WASTE AND EMISSION TREATMENT DURING PRODUCTION

Since its inception, Sanest Khanh Hoa has always adhered to the motto “business activities must go hand in hand with environmental protection.” This has always been the guiding principle of the Board of Directors and all employees of the Company during operations. The Company carries out the treatment of domestic and industrial solid waste in accordance with current legal regulations. The Company has stored hazardous waste at the hazardous waste warehouse and entered into a contract for the collection, transportation, and treatment of hazardous waste when the warehouse’s storage threshold is reached with Khanh Hoa Environmental Joint Stock Company, in compliance with the Law on Environmental Protection.

The Company consistently applies modern technologies, advanced and environmentally friendly machinery and equipment, helping to minimize emissions into the environment. Emissions released into the environment always meet Column B standards according to QCVN 19:2009/BTNMT.

Annually, the Company launches the “Tet Tree Planting” movement in remembrance of President Ho Chi Minh. The Company always encourages its employees, in collaboration with the Youth Union, to participate in tree planting activities, creating a green, clean, and beautiful landscape and purifying the air for a fresh and airy environment.

ASSESSMENT REPORT RELATED TO ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES OF THE COMPANY

ASSESSMENT CONCERNING THE ENVIRONMENTAL INDICATORS

ENERGY CONSUMPTION

Electricity is the primary energy source utilized by the Company. In 2024, the Company consumed over 2.7 million Kw for production activities. To effectively conserve energy, the Company implements several measures:

- Monthly electricity monitoring in each area of the Company to promptly grasp energy fluctuations and make adjustments to save electricity.
- Turning off unnecessary electrical equipment when leaving the room or after working hours. The Company manages and adjusts the lighting system to suit each area.
- Utilizing 100% LED lights to limit energy consumption.

WATER CONSUMPTION

The Company consistently encourages employees to enhance awareness of water conservation, especially as the scale of development expands. In 2024, Khanh Hoa Sanest Soft Drink Joint Stock Company used 125,365 m3 of quality-assured water for production and daily activities.



ASSESSMENT REPORT RELATED TO ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES OF THE COMPANY

ASSESSMENT CONCERNING THE LABOR ISSUES

As a business producing high-quality natural Salanganes Nest products, ensuring food safety is an essential responsibility and a core value of Khanh Hoa Sanest Soft Drink Joint Stock Company. Sanest Khanh Hoa's food safety management is based on corresponding technical regulations, regulations issued by competent state management agencies, and standards announced and applied by the Company. The Company places great emphasis on controlling the supply chain, improving machinery and equipment to serve production and R&D activities, and regularly participating in training courses to enhance Qualification. The production process is strictly controlled, complying with the ISO 9001:2015 Quality Management System, ISO 14001:2015 Environmental Management System, ISO 22000:2018 Food Safety Management System, HACCP, the FSMA, Halal standards, the BRCGS, and other regulations.

The Company regularly participates in specialized training courses to update the latest food safety regulations, aiming to improve product quality. In July 2024, the delegation of the National Assembly's Committee on Science, Technology, and Environment, along with representatives from departments and agencies of Khanh Hoa province, conducted a survey and worked with Khanh Hoa Sanest Soft Drink Joint Stock Company on the promulgation of basic standards, access, sharing, and application of national standards, national technical regulations, international standards, and the development of local technical regulations, aiming to promote the development of key economic sectors in Khanh Hoa province, the South Central Coast, the Central Highlands, and the entire country. The Company always prioritizes the development of national-level standards, elevating the national quality of the Salanganes Nest industry, especially Khanh Hoa natural Salanganes Nest, protecting the Khanh Hoa Salanganes Nest brand, and officially exporting Salanganes Nest.

ASSESSMENT CONCERNING THE CORPORATE RESPONSIBILITY FOR THE LOCAL COMMUNITY

With the goal of becoming a "Sustainable Development Enterprise for the benefit of the community," Khanh Hoa Sanest Soft Drink Joint Stock Company's activities are oriented towards ESG (Environmental - Social - Governance) standards, a set of standards for environment, society, and corporate governance. Sanest Khanh Hoa not only aims to achieve the goal of maximizing profits and shareholder benefits but also demonstrates a spirit of responsibility in protecting the ecological environment, preserving natural resources, and bringing sustainable and practical values to the community and society. The company absolutely does not prioritize economic benefits over other sustainable social values.

In 2024, the Company regularly organized programs to give gifts to policy families, families in difficult circumstances, poor students overcoming difficulties in border and island areas, and patients in difficult circumstances; installed solar lights for residential roads; organized free English classes, etc. The Company has donated many charity houses to families in difficult circumstances in the province, gradually helping them settle down and establish businesses.



CHAPTER 04 ASSESSMENT OF THE BOD ON THE COMPANY'S OPERATIONS

CỘNG SẢN VIỆT NAM QUANG VINH MUÔN



ASSESSMENT OF THE BOARD OF DIRECTORS ON THE COMPANY'S OPERATION

ASSESSMENT OF BUSINESS OPERATION RESULTS

General assessment of the BOD on the economic situation and the consumer goods sector

The economic situation in 2024 faced many difficulties, with declining consumption and market demand, along with fierce competition from competitors in the same industry, significantly impacting the Company's operating efficiency. In this context, to maintain stability, market share, and the sustainable development of the SKH brand in domestic and export markets, continued investment in production and business activities is necessary to ensure jobs and income for employees and fulfill obligations to the State. The Board of Directors, the Executive Board, and all employees have made efforts to achieve the revenue and profit targets set by the General Meeting of Shareholders.

21% YẾN SÀO

TĂNG CƯỜNG SỨC KHỎE

CHỐNG OXY HÓA

ĐẸP DA

BỔ HUYẾT

18 ACID AMIN

Sanest
Nước Yến Sào Khánh Hòa

Sản phẩm của Công ty Cổ phần Yến Sào Khánh Hòa (SKH) được sản xuất theo quy trình công nghệ tiên tiến, đảm bảo chất lượng và an toàn cho người tiêu dùng. Sản phẩm chứa 21% Yến Sào, 18 Acid Amin, và các thành phần dinh dưỡng quý giá khác.

1. Công ty Cổ phần Yến Sào Khánh Hòa
Quốc lộ 1, xã Suối Hô, huyện Khánh Sơn, tỉnh Khánh Hòa
Việt Nam (SKH) Mã số thuế: 0312345678
2. Công ty Cổ phần Yến Sào Khánh Hòa
Quốc lộ 1, xã Cam Lộ, huyện Khánh Sơn, tỉnh Khánh Hòa
Việt Nam (SKH) Mã số thuế: 0312345678

TRUNG TÂM NGHIÊN CỨU VÀ PHÁT TRIỂN
77 Ngô Gia Tự, TP. Nha Trang
Hotline: +84 258 3811111
Email: info@sanest.vn
Thế giới thực phẩm
NSX & HSD: 18 tháng kể từ ngày sản xuất
TTCSS: 22002-SANEST

Regarding production and technical technology

Ensure product quality according to domestic and international standards, select raw materials of natural origin, environmentally friendly, and with high nutritional content, helping to improve resistance for users. The Board of Directors proposes to strengthen the inspection and control of products during production, circulation, and market launch to ensure safety and quality.

Focus on good production management organization, strictly adhering to the processes and standards of the beverage and food production industry according to the Quality Management System ISO 9001:2015, ISO 14001:2015, HALAL, HACCP, the US Food Safety Modernization Act (FSMA), and the BRCGS Global Standard for Food Safety. Regularly update regulations according to the latest international standards to enhance export capacity.

Quality and innovation are central. Sanest Khanh Hoa continuously invests in research and development, improving product quality, and bringing new benefits to customers. Strict quality control ensures the safety and reliability of products in the market and establishes the position as a leading unit in processing nutritious products from natural Salanganes' Nest, maximizing current customer needs and anticipating future trends.



ASSESSMENT OF THE BOARD OF DIRECTORS ON THE COMPANY'S OPERATION

ASSESSMENT OF BUSINESS OPERATION RESULTS

Regarding business and brand development

Faced with difficulties in product consumption, the Company has implemented various business solutions to make Sanest products easily accessible to consumers. The Company has applied DMS sales software to control the distribution system and customer care, along with a professional distribution system across various channels.

Stabilize personnel in markets and points of sale to adapt to the current situation.



Develop programs and policies for distributors and agents. Continue developing traditional channels in the provinces, expanding modern channels with product presence on shelves and counters, exploiting additional sales channels in canteens, schools, hospitals, and Industrial Parks. Enhance and improve the quality of business forecasting, identify potential risk factors to flexibly adjust business strategies and mechanisms for each area of the Company accordingly, seek new potential markets, combined with improving product and service quality to meet the increasing demands of customers.



Regarding business and brand development

Further invest in brand image at points of sale and densely populated locations, open more new product introduction stores in the Southern provinces, the Central Highlands, and other provinces to enhance the presence and promote the brand image of Sanest Khanh Hoa and the Company's new brands.

Sanest product exports meet the stringent technical requirements of countries, and export markets are continuously expanding. Every month, there are export orders to markets such as New Zealand, Japan, Canada, Laos, Taiwan... Actively participate in trade fairs and exhibitions to promote the brand, contributing to introducing Sanest Khanh Hoa products to the world.

Coordinate with Khanh Hoa Salanganes Nest Company to organize the National Customer Conference and Khanh Hoa Salanganes Nest Festival to express gratitude and honor outstanding distributors and agents with excellent achievements and together determine to exceed the 2024 business plan targets. Reward and express gratitude to distributors, agents, affiliated stores, and points of sale with many prizes in cash on hand, Sanest products, and SK PearlNest. The Company organized visits to the production line and a Gala dinner for distributors to strengthen solidarity and contribute to affirming the leading brand position of Khanh Hoa Salanganes Nest and Sanest Khanh Hoa in the domestic and international markets.



Strongly develop online sales, e-commerce, online marketing, and digital transformation in line with current trends.

Build new brands for Bird's Nest Drink product lines. Refined Bird's Nest and high-end specialty product lines with brands like SK, SKHPearlNest, SKHLife... to increase competitiveness in the domestic market and potential export countries.

Competition from rivals and the situation of counterfeit and fake goods are increasing. The Company's Legal Department continuously detects and promptly prevents units that violate intellectual property rights while coordinating with authorities to handle and destroy counterfeit Khanh Hoa Salanganes Nest - Sanest products, affecting the Sanest brand.

ASSESSMENT OF THE BOARD OF DIRECTORS ON THE COMPANY'S OPERATION

ASSESSMENT OF BUSINESS OPERATION RESULTS

Regarding finance

The Board of Directors has approved the issuance of current regulations to suit the actual requirements of the Company's production and business activities.

Preserve state capital, strictly manage the Company's assets, production and business costs, production quotas, and control inventories to avoid capital stagnation. Strengthen periodic or unscheduled inventory checks and reconciliations, regularly review debt records, proactively exploit resources reasonably, mobilize loan capital at the lowest interest rates to ensure timely service for production and business activities and investment in projects.

On the occasion of the 12th anniversary of its establishment (June 6, 2012 - June 6, 2024), the Company inaugurated and put into operation the Salanganes Nest Special Processing Factory, marking a significant milestone in Sanest Khanh Hoa's development. The factory's official operation not only enhances production capacity, improves product quality, and increases the nutritional value of Salanganes' Nest for consumers, expands the distribution system, and boosts revenue and job creation, but also contributes to increasing state budget contributions.

Investment projects: Continue the joint venture program to develop the Bird's Nest House and Cave system to ensure raw materials inputs for the Company's production and business activities.

Regarding social activities and others



Alongside economic development, the Company consistently ensures a balance of benefits for customers and shareholders; collaborating with society to implement social security programs, assisting disadvantaged individuals and areas, and supporting underprivileged, studious children.

Providing complete, timely, and transparent information to investors and shareholders. All information as regulated is sent to shareholders and publicized on mass media through the Hanoi Stock Exchange's website as well as the Company's website.



ASSESSMENT OF THE BOARD OF DIRECTORS ON THE COMPANY'S OPERATION

ASSESSMENT OF BOARD OF DIRECTORS ON BOARD OF MANAGEMENT'S PERFORMANCE

SUPERVISION METHODS

The Board of Directors supervised the Executive Board in business production activities and the implementation of the General Meeting of Shareholders' Resolutions. The Board of Directors conducts this through quarterly or ad-hoc Board meetings when required and participates in and directs leadership review meetings. The Board of Directors directly guided the Executive Board's activities in implementing the development strategy and objectives approved by the Board of Directors.

The Board of Directors also implemented supervision through emails and other media to grasp the production and business situation of the unit, receive feedback, and provide timely direction to help the Executive Board perform well in corporate management and administration, achieving the set business targets, ensuring stable and sustainable development.



SUPERVISION RESULTS

The Board of Directors assesses that the General Director's management has been carried out in accordance with their functions and authority with a high sense of responsibility, for the benefit of the Company and shareholders, and has fully implemented the resolutions of the General Meeting of Shareholders and the Board of Directors.

The business activities of the two subsidiaries have preserved owners's equity, expanded production and business activities to improve efficiency with the following results:

- + Sanest Khanh Hoa One Member Limited Liability Company: Revenue: 276.761 billion VND; Profit before tax: 5.966 billion VND.
- + Salanganes Nest Special Processing One Member Limited Liability Company: Revenue: 160.049 billion VND; Profit before tax: 7.869 billion VND.

The Board of Directors, the Executive Board, and all employees of the Company have promoted collective strength, unity, unified will and action, creative thinking, and improved production and business efficiency, along with the support of customers, contributing to achieving the following results in 2024:

- + Revenue: 1,177.3 billion VND, reaching 100.6% of the annual plan.
- + Profit before tax: 71.3 billion VND, reaching 101.9% of the annual plan.
- + Budget contribution: 68.8 billion VND.



ASSESSMENT OF THE BOARD OF DIRECTORS ON THE COMPANY'S OPERATION

PLANS AND ORIENTATIONS OF THE BOARD OF DIRECTORS

No.	Indicator	Unit	FY 2024	Plan 2025	
				Plan	Compared to FY 2024
1	Actual revenue	million VND	1,177,337	1,310,000	111.27%
2	Profit before tax	million VND	71,314	82,000	114.98%
3	Profit after tax	million VND	56,267	65,600	116.59%
4	Expected profit distribution in 2025		56,267	65,600	116.59%
	Allocation to Investment and development fund	million VND	5,626	6,560	116.6%
	Allocation to Reward and welfare funds	million VND	11,253	13,120	116.6%
	Allocation to BOD, BOS remuneration, and BOM bonus	million VND	1,125	1,312	116.6%
	Dividend distribution (1,159 VND/share)	million VND	38,247	44,608	116.59%

In 2025, Sanest Khanh Hoa Company will continue to promote business activities, expand into new fields, aim for autonomy in crucial stages of the supply chain, ensure the effective and sustainable development of the SKH ecosystem, and resolutely achieve the targets outlined in the 2025 Resolution of the General Meeting of Shareholders, with the following specific contents:



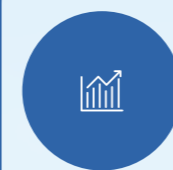
Strictly manage and supervise the production process of natural bird's nest products through various production stages, ensuring the finished products stored in inventory meet quality standards to satisfy production needs within the system and sales in the market. In 2025, the company will continue to maintain its quality management system, ensuring the products meet the highest quality standards, strictly complying with regulations on occupational health and safety, food hygiene and safety, fire prevention, and implementing certification assessments for ISO, HACCP, and FSMA to support the export strategy



Invest in and manufacture machinery and equipment to serve the business expansion strategy. Continue to research and apply science and technology in production, contributing to improving labor productivity, the efficiency of machinery and equipment, reducing labor, and fully automating production lines.



Promote the strength of being a unit directly exploiting Khanh Hoa's natural Salanganes'Nest raw materials, affirming the brand's position, focusing on increasingly improving product quality, surpassing competitors. Conduct research projects for high-end product lines with increased Salanganes'Nest content and freeze-dried products.



Diversify products, upgrade packaging to be modern and convenient, creating a distinctive identity, and provide the market with nutritious and high-end Salanganes'Nest product lines that meet customer needs and tastes. Continue to implement applications of research topics on Salanganes'Nest extraction in the production of Salanganes'Nest beverage product lines and new product lines from Salanganes'Nest. Ensure absolute confidentiality of technology and product production processes.



Research and apply natural raw materials in the production of Salanganes' Nest drink products and new products: Capsule product lines, serum, and Khanh Hoa Salanganes Nest skin cream.



Strengthen business administration to ensure the distribution system operates effectively and profitably. Develop a business strategy based on perfecting the standards of the Khanh Hoa Salanganes Nest, Sanest, and Sanvinest brand management system as national brands, famous domestically and internationally, contributing to enhancing competitiveness in the market.



Coordinate with Khanh Hoa Salanganes Nest Company and Khanh Hoa Salanganes Nest Soft Drink Joint Stock Company to implement a large-scale customer appreciation promotion program: "Khanh Hoa Salanganes Nest, Sanest, Sanvinest - Pride of the Vietnam Vlaue".

PLANS AND ORIENTATIONS OF THE BOARD OF DIRECTORS



Standardize sales software linking field staff with agents and distributors to tightly manage goods circulating in the market and selling prices. Train the sales team in modern business administration knowledge, participate in training courses, and apply Industry 4.0 technology in business activities. Standardize the sales team with professional ethics, solid expertise, and dedication to the profession.



Develop livestream sales programs for products within the Khanh Hoa Salanganes Nest, Ssmart, SKHPearlNest... systems. Enhance professional skills for online sales staff. Create many lively clips, expressing the distinctive identity of Khanh Hoa Salanganes'Nest, Sanest, and Sanvinest products.



Develop and expand new product lines and brands to orient sustainable development strategies, enhancing the effectiveness of production-business operations: Ssmart convenience store chain system, SKHlife products for athletes, and SKHPearlNest refined bird's nest specialty products.



Export activities: The company continues to maintain and build relationships with existing customers of Sanest products in markets such as the US, Australia, Canada, Japan, Taiwan, UK, Myanmar, Hong Kong, Philippines, Thailand, New Zealand, and South Korea. Participate in the Vietnam International Food Industry Exhibition - Vietnam Foodexpo 2025 and other international trade fairs related to food and beverages to seek new export partners. Actively connect with Vietnamese trade representatives in other countries to find new distributors and expand export markets.



In intellectual property matters, continue to coordinate with Khanh Hoa Salanganes Nest Company and markets to strengthen management and strictly control counterfeit and fake goods while waiting for competent authorities to handle them.



Promote the advantages of Khanh Hoa Salanganes Nest, Sanest, and Sanvinest Khanh Hoa products, which have achieved national and international quality and brand recognition, regularly participating in prestigious domestic and international awards.



Tightly manage resources and assets, preserve resources, and flexibly allocate and effectively utilize available resources, optimizing payables to suppliers to leverage resources.



Continue to educate all employees to comply with the nine standards of working rules, sense of responsibility, and professional ethics of Khanh Hoa Salanganes Nest Company. Express gratitude, preserve, and promote the quintessence that the Holy Mother Ancestor, predecessors, and the Chairman who founded the brand have built; sincerely look towards the roots of the profession with pride as "Knowledge of Khanh Hoa Salanganes Nest Exploitation and Processing" is recognized as a national intangible cultural heritage.

PLANS AND ORIENTATIONS OF THE BOARD OF DIRECTORS



Build a united, dynamic, and friendly working environment, enhance the sense of responsibility and ownership of innovation opportunities, and ensure sustainable succession. Ensure the livelihood, salary, and bonus regimes for employees are appropriate to the actual situation. Ensure fire prevention and fighting, security, order, and environmental protection.



Successfully implement the targets approved by the 2025 Annual General Meeting of Shareholders, ensure an appropriate dividend payout ratio, provide complete, timely, and transparent information to investors, and continuously enhance the value of SKH shares.



Continue the development of the bird's nest house system in Khanh Hoa and neighboring provinces.



Implementing digital transformation, developing KPIs for each task to evaluate effectiveness and assign responsibilities to each individual, using specialized software that provides comprehensive integration from production to business, a system with uniform data throughout from input to output, strictly controlling the production process, distributing goods, both traditional and modern business, domestic and international, implementing a traceability system, promoting the growth of the Khanh Hoa Salangane Nest system. Applying AI technology in the process of statistics, control, and decision-making support



The year 2025, with many important events for the country, the province, and especially the 35th anniversary of Khanh Hoa Salanganes Nest Company, is an important milestone for the leadership, employees, and workers to look back on the achievements that have been made, with a new mindset, welcoming a new era, the era of national rise, to unite and work together to successfully complete the production-business political tasks in 2025 and the following years, creating a premise for successfully achieving the double-digit growth target in the coming time.





CORPORATE GOVERNANCE

BOARD OF DIRECTORS

LIST OF THE BOARD OF DIRECTORS

No.	Member	Position	Number of shares held	Ownership percentage
1	Mr. Le Duc Tien	Chairman of the BOD	4,995,100	15.14%
2	Mrs. Bui Thi Hanh	Member of the BOD	5,000	0.015%
3	Ms. Vo Thi Lieu Nhi	Member of the BOD (dismissed on 06/6/2024)	54,600	0.165%
4	Ms. Nguyen Thi Hai Ha	Member of the BOD (appointed on 06/6/2024)	3,960,000	12%
5	Mr. Le Huynh Phung	Member of the BOD	3,984,900	12.08%
6	Mr. Nguyen Xuan Anh	Member of the BOD	3,960,000	12.00%

SUB-COMMITTEES OF THE BOARD OF DIRECTORS

The company is developing the establishment of sub-committees; currently, the Board of Director's members carry out their duties as assigned by the Board of Directors.

ACTIVITIES OF THE BOARD OF DIRECTORS

The Board of Directors held 13 meetings with specific content for each meeting and corresponding Resolutions issued as follows:

No.	Member	Number of Board of Directors meetings attended	Attendance rate	Reason for not absence
1	Mr. Le Duc Tien	13/13	100%	
2	Mrs. Bui Thi Hanh	13/13	100%	
3	Ms. Vo Thi Lieu Nhi	05/05	100%	Dismissed on 06/6/2024
4	Ms. Nguyen Thi Hai Ha	08/08	100%	Appointed on 06/6/2024
5	Mr. Le Huynh Phung	13/13	100%	
6	Mr. Nguyen Xuan Anh	13/13	100%	

BOARD OF DIRECTORS

ACTIVITIES OF THE BOARD OF DIRECTORS

No.	Resolution/ Decision No.	Date	Content	Approval rate
1	No: 01/NQ-SKH	22/01/2024	<ul style="list-style-type: none"> - Report on Q4/2023 production and business performance and Q1/2024 operational direction. - Q4/2023 and 2023 financial statements. - Report on project implementation progress. - Related party transactions for sales and purchase contracts for 2024. - Approval of the 2024 bank loan limit. - Restructuring of departments, factories, workshops, and subsidiaries to ensure appropriate development in accordance with current realities. - Approval of the Report on Corporate Governance. 	100%
2	No: 02/NQ-SKH	10/4/2024	<ul style="list-style-type: none"> - Report on Q1/2024 production and business performance and Q2/2024 operational direction. - Q1/2024 financial statements. - 2023 Annual Report. - Report on the 2023 performance and the 2024 work plan of Board of Supervisors. - Plan for the 2024 Annual GMS. - Report on project implementation progress. 	100%
3	No: 03/NQ-SKH	08/5/2024	<ul style="list-style-type: none"> - Revenue and profit plan for 2024. - Q1/2024 summary. - Organization of the Company's Anniversary on June 6th. - Approval of the contents of the 2024 Annual General Meeting of Shareholders. 	100%

No.	Resolution/ Decision No.	Date	Content	Approval rate
4	No: 04/NQ-SKH	10/5/2024	Assignment of duties and personnel consolidation for departments/units.	100%
5	No: 05/NQ-SKH	31/5/2024	<ul style="list-style-type: none"> - Plan for the company's inauguration and anniversary celebration. - Plan for the 2024 Annual General Meeting of Shareholders. 	100%
6	No: 06/NQ-SKH	29/7/2024	<ul style="list-style-type: none"> - Report on production and business performance for the first 6 months of 2024 and operational direction for Q3/2024. - Finalized financial statements for Q2 and the first 6 months of 2024. - Report on project implementation progress. - Report on the activities of the BOS for the first 6 months and the work plan for the last 6 months of 2024. - Assignment of duties for BOD members. - Report on Corporate Governance for the first 6 months of 2024. 	100%
7	No: 07/NQ-SKH	24/9/2024	<ul style="list-style-type: none"> - Adjusting the revenue and profit plan based on the current situation. - Report on the production and business plan for the new product with increased bird's nest content. - Report on project implementation progress. - 2023 dividend payment plan. - Approval of the issuance of Information Security Regulations. 	100%

BOARD OF DIRECTORS

ACTIVITIES OF THE BOARD OF DIRECTORS

No.	Resolution/ Decision No.	Date	Content	Approval rate	No.	Resolution/ Decision No.	Date	Content	Approval rate
8	No: 08/NQ-SKH	22/10/2024	<ul style="list-style-type: none"> - Report on the implementation of production and business activities in Q3/2024 and operational direction for Q4/2024. - Finalized Financial statements for Q3/2024. - Approve the roadmap for collecting shareholders' written opinions regarding the adjustment of revenue and profit targets. 	100%	12	No: 12/NQ-SKH	24/12/2024	<ul style="list-style-type: none"> - Review and evaluate the targets presented to the 2024 Annual General Meeting of Shareholders. - Report on the salary and bonus fund situation in 2024. - Deploy preparations for the 2025 Lunar New Year: Cash flow report and year-end work. - Plan for finalization of Q4/2024 and 2024 financial statements. 	100%
9	No: 09/NQ-SKH	28/10/2024	Approve the appointment of internal personnel.	100%	13	No: 13/NQ-SKH	31/12/2024	<ul style="list-style-type: none"> - Report on the implementation of 2024 production and business results and the revenue and profit plan for 2025. - Report on "Organizational restructuring, workforce reduction, and improvement of production and business efficiency". - Report of Board of Supervisors. - Plan for organizing the 2025 Annual General Meeting of Shareholders. 	100%
10	No: 10/NQ-SKH	02/11/2024	<ul style="list-style-type: none"> - Assign tasks to the Board of Management. - Plan for leadership and management personnel of the company. 	100%				<ul style="list-style-type: none"> - Human resources of the Company. - Approve the merger of two subsidiaries. - Approve the bank loan limit for 2025. 	100%
11	No: 11/NQ-SKH	12/11/2024	Consolidate organizational structure and management personnel.	100%					

BOARD OF DIRECTORS

Activities of the Board of Directors' independent members: None

The list of members of the BOD possessing certificates on corporate governance

The Board of Directors has arranged and facilitated Board of Director' members, Members of the Board of Supervisors, Board of Management, Chief Accountant, and Managers of Departments/ Units to participate in seminars and Training courses on corporate governance.

For employees, the Company always creates conditions and encourages rewards for participating in advanced training courses as well as professional training to apply to practical work.

BOARD OF SUPERVISORS

List of the Board of Supervisors

No.	Member	Position	Number of shares held	Ownership ratio
1	Ms. Hoang Thi An Vu	Head of the BOS	10,000	0.03%
2	Mr. Nguyen Minh Quan	Member of the BOS	2,800	0.008%
3	Ms. Huynh Thi Tran Le	Member of the BOS	0	0%

Meetings of the Board of Supervisors

No.	Member of the BOS	Number of BOS meetings attended	Attendance rate	Reasons for absence
1	Ms. Hoang Thi An Vu	5	100%	
2	Mr. Nguyen Minh Quan	5	100%	
3	Ms. Huynh Thi Tran Le	5	100%	

BOARD OF SUPERVISORS

ACTIVITIES OF THE BOARD OF SUPERVISORS

- The BOS has developed plans, established work programs, and assigned specific tasks to each member to carry out the inspection and supervision of various aspects of the company's operations.
- Appraisal of separate financial statements and consolidated financial statements.
- Monitor and inspect the reasonableness, legality, honesty, and due diligence in the management and operation of the company's production and business activities by the BOD and Executive Board.
- Supervise the implementation of resolutions of the 2024 Annual GMS.
- Control compliance with information disclosure regulations.
- Summarize the activities of the BOS in 2024.
- Approve the draft content of the BOS' Report at the GMS.
- Fully participate, discuss unanimously the contents, and contribute opinions at meetings of the Board of Directors and some meetings of the Executive Board.
- The BOS conducted 05 meetings to deploy plans and evaluate the production, business, financial accounting, management, and administration activities of the BOD and Executive Board.

Results of the supervision of the activities of the Board of Directors and the Board of Management:

The Board of Directors has strictly and fully implemented the resolutions of the General Shareholders' Meeting within the scope of authority and obligations as stipulated in the Law on Enterprises, the Company's Charter, the Board of Directors' Regulations, and other legal provisions. The Board of Directors has organized regular meetings with full participation, primarily discussing: the Company's development strategy, planning, business production strategies, policies and mechanisms, investment projects, human resources organization, etc., based on reviewing, discussing, and reaching a consensus decision among the members. The Board of Directors held 13 meetings, issued 13 resolutions at the meetings, and conducted shareholder consultations through written approval for adjustments to the business production plan for 2024. A resolution from the General Shareholders' Meeting, Resolution No. 02/2024-AGM, was passed on November 20, 2024. In 2024, the Company continued to streamline its organizational structure, arrange adjustments, and appoint personnel in the Executive Board positions, including the General Director, Deputy General Director of the parent company, and several leadership positions in subsidiaries

Evaluation of the coordination of activities between the Board of Supervisors, the Board of Directors, the Executive Board, and shareholders:

The Supervisory Board always received attention and facilitation in collecting information and documents related to the production and business operations and financial situation of the company, as well as resolutions and decisions of the BOD. Attended fully and discussed at meetings of the Board of Directors and Executive Board, actively coordinated, regularly exchanged to resolve difficulties and challenges, creating conditions for members to comply with principles for the legal interests of the company and shareholders as stipulated by law, the Charter, and operational regulations.

The BOS maintained a close relationship with shareholders, controlling compliance with the company's information disclosure regulations as per legal requirements to protect the interests of shareholders.

TRANSACTIONS, REMUNERATION, AND BENEFITS OF THE BOARD OF DIRECTORS, BOARD OF MANAGEMENT, AND BOARD OF SUPERVISORS

Salary, rewards, remuneration, benefits

No.	Position	Quantity (people)	Remuneration and Salary for 2024	Remuneration and Salary for 2023
1	Chairman of the BOD	01	68,500,000	164,400,000
2	Member of the BOD	02	230,400,000	230,400,000
3	Head of the BOS	01	503,600,000	631,090,000
4	Member of the BOS	02	144,000,000	144,000,000
5	General Director	01	88,744,000	642,240,000
6	Member of the BOD, Deputy General Director	02	1,008,439,000	1,239,880,000
7	Deputy General Director	02	560,942,000	619,940,000
8	Chief Accountant	01	431,330,000	550,810,000
Total			3,035,955,000	4,222,760,000

Share transactions by internal shareholders

Transaction executor	Relationship with internal persons	Number of shares owned at the beginning of the period		Number of shares owned at the end of the period		Reasons for increasing, decreasing
		Number of shares	Percentage (%)	Number of shares	Percentage (%)	
Vo Thi Lieu Nhi	Member of the BOD	4,600	0.014	54,600	0.165	
Hoang Thi An Vu	Head of BOS	0	0	8,300	0.025	Shares purchase
Le Duc Tien	Chairman of the BOD	41,000	0.124	45,100	0.137	
Hoang Thi An Vu	Head of BOS	8,300	0.025	10,000	0.03	
Ngo Thi Huong Lien	Chief Accountant	24,000	0.073	12,900	0.039	Sell shares

TRANSACTIONS, REMUNERATION, AND BENEFITS OF THE BOARD OF DIRECTORS, BOARD OF MANAGEMENT, AND BOARD OF SUPERVISORS

Contracts or transactions with internal shareholders

No.	Name of organization/ individual	Relationship with the Company	Identification Certificate, date of issue, place of issue	Address	Time of transactions with the Company	Resolution No. or Decision No. approved by GMS/ BOD	Content, quantity, total value of transaction
1	Khanh Hoa Salanganes Nest Company	Parent company owning 51.06% of charter capital	4200338918 10th issuance 17/6/2020 Khanh Hoa Department of Planning and Investment	No. 248 Thong Nhat Phuong Son Nha Trang Khanh Hoa	Year 2024		536,753,314,283
2	Crown Beverage Cans Dong Nai Limited	Strategic shareholder owning 10% of charter capital	3601010551 2nd issuance 28/6/2017 Dong Nai Department of Planning and Investment	19 Road 3A, An Binh Bien Hoa Dong Nai	Year 2024		6,969,607,000
3	Crown Saigon Joint Venture Limited Liability Company	Belonging to the same group as Crown Beverage Cans Dong Nai Limited (Crown Holdings Incorporated)	3601010551 2nd issuance 28/6/2017 Dong Nai Department of Planning and Investment	Road No. 4, Tam Phuoc Industrial Park Tam Phuoc Bien Hoa Dong Nai	Year 2024		-
4	Crown Beverage Cans DaNang Limited	Belonging to the same group as Crown Beverage Cans Dong Nai Limited (Crown Holdings Incorporated)	0401487912 7th issuance 09/3/2023 Da Nang City Department of Planning and Investment	Lot K, Road 6, Lien Chieu Industrial Park Hoa Hiep Bac Lien Chieu Da Nang	Year 2024		110,229,703,108
5	Nam Anh Trading and Transportation Services Limited Liability Company	Related organization to Nguyen Thi Hai Ha - Member of the Board of Directors	4201669214 issued on 25/9/2019 Khanh Hoa Department of Planning and Investment	24/24 Luong Dinh Cua Ngoc Hiep Nha Trang Khanh Hoa	Year 2024		547,915,508
6	Sanest Khanh Hoa One Member Limited Liability Company	Wholly-owned subsidiary	4201853950 issued 07/7/2020 Khanh Hoa Department of Planning and Investment	9D Le Thanh Ton Phuoc Tien Nha Trang Khanh Hoa	Year 2024		243,227,305,932

TRANSACTIONS, REMUNERATION, AND BENEFITS OF THE BOARD OF DIRECTORS, BOARD OF MANAGEMENT, AND BOARD OF SUPERVISORS

Contracts or transactions with internal shareholders

No.	Name of organization/ individual	Relationship with the Company	Identification Certificate, date of issue, place of issue	Address	Time of transactions with the Company	Resolution No. or Decision No. approved by GMS/ BOD	Content, quantity, total value of transaction
7	Salanganes Nest Special Processing One Member Limited Liability Company	Wholly-owned subsidiary	4201962780 issued 23/8/2022 Khanh Hoa Department of Planning and Investment	Lot TP3, Song Cau Industrial Cluster Khanh Vinh Khanh Hoa	Year 2024		44,946,622,081
8	Khanh Hoa Salanganes Nest Soft Drink Joint Stock Company	Company 51% owned by Khanh Hoa Salanganes Nest Company	4201624478 issued 03/12/2014 Khanh Hoa Department of Planning and Investment	National Highway 1A Cu Thanh Suoi Hiep Dien Khanh Khanh Hoa	Year 2024		115,737,108,047
9	Khanh Hoa Materials Supply One Member Limited Liability Company	Wholly-owned subsidiary of Khanh Hoa Salanganes Nest Soft Drink Joint Stock Company	4201767187 issued 09/11/2017 Khanh Hoa Department of Planning and Investment	National Highway 1A Cu Thanh Suoi Hiep Dien Khanh Khanh Hoa	Year 2024		8,229,379
10	Sanest Tourist Travel One Member Limited Liability Company	Company 100% owned by Khanh Hoa Salanganes Nest Company	4201675948 issued 28/01/2016 Khanh Hoa Department of Planning and Investment	89 Thong Nhat Van Thang Nha Trang Khanh Hoa	Year 2024		2,377,859,187
11	Sanna Khanh Hoa Beverage Joint Stock Company	Company 51% owned by Khanh Hoa Salanganes Nest Company	4201675930 issued 28/01/2016 Khanh Hoa Department of Planning and Investment	National Highway 1A My Thanh Cam Thinh Dong Cam Ranh Khanh Hoa	Year 2024		8,484,901,182
12	North-South Route Services One Member Limited Liability Company	Company 100% owned by Khanh Hoa Salanganes Nest Company	4201766761 issued 03/11/2017 Khanh Hoa Department of Planning and Investment	National Highway 1A My Thanh Cam Thinh Dong Cam Ranh Khanh Hoa	Year 2024		17,654,432,939

TRANSACTIONS, REMUNERATION, AND BENEFITS OF THE BOARD OF DIRECTORS, BOARD OF MANAGEMENT, AND BOARD OF SUPERVISORS

Contracts or transactions with internal shareholders

No.	Name of organization/ individual	Relationship with the Company	Identification Certificate, date of issue, place of issue	Address	Time of transactions with the Company	Resolution No. or Decision No. approved by GMS/ BOD	Content, quantity, total value of transaction
13	Sanatech Land Design and Construction Limited Liability Company	Company 100% owned by Khanh Hoa Salanganes Nest Company	4201680056 Issued on March 12, 2016 Khanh Hoa Department of Planning and Investment	55 Ngo Gia Tu, Tan Lap Nha Trang Khanh Hoa	Year 2024		2,316,844,416
14	Khanh Hoa Salanganes Nest Tourism Services One Member Limited Liability Company and Khanh Hoa - Lam Dong Salanganes Nest Restaurant	Company 100% owned by Khanh Hoa Salanganes Nest Company	5801357762 Issued on November 22, 2017 Lam Dong Department of Planning and Investment	32 - 34 Hung Vuong Da Lat Lam Dong	Year 2024		2,018,079,700
15	Cam Thinh Coconut Farm One Member Limited Liability Company	Company 100% owned by Khanh Hoa Salanganes Nest Company	4201766754 Issued on November 3, 2017 Khanh Hoa Department of Planning and Investment	National Highway 1A My Thanh Cam Thinh Dong Cam Ranh Khanh Hoa	Year 2024		7,936,903,200
16	Khanh Hoa Salanganes' Nest Product Promotion and Restaurant One Member Limited Liability Company	Company 100% owned by Khanh Hoa Salanganes Nest Company	4201766786 Issued on November 3, 2017 Khanh Hoa Department of Planning and Investment	04 Pham Van Dong Vinh Tho Nha Trang Khanh Hoa	Year 2024		188,276,705
17	Khanh Hoa Salanganes Nest Restaurant One Member Limited Liability Company	Company 100% owned by Khanh Hoa Salanganes Nest Company	4201766779 Issued on November 3, 2017 Khanh Hoa Department of Planning and Investment	34 Le Thanh Phuong Phuong Sai Nha Trang Khanh Hoa	Year 2024		46,698,517
18	Fishsan Aquaculture One Member Limited Liability Company	Company 100% owned by Khanh Hoa Salanganes Nest Company	4201766793 Issued on March 20, 2018 Khanh Hoa Department of Planning and Investment	10 Yersin Van Thanh Nha Trang Khanh Hoa	Year 2024		-

TRANSACTIONS, REMUNERATION, AND BENEFITS OF THE BOARD OF DIRECTORS, BOARD OF MANAGEMENT, AND BOARD OF SUPERVISORS

Assessing the implementation of regulations on corporate governance

In 2024, Khanh Hoa Sanest Soft Drink Joint Stock Company implemented transparent, complete, and timely information disclosure in accordance with legal regulations; organized the General Meeting of Shareholders and paid dividends on time. The Board of Directors always acts based on the long-term interests of the Company and shareholders, ensuring the harmony of interests of related parties in all SKH's activities. In the coming time, SKH will continue to aim to apply the best governance practices to enhance trust and increase value for shareholders and investors.

HUMAN RESOURCES MANAGEMENT

- The Company establishes clear recruitment and training policies in accordance with the law.
- The Company's leadership prioritizes both the material and emotional well-being of its employees, focusing on building and developing a corporate culture that unites diverse workforce groups in solidarity. The relationship between the Company's leadership and employees is consistently nurtured, fostering trust, affection, and long-term commitment.
- The Company affirms that a "people-centric" approach is the decisive factor, as people are both the objective and driving force of industrialization and modernization. The Company emphasizes policies that promote workforce cohesion and unity in effectively fulfilling the Company's mission, such as:



Assigning tasks and job functions according to established procedures, ensuring harmony and suitability for each department and subordinate unit.



Implementing reasonable compensation and benefits policies, increasing salaries, bonuses, insurance plans, allowances, subsidies, and organizing annual excursions and vacations...



Enhance human resource training and development: Collaborate and organize short-term and long-term training courses domestically and internationally.

HUMAN RESOURCES MANAGEMENT

The Company has implemented the HROnline Sanest software to manage employee information, labor contracts, social insurance, non-life insurance, data, and work processes for all employees. This software minimizes errors in personnel management, facilitates quick data retrieval and processing for reporting, enabling timely analysis and recommendations for human resource management.

TRAINING/LEARNING PLAN ON CORPORATE GOVERNANCE

The Board of Directors has arranged and facilitated opportunities for members of the BOD, the BOS, the Executive Board, the Chief Accountant, and managers of departments/subordinate units to participate in seminars and training courses on corporate governance.

For employees, the Company consistently provides opportunities and encourages participation in advanced training courses and professional development programs for practical application in their work.

FINANCIAL AND ACCOUNTING MANAGEMENT

- Collecting and processing all information related to the Company's financial status. Providing audited data reflecting the Company's usage of materials, assets, and the sources of asset formation.
- Collecting and processing information to monitor the Company's financial transactions, including purchases, sales, expenses, income, and payables.
- Monitoring other matters such as payroll, taxes, budgeting, and expenditures.
- Investigating financial discrepancies, errors, or other related issues.
- Resolving or proposing solutions to address any arising financial problems and reduce costs.
- Conducting forecasting and risk analysis for the Company.
- Collaborating with other financial professionals.

QUALITY RELATIONSHIP MANAGEMENT



- Achieved results: Stable product quality, meeting published quality standards. Products have achieved the Vietnam National Brand, creating customer trust in the Company's products and are trusted by domestic and foreign consumers.

- Future improvement plan: The Company is committed to ensuring stable product quality according to published quality standards. Regularly update the quality management system, applicable standards and regulations of Vietnam and export countries to maintain the effectiveness of the system.



CONTENTS

	Page
1. Contents	1
2. Statement of the Board of Management	2 - 3
3. Independent Auditor's Report	4
4. Consolidated balance sheet as of 31 December 2024	5 - 8
5. Consolidated income statement for the fiscal year ended 31 December 2024	9
6. Consolidated cash flow statement for the fiscal year ended 31 December 2024	10 - 11
7. Notes to the consolidated financial statements for the fiscal year ended 31 December 2024	12 - 36

**CONSOLIDATED FINANCIAL
STATEMENTS**
FOR THE FISCAL YEAR ENDED 31 DECEMBER 2024

**KHANH HOA SANEST SOFT
DRINK JOINT STOCK COMPANY**

KHANH HOA SANEST SOFT DRINK JOINT STOCK COMPANY

STATEMENT OF THE BOARD OF MANAGEMENT

The Board of Management of Khanh Hoa Sanest Soft Drink Joint Stock Company (hereinafter referred to as "the Company") presents this statement together with the Consolidated Financial Statements for the fiscal year ended 31 December 2024 including the Financial Statements of the Company and subsidiaries (hereinafter collectively referred to as "the Group").

Business highlights

The Company is an enterprise equitized from Khanh Hoa Sanest Soft Drink One Member Limited Company - state-owned enterprise - in line with Decision No. 1794/QĐ-UBND dated 23 June 2017 of People's Committee of Khanh Hoa Province regarding approval of equitization plan of Khanh Hoa Sanest Soft Drink One Member Limited Company.

Khanh Hoa Sanest Soft Drink Joint Stock Company has been officially operated under joint stock company starting from 16 November 2017 in line with the 1st amended Business Registration Certificate No. 4201675916 dated 16 November 2017 granted by Department of Planning and Investment of Khanh Hoa Province due to transformation of ownership form from one member limited company to joint stock company. Khanh Hoa Sanest Soft Drink Joint Stock Company has inherited all rights and obligations of Khanh Hoa Sanest Soft Drink One Member Limited Company.

During the operation course, the Company has been granted the 2nd amended Business Registration Certificate dated 7 July 2020 granted by Department of Planning and Investment of Khanh Hoa Province due to change of legal representative and business industry.

Head office

- Address : National Road 1A, My Thanh Hamlet, Cam Thinh Dong Commune, Cam Ranh City, Khanh Hoa Province
 - Tel : 0258 3865 666
 - Fax : 0258 3865 664

Principal activities of the Company as in Business Registration Certificate: processing products and functional food from salanganes nests.

Board of Management, Supervisory Board and Executive Officers

The members of the Board of Management, the Supervisory Board and the Executive Officers of the Company during the year and as of the date of this Statement include:

The Board of Management

Full name	Position	Appointing date/Re-appointing date /Resigning date
Mr. Le Duc Tien	Chairman	Re-appointed on 28 May 2022
Ms. Bui Thi Hanh	Member	Re-appointed on 28 May 2022
Mr. Le Huynh Phung	Member	Re-appointed on 28 May 2022
Mr. Nguyen Xuan Anh	Member	Appointed on 28 May 2022
Ms. Nguyen Thi Hai Ha	Member	Appointed on 06 June 2024
Ms. Vo Thi Lieu Nhi	Member	Resigned on 06 June 2024

The Supervisory Board

Full name	Position	Re-appointing date
Ms. Hoang Thi An Vu	Chief of the Board	Re-appointed on 28 May 2022
Mr. Nguyen Minh Quan	Member	Re-appointed on 28 May 2022
Ms. Huynh Thi Tran Le	Member	Re-appointed on 28 May 2022

KHANH HOA SANEST SOFT DRINK JOINT STOCK COMPANY

STATEMENT OF THE BOARD OF MANAGEMENT (cont.)

The Executive Officers

Full name	Position	Appointing date/Re-appointing date /Resigning date
Ms. Le Thi Hong Van	General Director	Resigned on 22 January 2024
Mr. Le Hoang Anh	General Director	Appointed on 28 October 2024
Mr. Le Huynh Phung	Deputy General Director	Resigned on 31 December 2024
Mr. Nguyen Xuan Anh	Deputy General Director	Re-appointed on 28 May 2022
Mr. Truong Van Trung	Deputy General Director	Appointed on 25 July 2022
Ms. Nguyen Thi Minh Huong	Deputy General Director	Appointed on 28 October 2024
Ms. Ngo Thi Huong Lien	Chief Accountant	Resigned on 31 December 2024
Ms. Ngo Thi Xuan Nghia	Accountant in charge	Appointed on 31 December 2024

Legal Representative

The Legal Representative of the Company during the year and as of the date of this statement is Mr. Le Duc Tien - Chairman (appointed on 02 July 2020).

Auditors

A&C Auditing and Consulting Co., Ltd. has been appointed to perform the audit on the Company's Consolidated Financial Statements for the fiscal year ended 31 December 2024.

Responsibility of the Board of General Directors

The Board of General Directors of the Company is responsible for the preparation of the Consolidated Financial Statements to give a true and fair view of the financial position, the financial performance and the cash flows of the Company during the year. In order to prepare the Consolidated Financial Statements, the Board of General Directors must:

- select the appropriate accounting policies and apply them consistently.
- make judgments and estimates reasonably and prudently.
- state clearly whether the accounting standards applied to the Company are followed or not, and all the material differences from these standards are disclosed and explained in the Consolidated Financial Statements.
- prepare the Consolidated Financial Statements of the Company on the going-concern basis, except for the cases that the going-concern basis is considered inappropriate.
- design and implement effectively the internal control system to minimize the risks of material misstatements due to frauds or errors in the preparation and presentation of the Consolidated Financial Statements.

The Board of General Directors hereby ensures that all the proper accounting books of the Company have been fully recorded and can fairly reflect the financial position of the Company at any time, and that all the accounting books have been prepared in compliance with the applicable Accounting System. The Board of General Directors is also responsible for managing the Company's assets and consequently has taken appropriate measures to prevent and detect frauds and other irregularities.

The Board of General Directors commits to the compliance with the aforementioned requirements in preparation of the Consolidated Financial Statements.

Approval on the Consolidated Financial Statements

The Board of Management hereby approves the accompanying Consolidated Financial Statements, which give a true and fair view of the financial position of the Group as of 31 December 2024, the financial performance and the cash flows for the fiscal year then ended in accordance with the Vietnamese Accounting Standards, the Vietnamese Enterprise Accounting System and relevant statutory requirements on the preparation and presentation of the Consolidated Financial Statements.

For and on behalf of the Board of Management,

Le Duc Tien
Chairman

Date: 23 January 2025

A&C AUDITING AND CONSULTING CO., LTD.

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 No. 3.0015/25/TC-AC



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INDEPENDENT AUDITOR'S REPORT

**To: THE SHAREHOLDERS, THE BOARD OF MANAGEMENT AND THE BOARD OF THE GENERAL DIRECTORS
 KHANH HOA SANEST SOFT DRINK JOINT STOCK COMPANY**

We have audited the accompanying Consolidated Financial Statements of Khanh Hoa Sanest Soft Drink Joint Stock Company (hereinafter referred to as "the Company") and its subsidiaries (hereinafter collectively referred to as "the Group"), which were prepared on 23 January 2025 from page 5 to page 36 including the Consolidated Balance Sheet as of 31 December 2024, the Consolidated Income Statement, the Consolidated Cash Flow Statement for the fiscal year then ended and the Notes to the Consolidated Financial Statements.

Responsibility of the Board of General Directors

The Group's Board of General Directors is responsible for the preparation, true and fair presentation of the Consolidated Financial Statements in accordance with the Vietnamese Accounting Standards, the Vietnamese Enterprise Accounting System and relevant statutory requirements on the preparation and presentation of the Consolidated Financial Statements; and responsible for the internal control as the Company's Board of General Directors determines necessary to enable the preparation and presentation of the Consolidated Financial Statements to be free from material misstatement due to fraud or error.

Responsibility of Auditors

Our responsibility is to express an opinion on these Consolidated 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 standards and requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and true and fair presentation of the Consolidated 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 Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Group's Board of General Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.

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

Opinion of Auditors

In our opinion, the Consolidated Financial Statements referred to above, give a true and fair view, in all material respects, the consolidated financial position as of 31 December 2024 of the Group, as well as its consolidated financial performance and its consolidated cash flows for the fiscal year then ended, in conformity with the Vietnamese Accounting Standards, the Vietnamese Enterprise Accounting System and relevant statutory requirements on the preparation and presentation of the Consolidated Financial Statements.

For and on behalf of

A&C Auditing and Consulting Co., Ltd.

Nha Trang Branch



Phan Thi Ngoc Tram

Partner

Audit Practice Registration Certificate No. 0979-2023-008-1

Authorized Signatory

Nha Trang, 23 January 2025

Hang Quynh Hanh

Auditor

Audit Practice Registration Certificate No. 0963-2023-008-1

KHANH HOA SANEST SOFT DRINK JOINT STOCK COMPANY

Address: National Road 1A, My Thanh Hamlet, Cam Thinh Dong Commune, Cam Ranh City, Khanh Hoa Province

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

ANNUAL REPORT 2024

CONSOLIDATED BALANCE SHEET

As of 31 December 2024

Unit: VND

ITEMS	Code	Note	Ending balance	Beginning balance
A - CURRENT ASSETS	100		621.789.028.838	758.651.780.592
I. Cash and cash equivalents	110	V.1	140.961.072.575	148.322.638.087
1. Cash	111		95.904.990.383	81.322.638.087
2. Cash equivalents	112		45.056.082.192	67.000.000.000
II. Short-term investments	120		-	-
1. Trading securities	121		-	-
2. Provisions for devaluation of securities trading	122		-	-
3. Held-to-maturity investments	123		-	-
III. Short-term receivables	130		82.480.224.071	278.808.475.310
1. Short-term trade receivables	131	V.2	77.869.128.142	267.386.248.719
2. Short-term prepayments to suppliers	132	V.3	2.735.594.345	9.418.396.739
3. Short-term inter-company receivable	133		-	-
4. Receivable according to the progress of construction contract	134		-	-
5. Short-term loans receivable	135		-	-
6. Other short-term receivables	136	V.4a	1.875.501.584	2.003.829.852
7. Allowance for short-term doubtful debts	137		-	-
8. Deficit assets for treatment	139		-	-
IV. Inventories	140		382.941.061.858	322.696.934.511
1. Inventories	141	V.5	382.941.061.858	322.696.934.511
2. Allowance for devaluation of inventories	149		-	-
V. Other current assets	150		15.406.670.334	8.823.732.684
1. Short-term prepaid expenses	151	V.6a	6.601.803.508	5.811.013.510
2. Deductible VAT	152		5.806.246.487	91.054.876
3. Taxes and other accounts receivable from the State	153	V.13	2.998.620.339	2.921.664.298
4. Trading Government bonds	154		-	-
5. Other current assets	155		-	-

This statement should be read in conjunction with the Notes to the Combined/Consolidated Financial Statements

KHANH HOA SANEST SOFT DRINK JOINT STOCK COMPANY

Address: National Road 1A, My Thanh Hamlet, Cam Thinh Dong Commune, Cam Ranh City, Khanh Hoa Province

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Consolidated Balance Sheet (cont.)

ITEMS	Code	Note	Ending balance	Beginning balance
B - NON-CURRENT ASSETS	200		196.688.685.090	195.152.953.946
I. Long-term receivables	210		189.000.000	211.000.000
1. Long-term trade receivables	211		-	-
2. Long-term prepayment to suppliers	212		-	-
3. Working capital in affiliates	213		-	-
4. Long-term inter-company receivable	214		-	-
5. Long-term loans receivable	215		-	-
6. Other long-term receivable	216	V.4b	189.000.000	211.000.000
7. Allowance for long-term doubtful debts	219		-	-
II. Fixed assets	220		160.706.250.048	109.006.951.814
1. Tangible fixed assets	221	V.7	160.523.527.829	108.672.062.927
- Historical cost	222		407.724.387.557	330.384.628.068
- Accumulated depreciation	223		(247.200.859.728)	(221.712.565.141)
2. Financial leased assets	224		-	-
- Historical cost	225		-	-
- Accumulated depreciation	226		-	-
3. Intangible fixed assets	227	V.8	182.722.219	334.888.887
- Initial cost	228		924.277.779	924.277.779
- Accumulated amortization	229		(741.555.560)	(589.388.892)
III. Investment property	230		-	-
- Historical costs	231		-	-
- Accumulated depreciation	232		-	-
IV. Long-term assets in process	240		6.858.232.850	42.182.939.487
1. Long-term work-in-process	241		-	-
2. Construction-in-progress	242	V.9	6.858.232.850	42.182.939.487
V. Long-term investments	250		-	-
1. Investments in subsidiaries	251		-	-
2. Investments in joint ventures and associates	252		-	-
3. Investments in other entities	253		-	-
4. Provisions for devaluation of long-term financial investments	254		-	-
5. Held-to-maturity investments	255		-	-
VI. Other non-current assets	260		28.935.202.192	43.752.062.645
1. Long-term prepaid expenses	261	V.6b	23.134.882.164	38.997.075.643
2. Deferred income tax assets	262	V.10	5.800.320.028	4.754.987.002
3. Long-term components and spare parts and accessories	263		-	-
4. Other non-current assets	268		-	-
5. Goodwill	269		-	-
TOTAL ASSETS	270		818.477.713.928	953.804.734.538

This statement should be read in conjunction with the Notes to the Combined/Consolidated Financial Statements

KHANH HOA SANEST SOFT DRINK JOINT STOCK COMPANY

Address: National Road 1A, My Thanh Hamlet, Cam Thinh Dong Commune, Cam Ranh City, Khanh Hoa Province

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Consolidated Balance Sheet (cont.)

ITEMS	Code	Note	Ending balance	Beginning balance
C - LIABILITIES	300		410.117.821.668	519.637.259.890
I. Current liabilities	310		379.701.236.557	508.015.018.390
1. Short-term trade payables	311	V.11	210.740.658.909	199.816.767.344
2. Short-term advances from customers	312	V.12	814.227.056	470.547.468
3. Taxes and other obligations payable to State Budget	313	V.13	17.446.260.266	23.675.416.304
4. Payables to employees	314	V.14	16.698.919.246	73.360.610.062
5. Short-term accrued expenses	315	V.15	321.149.363	35.672.658.454
6. Short-term inter-company payables	316		-	-
7. Payable according to the progress of construction contracts	317		-	-
8. Short-term unearned revenue	318		-	-
9. Other short-term payables	319	V.16	5.016.318.493	4.190.428.963
10. Short-term borrowings and financial leases	320	V.17a,c	111.023.428.423	140.013.976.253
11. Provisions for short-term payables	321		-	-
12. Bonus and welfare funds	322	V.18	17.640.274.801	30.814.613.542
13. Price stabilization fund	323		-	-
14. Trading Government bonds	324		-	-
II. Long-term liabilities	330		30.416.585.111	11.622.241.500
1. Long-term trade payables	331		-	-
2. Long-term prepayment from customers	332		-	-
3. Long-term accrued expenses	333		-	-
4. Inter-company payables for operating capital	334		-	-
5. Long-term inter-company payables	335		-	-
6. Long-term unearned revenue	336		-	-
7. Other long-term payables	337		-	-
8. Long-term borrowing and financial leases	338	V.17b,c	30.416.585.111	11.622.241.500
9. Convertible bonds	339		-	-
10. Preferred shares	340		-	-
11. Deferred income tax payable	341		-	-
12. Provisions for long-term payables	342		-	-
13. Science and technology development funds	343		-	-

This statement should be read in conjunction with the Notes to the Combined/Consolidated Financial Statements

KHANH HOA SANEST SOFT DRINK JOINT STOCK COMPANY

Address: National Road 1A, My Thanh Hamlet, Cam Thinh Dong Commune, Cam Ranh City, Khanh Hoa Province

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Consolidated Balance Sheet (cont.)

ITEMS	Code	Note	Ending balance	Beginning balance
D - OWNER'S EQUITY	400		408.359.892.260	434.167.474.648
I. Owner's equity	410		408.359.892.260	434.167.474.648
1. Owner's capital	411	V.19	330.000.000.000	330.000.000.000
- Ordinary shares carrying voting right	411a		330.000.000.000	330.000.000.000
- Preferred shares	411b		-	-
2. Share premiums	412		-	-
3. Bond conversion option	413		-	-
4. Other sources of capital	414		-	-
5. Treasury stocks	415		-	-
6. Differences on asset revaluation	416		-	-
7. Foreign exchange differences	417		-	-
8. Investment and development fund	418	V.19	40.087.911.829	34.461.191.621
9. Business arrangement supporting fund	419		-	-
10. Other funds	420		-	-
11. Retained earnings	421	V.19	38.271.980.431	69.706.283.027
- Retained earnings accumulated to the end of the previous period	421a		10.283.027	69.706.283.027
- Retained earnings of the current period	421b		38.261.697.404	-
12. Construction investment fund	422		-	-
13. Benefits of non-controlling shareholders	429		-	-
II. Other sources and funds	430		-	-
1. Sources of expenditure	431		-	-
2. Fund to form fixed assets	432		-	-
TOTAL LIABILITIES AND OWNER'S EQUITY	440		818.477.713.928	953.804.734.538



Ngo Thi Xuan Nghia
Preparer/Accountant in charge



Le Hoang Anh
General Director



Khanh Hoa, 23 January 2025



Le Duc Tien
Chairman
Legal representative

KHANH HOA SANEST SOFT DRINK JOINT STOCK COMPANY

Address: National Road 1A, My Thanh Village, Cam Thinh Dong Commune, Cam Ranh City, Khanh Hoa Province

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

CONSOLIDATED INCOME STATEMENT

For the fiscal year ended 31 December 2024

Đơn vị tính: VND

ITEMS	Code	Note	Current year	Previous year
1. Revenue from sales of goods and provisions of services	01	VI.1	1.180.680.912.113	1.900.050.405.421
2. Revenue deductions	02		3.343.722.900	-
3. Net revenue	10		1.177.337.189.213	1.900.050.405.421
4. Cost of sales	11	VI.2	827.713.211.837	1.412.128.126.600
5. Gross profit	20		349.623.977.376	487.922.278.821
6. Financial income	21	VI.3	1.920.529.330	1.431.987.757
7. Financial expenses	22	VI.4	5.253.688.593	4.745.461.318
In which: Loan interest expenses	23		5.243.992.712	4.509.084.651
8. Gain/(loss) in joint ventures and associates	24		-	-
9. Selling expenses	25	VI.5	207.200.169.827	270.080.163.454
10. General and administration expenses	26	VI.6	68.341.781.409	86.007.299.804
11. Net operating profit	30		70.748.866.877	128.521.342.002
12. Other income	31	VI.7	644.321.242	497.512.841
13. Other expenses	32	VI.8	78.835.227	8.805.854
14. Other profit	40		565.486.015	488.706.987
15. Total accounting profit before tax	50		71.314.352.892	129.010.048.989
16. Current income tax	51	V.13	16.092.483.852	23.006.972.666
17. Deferred income tax	52	VI.9	(1.045.333.026)	3.502.092.459
18. Profit after tax	60		56.267.202.066	102.500.983.864
19. Profit after tax of the parent company	61		56.267.202.066	102.500.983.864
20. Profit/ (loss) after tax of non-controlling shareholders	62		-	-
21. Earning per share	70	VI.10	1.364	2.485
22. Diluted earning per share	71	VI.10	1.364	2.485



Ngo Thi Xuan Nghia
Preparer/Accountant in charge



Le Hoang Anh
General Director



Khanh Hoa, 23 January 2025



Le Duc Tien
Chairman
Legal representative

KHANH HOA SANEST SOFT DRINK JOINT STOCK COMPANY

Address: National Road 1A, My Thanh Village, Cam Thinh Dong Commune, Cam Ranh City, Khanh Hoa Province

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

CONSOLIDATED CASH FLOW STATEMENT

(Indirect method)

For the fiscal year ended 31 December 2024

Unit: VND

ITEMS	Code	Note	Current year	Previous year
I. Cash flows from operating activities				
1. Profit before tax	01		71.314.352.892	129.010.048.989
2. Adjustments				
- Depreciation/Amortization of fixed assets and investment properties	02		26.483.288.707	28.377.676.628
- Provisions	03		-	-
- Gain/ (loss) from exchange difference due to revaluation of monetary items in foreign currencies	04		-	-
- Gain/ (loss) from investing activities	05	VI.3,7	(1.372.161.303)	(1.315.233.015)
- Interest expenses	06	VI.4	5.243.992.712	4.509.084.651
- Other adjustments	07		-	-
3. Operating profit before changes of working capital	08		101.669.473.008	160.581.577.253
- Increase/(decrease) of receivables	09		183.184.119.077	(235.515.938.823)
- Increase/(decrease) of inventories	10	V.5	(60.244.127.347)	199.909.058.178
- Increase/(decrease) of payables	11		(87.142.759.595)	27.093.171.621
- Increase/ (decrease) of prepaid expenses	12	V.6	15.071.403.481	11.099.230.204
- Increase/(decrease) of securities trading	13		-	-
- Interests paid	14	VI.4	(4.977.871.752)	(4.509.084.651)
- Corporate income tax paid	15	V.13	(11.349.559.143)	(38.893.232.315)
- Other cash inflows	16	V.18	411.080.000	356.725.000
- Other cash outflows	17		(25.899.584.154)	(15.165.012.821)
Net cash flows from operating activities	20		110.722.173.575	104.956.493.646
II. Cash flows from investing activities				
1. Purchases and construction of fixed assets and other long-term assets	21		(40.014.775.405)	(43.069.769.857)
2. Proceeds from disposals of fixed assets and other long-term assets	22		-	-
3. Cash outflow for lending, buying debt instruments of other entities	23		-	-
4. Cash recovered from lending, selling debt instruments of other entities	24		-	-
5. Investments into other entities	25		-	-
6. Withdrawals of investments in other entities	26		-	-
7. Interest earned, dividends and profits received	27	VI.3	1.823.240.537	1.315.233.015
Net cash flows from investing activities	30		(38.191.534.868)	(41.754.536.842)

This statement should be read in conjunction with the Notes to the Combined/Consolidated Financial Statements

KHANH HOA SANEST SOFT DRINK JOINT STOCK COMPANY


Address: National Road 1A, My Thanh Village, Cam Thinh Dong Commune, Cam Ranh City, Khanh Hoa Province

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Consolidated Cash Flow Statement (cont.)

ITEMS	Code	Note	Current year	Previous year
III. Cash flows from financing activities				
1. Proceeds from issuing stocks and capital contributions from owners	31		-	-
2. Repayment for capital contributions and re-purchases of stocks already issued	32		-	-
3. Receivables from borrowings	33	V.17a,b	355.512.710.344	373.350.279.738
4. Repayment for loan principal	34	V.17a,b	(365.708.914.563)	(282.755.893.142)
5. Payments for financial leased assets	35		-	-
6. Dividends and profit paid to the owners	36	V.19	(69.696.000.000)	(63.855.000.000)
Net cash flows from financing activities	40		(79.892.204.219)	26.739.386.596
Net cash flows during the period	50		(7.361.565.512)	89.941.343.400
Beginning cash and cash equivalents	60	V.1	148.322.638.087	58.381.294.687
Effects of fluctuations in foreign exchange rates	61		-	-
Ending cash and cash equivalents	70	V.1	140.961.072.575	148.322.638.087



Ngo Thi Xuan Nghia
Preparer/Accountant in charge



Le Hoang Anh
General Director



Le Duc Tien
Chairman
Legal representative

This statement should be read in conjunction with the Notes to the Combined/Consolidated Financial Statements

KHANH HOA SANEST SOFT DRINK JOINT STOCK COMPANY

Address: National Road 1A, My Thanh Village, Cam Thinh Dong Commune, Cam Ranh City, Khanh Hoa Province

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

I. GENERAL INFORMATION**1. Investment form**

Khanh Hoa Sanest Soft Drink Joint Stock Company (hereinafter referred to as “the Company”) is a joint stock company.

2. Operating field

Manufacturing.

3. Business industry

Principal business activities of the Company: processing products and functional food from salanganes' nests.

4. Normal operating cycle

Normal operating cycle of the Company is within 12 months.

5. Effects of the Company's operation during the year on the Consolidated Financial Statements

The Company's sales have decreased due to decrease of purchasing power causing its profit in current year to decrease in comparison with that of the previous year.

6. Structure of the Group**6a. Information on the Group's restructuring**

During the year, the Group has not had the additional acquisition, liquidation or withdrawal of capital at subsidiaries.

6b. List of subsidiaries consolidated

Name of the Company	Head office's address	Principal business activities
Sanest Khanh Hoa One Member Limited Liability Company	Lot 10 Dien Phu Industrial Park - VCN, Dien Phu Commune, Dien Khanh District, Khanh Hoa Province	Trading and retailing food
Salanganes Nest Special Processing One Member Limited Liability Company	Lot TP3 Song Cau Industrial Park, Song Cau Commune, Khanh Vinh District, Khanh Hoa Province	Trading food

The capital contribution rate, the benefit rate and voting rate of the Company at subsidiaries are 100%.

7. Statement on information comparability on the Consolidated Financial Statements

The figures in current year can be comparable with corresponding figures of the previous year.

8. Employees

As of the balance sheet date, there have been 1.139 employees working for the Group (at the beginning of the year: 1.192 employees).

KHANH HOA SANEST SOFT DRINK JOINT STOCK COMPANY

Address: National Road 1A, My Thanh Village, Cam Thinh Dong Commune, Cam Ranh City, Khanh Hoa Province

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Notes to the Consolidated Financial Statements (cont.)

II. FISCAL YEAR AND ACCOUNTING CURRENCY**1. Fiscal year**

The fiscal year of the Group is from 1 January to 31 December annually.

2. Accounting currency unit

The accounting currency unit is VND because payments and receipts of the Group are primarily made in VND.

III. ACCOUNTING STANDARDS AND SYSTEM**1. Accounting Standards and System**

The Group applies the Vietnamese Accounting Standards, the Vietnamese Enterprise Accounting System which were issued together with the Circular No. 200/2014/TT-BTC dated 22 December 2014 guiding the Enterprise Accounting System, the Circular No. 53/2016/TT-BTC dated 21 March 2016, the Circular No. 202/2014/TT-BTC dated 22 December 2014 guiding the preparation and presentation of the Consolidated Financial Statements and other Circulars guiding the implementation of Vietnamese Accounting Standards of the Ministry of Finance in the preparation and presentation of the Consolidated Financial Statements.

2. Statement on the compliance with the Accounting Standards and System

The Board of Directors ensures to follow all the requirements of the Vietnamese Accounting Standards, the Vietnamese Enterprise Accounting System, which were issued together with the Circular No. 200/2014/TT-BTC dated 22 December 2014, the Circular No. 53/2016/TT-BTC dated 21 March 2016, the Circular No. 202/2014/TT-BTC dated 22 December 2024 as well as other Circulars guiding the implementation of Vietnamese Accounting Standards of the Ministry of Finance in the preparation and presentation of the Consolidated Financial Statements.

IV. ACCOUNTING POLICIES**1. Accounting convention**

All the Consolidated Financial Statements are prepared on the accrual basis (except for the information related to cash flows).

2. Consolidation bases

The Consolidated Financial Statements include the Financial Statements of the parent company and Financial Statements of its subsidiaries. A subsidiary is an entity that is controlled by the parent company. The control exists when the parent company has the power to directly or indirectly govern the financial and operating policies of the subsidiary to obtain economic benefits from its activities. In determining the control power, the options that are currently valid or will be transferred should also be taken into consideration.

The business results of the subsidiaries repurchased or liquidated during the year will be posted the consolidated income statements starting from the date of purchase or from the date of liquidation of investments in that ones.

Financial Statements of the parent company and those of subsidiary used for consolidation are prepared in the same accounting year and apply consistently accounting policies to the same types of transactions and events in similar circumstances. In the case that the accounting policy of a

KHANH HOA SANEST SOFT DRINK JOINT STOCK COMPANY

Address: National Road 1A, My Thanh Village, Cam Thinh Dong Commune, Cam Ranh City, Khanh Hoa Province

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Notes to the Consolidated Financial Statements (cont.)

subsidiary is different from the accounting policy applied consistently in the Group, the Financial Statements of that subsidiary will be properly adjusted before being used for the preparation of the Consolidated Financial Statements.

The balances of the balance sheet between the entities of the same Group, the intra-group transactions and resulting unrealised profits should be eliminated in full when preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions should also be eliminated unless cost cannot be recovered.

Interest of uncontrolling shareholders is reflected part of profit/ loss in business results and net assets of subsidiary not possessed by the Group and presented on the consolidated business results and consolidated balance sheet separately (belonging part of owner's equity). Interest of uncontrollable shareholders include the amount at the date of the original combination; and the amount of movements in equity since the date of the combination. The losses arisen at subsidiary are allocated corresponding amount with capital of uncontrollable shareholders including those losses exceeding possessing part of uncontrollable shareholders in net sales of subsidiary.

3. Foreign currency transactions

Transactions in foreign currencies are converted at the actual exchange rates ruling as of the transaction dates. The ending balances of monetary items in foreign currencies are converted at the actual exchange rates ruling as of the balance sheet.

Foreign exchange differences arisen from foreign currency transactions during the year shall be included into financial income or financial expenses. Foreign exchange differences due to the revaluation of ending balances of the monetary items in foreign currencies after offsetting their positive differences against negative differences shall be included into financial income or financial expenses.

The exchange rate used to convert foreign currency transactions is the actual exchange rate ruling as at the time of these transactions. The actual exchange rates applied to foreign currency transactions are as follows:

- For the foreign currency trading contract (including spot contract, forward contract): the exchange rate stipulated in the contracts of trading foreign currency between the Company and the Bank.
- For receivables: the buying rate ruling as at the time of transaction of the commercial bank where the Company designates the customers to make payments.
- For payables: the selling rate ruling as at the time of transaction of the commercial bank where the Company supposes to make payments.
- For acquisition of assets or immediate payments in foreign currency (not included into payable accounts): the buying rate of the commercial bank where the Company makes payments.

The exchange rate used to revalue the balance of monetary items in foreign currency as of the balance sheet date is determined as follows:

- For foreign currency deposits: the buying rate of the bank where the Company opens its foreign currency account.
- For monetary items in foreign currencies classified as other assets: the buying rate of the bank where the Company frequently conducts transactions.
- For monetary items in foreign currencies classified as payables: the selling rate of bank where the Company frequently conducts transactions.

KHANH HOA SANEST SOFT DRINK JOINT STOCK COMPANY

Address: National Road 1A, My Thanh Village, Cam Thinh Dong Commune, Cam Ranh City, Khanh Hoa Province

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Notes to the Consolidated Financial Statements (cont.)

4. Cash and cash equivalents

Cash include cash on hand and demand deposits. Cash equivalents are short-term investments of which the due dates do not exceed 3 months from the dates of the investments that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value as of the balance sheet date.

5. Receivables

Receivables are recognized at the carrying amounts less allowances for doubtful debts.

The classification of receivables as trade receivables and other receivables is made according the following principles:

- Trade receivables reflect receivables concerning the commercial nature arising from purchase and sale transactions between the Company and customers who are independent to the Company, inclusive of receivables for the exports entrusted to other entities.
- Other receivables reflect receivables not concerning the commercial nature and irrelevant to purchase and sale transactions.

Allowance is made for each doubtful debt on the basis of the debt age after offsetting against other payables (if any) or estimated loss, details are as follows:

- As for outstanding debts:
 - 30% of the value of debts outstanding from over 6 months to under 1 year.
 - 50% of the value of debts outstanding from 1 year to under 2 years.
 - 70% of the value of debts outstanding from 2 years to under 3 years.
 - 100% of the value of debts outstanding from over 3 years.
- As for doubtful debts: Allowance is made on the basis of the estimated loss.

Increases/(decreases) in the obligatory allowance for doubtful debts as of the balance sheet date are recorded into "General and administration expenses".

6. Inventories

Inventories are recognized at the lower of cost or net realizable value.

Cost of inventories is determined as follows:

- For materials and merchandises: Costs comprises costs of purchases and other directly relevant costs incurred in bringing the inventories to their present location and conditions.
- Work-in-process: Costs only comprises main materials, sub-materials and supplies costs.
- For finished goods: Cost comprises costs of materials, direct labor and directly relevant general manufacturing expenses allocated on the basis of normal operations.

Stock-out costs of inventories are determined in accordance with the weighted average method and recorded in line with the perpetual method.

Net realizable value is the estimated selling price of inventories in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Allowance for inventories is recognized for each type of inventories when their costs are higher than their net realizable values. Increases/(decreases) in the obligatory allowance for inventories as of the balance sheet date are recorded into "Costs of sales".

KHANH HOA SANEST SOFT DRINK JOINT STOCK COMPANY

Address: National Road 1A, My Thanh Village, Cam Thinh Dong Commune, Cam Ranh City, Khanh Hoa Province

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Notes to the Consolidated Financial Statements (cont.)

7. Prepaid expenses

Prepaid expenses comprise actual expenses arising and relevant to financial performance in several financial years. Prepaid expenses of the Company include value of business advantage, expenses for renting land, infrastructure at industrial park, for renting space and tools. These expenses are allocated during the prepaid period or period that corresponding economic benefits made from these costs.

Business advantage

Business advantage is recorded according to the amounts stated in Business Valuation Minutes as at 30 June 2016. The business advantage is allocated into expenses for the maximum period of 10 years from the date the Company has operated under joint stock company method.

Expenses for renting land and infrastructure at Industrial Park

Expenses for renting land and infrastructure at Industrial Park are allocated into expenses in accordance with the straight-line method. The allocation period is made starting from the project coming into operation until the end of the project.

Expenses for renting space

Expenses for renting space is allocated into expenses in accordance with the straight-line method over the lease term.

Tools

Expenses of tools being put into use are allocated into expenses in accordance with the straight-line method for the maximum period of 36 months.

8. Operating leased assets

A lease is classified as an operating lease if it transfers substantially all the risks and rewards incident to ownership belonging to the lessor. The lease expenses are allocated in the Company's operation costs in accordance with the straight-line method over the lease term and are not depend on the method of lease payment.

9. Tangible fixed assets

Tangible fixed assets are determined by their historical costs less accumulated depreciation. Historical costs of tangible fixed assets include all the expenses paid by the Company to bring the asset to its working condition for its intended use. Other expenses arising subsequent to initial recognition are included into historical costs of fixed assets only if it can be clearly demonstrated that the expenditure has resulted in future economic benefits expected to be obtained from the use of these assets. Those which do not meet the above conditions will be recorded into operation costs during the year.

When a tangible fixed asset is sold or disposed, its historical cost and accumulated depreciation are written off, then any gain or loss arising from such disposal is included in the income or the expenses during the year.

Tangible fixed assets are depreciated in accordance with the straight-line method over their estimated useful lives. The depreciation years applied are as follows:

Fixed assets	Years
Buildings and structures	05 - 25
Machinery and equipment	04 - 12
Vehicles	06 - 10
Office equipment	05
Other fixed assets	05

KHANH HOA SANEST SOFT DRINK JOINT STOCK COMPANY

Address: National Road 1A, My Thanh Village, Cam Thinh Dong Commune, Cam Ranh City, Khanh Hoa Province

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Notes to the Consolidated Financial Statements (cont.)

10. Intangible fixed assets

Intangible fixed assets are determined by their initial costs less accumulated amortization.

Initial costs of intangible fixed assets include all the costs paid by the Company to bring the asset to its working condition for its intended use. Other costs relevant to intangible fixed assets arising subsequent to initial recognition are included into operation costs during the period only if these costs are associated with a specific intangible fixed asset and result in future economic benefits expected to be obtained from the use of these assets.

When an intangible fixed asset is sold or disposed, its initial costs and accumulated amortization are written off, then any gain or loss arising from such disposal is included in the income or the expenses during the year.

The Company's intangible fixed asset includes computer software.

Purchase price of computer software, which is not a part associated with the relevant hardware, will be capitalized. Initial costs of computer software include all the expenses paid by the Company until the date the software is put into use. Computer software is amortized in accordance with the straight-line method in 5 years.

11. Construction-in-progress

Construction-in-progress reflects the expenses (including relevant loan interest expenses following the accounting policies of the Company) directly related to the construction of plants and the installation of machinery and equipment to serve for production, leasing, and management as well as the repair of fixed assets, which have not been completed yet. Assets in the progress of construction and installation are recorded at historical costs and not depreciated.

12. Contractual arrangement**Jointly controlled assets**

In respect of its interest in jointly controlled assets, the Company shall recognise in its Financial Statements:

- any liabilities that the Company has incurred.
- any income from the sale or use of the Company's share of the output of the joint venture, together with its share of any expenses incurred by the joint venture.
- any expenses that the Company has incurred in respect of its interest in the joint venture.

Fixed assets and investment property contributed into the contractual arrangement without transferring the ownership into the joint ownership of the venturers are not recognized as a decrease in assets. In case the Company received the assets contributed into the joint venture, these assets shall be recognized as assets kept on other's behalf instead of an increase in asset and owner's equity.

13. Payables and accrued expenses

Payables and accrued expenses are recorded based on the amounts payable for goods and services already used. Accrued expenses are recorded based on reasonable estimates for the amounts payable.

The classification of payables as trade payables, accrued expenses, and other payables is made on the basis of following principles:

KHANH HOA SANEST SOFT DRINK JOINT STOCK COMPANY

Address: National Road 1A, My Thanh Village, Cam Thinh Dong Commune, Cam Ranh City, Khanh Hoa Province

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Notes to the Consolidated Financial Statements (cont.)

- Trade payables reflect payables of commercial nature arising from the purchase of goods, services, or assets and the seller is an independent entity with the Company, including payables for import through entrustment.
- Accrued expenses reflect expenses for goods, services received from suppliers or supplied to customers but have not been paid, invoiced or lack of accounting records and supporting documents; pay on leave payable to employees; and accrual of operation expenses.
- Other payables reflect payables of non-commercial nature and irrelevant to purchase, sales of goods or provisions of services.

Payables and accrued expenses are classified as short term and long term items in balance sheet on the basis of their remaining term as of the balance sheet date.

14. Owner's equity**Owner's capital**

Owner's capital is recorded according to the actual amounts invested by shareholders.

15. Profit distribution

Profit after tax is distributed to the shareholders after appropriation for funds under the Charter of the Company as well as legal regulations and approved by the General Shareholders' meeting.

The distribution of profits to the shareholders is made with consideration toward non-cash items in the retained earnings that may affect cash flows and payment of dividends such as profit due to revaluation of assets contributed as investment capital, profit due to revaluation of monetary items, financial instruments and other non-cash items.

Dividends is recorded as payables upon approval of the Shareholders' Meeting and notice of dividends payment of the Company.

16. Recognition of revenue and income**Revenue from sales of merchandise, finished goods**

Revenue from sales of merchandise and finished goods shall be recognized when all of the following conditions are satisfied:

- The Company transfers most of risks and benefits incident to the ownership of products or goods to customers.
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- The amount of sales can be measured reliably. Where the contracts stipulate that buyers have the right to return products, goods purchased under specific conditions, sales are recorded only when those specific conditions are no longer exist and buyers retains no right to return products, goods (except for the case that such returns are in exchange for other goods or services).
- It is probable that the economic benefits associated with sale transactions will flow to the Company.
- The cost incurred or to be incurred in respect of the sale transaction can be measured reliably.

Interest

Interest is recorded, based on the term and the actual interest rate applied in each particular period.

KHANH HOA SANEST SOFT DRINK JOINT STOCK COMPANY

Address: National Road 1A, My Thanh Village, Cam Thinh Dong Commune, Cam Ranh City, Khanh Hoa Province

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Notes to the Consolidated Financial Statements (cont.)

17. Revenue deductions

Revenue deductions include trade discounts, sales allowances, sales returns incurred in the same period of providing goods, merchandises which are recorded as a deduction of sales in such period.

In case of goods, merchandises, services provided in the previous years but trade discounts, sales allowances, sales returns incurred in the current period, sales deductions shall be recorded as follows:

- If sales allowances, trade discounts, sales returns incur prior to the release of the Financial Statements, such sales deductions are recognized in the Financial Statements of the current period.
- If sales allowances, trade discounts, sales returns incur after the release of the Financial Statements, such sales deductions are recognized in the Financial Statements of the following period.

18. Borrowing costs

Borrowing costs are interests and other costs that the Company directly incurs in connection with the borrowing.

Borrowing costs are recorded as an expense when it is incurred. In case the borrowing costs are directly attributable to the construction or the production of an asset in progress, which takes a substantial period of time (over 12 months) to get ready for intended use or sales of the asset, these costs will be included in the cost of that asset. To the extent that the borrowings are especially for the purpose of construction of fixed assets and investment properties, the borrowing cost is eligible for capitalization even if construction period is under 12 months. Incomes arisen from provisional investments as loans are recognized as a decrease in the costs of relevant assets.

In the event that general borrowings are partly used for the acquisition, construction or production of an asset in progress, the costs eligible for capitalization will be determined by applying the capitalization rate to average accumulated expenditure on construction or production of that asset. The capitalization rate is computed at the weighted average interest rate of the borrowings not yet paid during the year, except for particular borrowings serving the purpose of obtaining a specific asset.

19. Expenses

Expenses are those that result in outflows of the Company's economic benefits and are recorded at the time of transactions or when incurrence of the transaction is reliable regardless of whether payment for expenses is made or not.

Expenses and their corresponding revenues are simultaneously recognized in accordance with matching principle. In the event that matching principle conflicts with prudence principle, expenses are recognized based on the nature and regulations of accounting standards in order to guarantee that transactions can be fairly and truly reflected.

20. Corporate income tax

Corporate income tax includes current income tax and deferred income tax.

Current income tax

Current income tax is the tax amount computed based on the taxable income. Taxable income is different from accounting profit due to the adjustments of temporary differences between tax and accounting figures, non-deductible expenses as well as those of non-taxable income and losses brought forward.

KHANH HOA SANEST SOFT DRINK JOINT STOCK COMPANY

Address: National Road 1A, My Thanh Village, Cam Thinh Dong Commune, Cam Ranh City, Khanh Hoa Province

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Notes to the Consolidated Financial Statements (cont.)

Deferred income tax

Deferred income tax is the amount of corporate income tax payable or refundable due to temporary differences between book values of assets and liabilities serving the preparation of the financial statements and the values for tax purposes. Deferred income tax liabilities are recognized for all the temporary taxable differences. Deferred income tax assets are recorded only when there is an assurance on the availability of taxable income in the future against which the temporarily deductible differences can be used.

Carrying values of deferred corporate income tax assets are considered as of the balance sheet date and will be reduced to the rate that ensures enough taxable income against which the benefits from part of or all of the deferred income tax can be used. Deferred corporate income tax assets, which have not been recorded before, are considered as of the balance sheet date and are recorded when there is certainly enough taxable income to use these unrecognized deferred corporate income tax assets.

Deferred income tax assets and deferred income tax liabilities are determined at the estimated rate to be applied in the year when the assets are recovered or the liabilities are settled based on the effective tax rates as of the balance sheet date. Deferred income tax is recognized in the income statement. In the case that deferred income tax is related to the items of the owner's equity, corporate income tax will be included in the owner's equity.

The Company shall offset deferred tax assets and deferred tax liabilities if, and only if:

- The Company has the legal right to offset current income tax assets against current income tax liabilities; and
- Deferred income tax assets and deferred income tax liabilities are relevant to corporate income tax which is under the management of one tax authority either:
 - Of the same subject to corporate income tax; or
 - The Company has intention to pay current income tax liabilities and current income tax assets on a net basis or recover tax assets and settle tax liability simultaneously in each future period to the extent that the majority of deferred income tax liabilities or deferred income tax assets are paid or recovered.

21. Related parties

A party is considered a related party of the Company in case that party is able to control the Company or to cause material effects on the financial decisions as well as the operations of the Company. A party is also considered a related party of the Company in case that party is under the same control or is subject to the same material effects.

Considering the relationship of related parties, the nature of relationship is focused more than its legal form.

22. Segment reporting

A business segment is a distinguishable component of the Company that is engaged in manufacturing or providing products or services and that is subject to risks and returns that are different from those of other business segments.

A geographical segment is a distinguishable component of the Company that is engaged in manufacturing or providing products or services within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environments.

KHANH HOA SANEST SOFT DRINK JOINT STOCK COMPANY

Address: National Road 1A, My Thanh Village, Cam Thinh Dong Commune, Cam Ranh City, Khanh Hoa Province

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Notes to the Consolidated Financial Statements (cont.)

Information of segment is prepared and presented in conformity with accounting policy in application and presentation of the Company's Financial Statements.

V. ADDITIONAL INFORMATION ON THE ITEMS OF THE CONSOLIDATED BALANCE SHEET**1. Cash and cash equivalents**

	<u>Ending balance</u>	<u>Beginning balance</u>
Cash on hand	1.329.116.433	1.503.745.271
Demand bank deposits	94.575.873.950	79.818.892.816
Cash equivalents	45.056.082.192	67.000.000.000
- Bank deposits of which the principal maturity is from 3 months or less	<u>45.056.082.192</u>	<u>67.000.000.000</u>
Total	<u>140.961.072.575</u>	<u>148.322.638.087</u>

2. Short-term trade receivables

	<u>Ending balance</u>	<u>Beginning balance</u>
Receivables from related parties	<u>47.457.605.389</u>	<u>166.876.867.674</u>
Khanh Hoa Salanganes Nest Company	22.273.446.107	144.572.334.379
Khanh Hoa Salanganes Nest Soft Drink JSC	20.253.708.938	18.554.249.161
Sanatech Land Construction Designing One Member Limited Liability Company	-	32.995.522
Khanh Hoa Lam Dong Sanest Restaurant and Tourist Service One Member Limited Company	2.772.792	1.686.669.156
Cam Thinh Coconut Farm One Member Limited Liability Company	4.927.677.552	2.030.619.456
Receivable from other customers	<u>30.411.522.753</u>	<u>100.509.381.045</u>
Other customers	30.411.522.753	100.509.381.045
Total	<u>77.869.128.142</u>	<u>267.386.248.719</u>

3. Short-term prepayments to suppliers

	<u>Ending balance</u>	<u>Beginning balance</u>
Prepayments to related parties	-	<u>396.243.866</u>
Khanh Hoa Salanganes Nest Company	-	82.677.866
Sanatech Land Construction Designing One Member Limited Liability Company	-	313.566.000
Prepayments to other suppliers	<u>2.735.594.345</u>	<u>9.022.152.873</u>
CIC Construction and Consulting Joint Stock Company	-	1.504.681.000
Other suppliers	2.735.594.345	7.517.471.873
Total	<u>2.735.594.345</u>	<u>9.418.396.739</u>

KHANH HOA SANEST SOFT DRINK JOINT STOCK COMPANY

Address: National Road 1A, My Thanh Village, Cam Thinh Dong Commune, Cam Ranh City, Khanh Hoa Province

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Notes to the Consolidated Financial Statements (cont.)

4. Other short-term/ long-term receivables**4a. Other short-term receivables**

	Ending balance		Beginning balance	
	Value	Allowance	Value	Allowance
Social insurance	-	-	1.224.080	-
Deposits and mortgage	308.033.891	-	294.033.891	-
Receivable on social insurance and personal income tax of employees	774.866.181	-	1.391.071.598	-
Other short-term receivable	792.601.512	-	317.500.283	-
Total	1.875.501.584	-	2.003.829.852	-

4b. Other long-term receivables

	Ending balance		Beginning balance	
	Value	Allowance	Value	Allowance
Deposits and mortgages	189.000.000	-	211.000.000	-
Total	189.000.000	-	211.000.000	-

5. Inventories

	Ending balance		Beginning balance	
	Original costs	Allowance	Original costs	Allowance
Materials and supplies	216.133.240.956	-	188.927.903.028	-
Tools	77.539.822.371	-	70.354.844.131	-
Work in progress	23.737.167.978	-	4.820.842.954	-
Finished goods	57.020.762.584	-	40.466.427.859	-
Merchandises	6.247.189.715	-	8.786.886.318	-
Goods in consignment	2.262.878.254	-	9.340.030.221	-
Total	382.941.061.858	-	322.696.934.511	-

6. Short-term/long-term prepaid expenses**6a. Short-term prepaid expenses**

	Ending balance	Beginning balance
Tools	2.143.034.655	2.238.150.660
Expenses for renting space, office	664.505.554	1.007.375.832
Other short-term prepaid expenses	3.794.263.299	2.565.487.018
Total	6.601.803.508	5.811.013.510

6b. Long-term prepaid expenses

	Ending balance	Beginning balance
Tools	3.050.203.808	3.941.089.692
Expenses for renting space	167.384.615	95.000.000
Expenses for renting land and infrastructure at Industrial Park ⁽ⁱ⁾	7.697.237.478	7.697.237.478
Value of business advantage	11.519.516.065	26.110.903.125
Other long-term prepaid expenses	700.540.198	1.152.845.348
Total	23.134.882.164	38.997.075.643

These notes form an integral part of and should be read in conjunction with the Consolidated Financial Statements

22

KHANH HOA SANEST SOFT DRINK JOINT STOCK COMPANY

Address: National Road 1A, My Thanh Village, Cam Thinh Dong Commune, Cam Ranh City, Khanh Hoa Province

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Notes to the Consolidated Financial Statements (cont.)

(i) The leased land use right at Industrial Park has been mortgaged in order to secure payment for loans from Vietinbank - Khanh Hoa Branch (see Note V.17b).

7. Tangible fixed assets

	Buildings and structures	Machinery and equipment	Vehicles	Office equipment	Other fixed assets	Total
Historical costs						
Beginning balance	139.558.862.023	156.082.380.769	22.303.289.656	473.940.000	11.966.155.620	330.384.628.068
Purchase during the year	-	1.754.800.000	-	39.545.455	-	1.794.345.455
Completed construction	60.166.420.452	13.092.032.948	-	-	3.717.438.563	76.975.891.963
Other decreases	(1.430.477.929)	-	-	-	-	(1.430.477.929)
Ending balance	198.294.804.546	170.929.213.717	22.303.289.656	513.485.455	15.683.594.183	407.724.387.557

In which:

Assets fully depreciated but still being in use	5.344.719.983	115.585.519.111	6.161.384.900	297.049.091	2.465.673.451	129.854.346.536
Waiting for liquidation	-	-	-	-	-	-

Depreciation

Beginning balance	86.375.700.859	118.258.943.228	9.785.506.458	342.038.435	6.950.376.161	221.712.565.141
Depreciation	11.890.951.307	11.572.214.681	1.775.316.081	71.507.626	1.157.703.587	26.467.693.282
Other decreases	(979.398.695)	-	-	-	-	(979.398.695)
Ending balance	97.287.253.471	129.831.157.909	11.560.822.539	413.546.061	8.108.079.748	247.200.859.728

Net book value

Beginning balance	53.183.161.164	37.823.437.541	12.517.783.198	131.901.565	5.015.779.459	108.672.062.927
Ending balance	101.007.551.075	41.098.055.808	10.742.467.117	99.939.394	7.575.514.435	160.523.527.829

In which:

Temporarily not yet use	-	-	-	-	-	-
Waiting for liquidation	-	-	-	-	-	-

Some tangible fixed assets being factory at Dien Phu Industrial Park and some fixed assets, of which net book value at ending period are VND 57.964.683.098, have been mortgaged to secure payment for long-term loans from Joint Stock Commercial Bank for Foreign Trade of Vietnam - Khanh Hoa Branch (Vietcombank), Vietnam Joint Stock Commercial Bank for Industry and Trade (Vietinbank) - Khanh Hoa Branch (see Note V.17b).

8. Intangible fixed assets

The Company's intangible fixed assets are computer software.

	Initial costs	Amortization	Net book value
Beginning balance	924.277.779	589.388.892	334.888.887
Amortization	-	152.166.668	-
Ending balance	924.277.779	741.555.560	182.722.219

These notes form an integral part of and should be read in conjunction with the Consolidated Financial Statements

23

KHANH HOA SANEST SOFT DRINK JOINT STOCK COMPANY

Address: National Road 1A, My Thanh Village, Cam Thinh Dong Commune, Cam Ranh City, Khanh Hoa Province

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Notes to the Consolidated Financial Statements (cont.)

9. Construction in progress

	Beginning balance	Increase	Inclusion into fixed assets	Other decrease	Ending balance
Purchase of fixed assets	945.202.962	1.730.562.032	(2.661.391.494)	(4.220.000)	10.153.500
Construction in progress	41.237.736.525	40.958.562.203	(74.314.500.469)	(1.033.718.909)	6.848.079.350
- Factory at Dien Phu Industrial Park	23.657.069.399	22.909.990.539	(46.567.059.938)	-	
- Office house 2	9.517.498.990	2.125.060.605	(11.642.559.595)	-	
- Other works	8.063.168.136	15.923.511.059	(16.104.880.936)	(1.033.718.909)	6.848.079.350
Total	42.182.939.487	42.689.124.235	(76.975.891.963)	(1.037.938.909)	6.858.232.850

Total loan expenses capitalized on construction in progress during the year are VND 1.496.307.084 (those of the previous period were VND 590.953.659).

10. Deferred income tax assets

Deferred income tax assets related to accrued expenses and internal interest in the Group arisen during the year are as follows:

	Current year	Previous year
Beginning balance	4.754.987.002	8.257.079.461
Recording into business results	1.045.333.026	(3.502.092.459)
Ending balance	5.800.320.028	4.754.987.002

Tax rate of corporate income tax used to determine value of deferred income tax assets is 20%.

11. Short-term trade payables

	Ending balance	Beginning balance
Payables to related parties	5.779.816.876	5.596.556.874
Khanh Hoa Salanganes Nest Soft Drink JSC.	31.292.784	3.133.620
North-South Route Service One Member Limited Liability Company	4.099.994.190	1.971.255.616
Khanh Hoa Material Supply One Member Co., Ltd.	-	2.430.000.000
Sanna Khanh Hoa Beverage Joint Stock Company	520.312.686	599.590.909
Sanatech Land Construction Designing One Member Limited Liability Company	1.003.199.779	168.338.360
Khanh Hoa Sanest Restaurant One Member Limited Liability Company	-	270.000.000
Sanest Tourist Travel One Member Limited Liability Company	8.550.003	25.576.363
Nam Anh Services & Trade Transport Company Limited	116.467.434	128.662.006
Payables to other suppliers	204.960.842.033	194.220.210.470
Crown Beverage Cans Saigon Limited	-	60.724.337.624
Crown Beverage Cans Danang Limited	34.925.659.587	-
Other suppliers	170.035.182.446	133.495.872.846
Total	210.740.658.909	199.816.767.344

The Group has no overdue trade payables.

KHANH HOA SANEST SOFT DRINK JOINT STOCK COMPANY

Address: National Road 1A, My Thanh Village, Cam Thinh Dong Commune, Cam Ranh City, Khanh Hoa Province

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Notes to the Consolidated Financial Statements (cont.)

12. Short-term advances from customers

	Ending balance	Beginning balance
Other customers	814.227.056	470.547.468
Total	814.227.056	470.547.468

13. Taxes and other obligations to State Budget

	Beginning balance		Increase		Ending balance	
	Payable	Receivable	Amount payable	Amount actually paid	Payable	Receivable
VAT on local sales	11.603.806.172	-	31.884.888.460	(44.801.036.581)	1.686.278.390	2.998.620.339
Corporate income tax	1.261.558.343	2.921.664.298	16.092.483.852	(11.349.559.143)	3.082.818.754	-
Personal income tax	10.794.189.782	-	13.928.381.270	(12.065.232.682)	12.657.338.370	-
License duty	-	-	24.500.000	(24.500.000)	-	-
Fees, legal fees and other duties	15.862.007	-	488.223.931	(484.261.186)	19.824.752	-
Total	23.675.416.304	2.921.664.298	62.418.477.513	(68.724.589.592)	17.446.260.266	2.998.620.339

Value Added Tax (VAT)

The Companies in the Group has paid VAT in line with deduction method at tax rate as follows:

- Exports	: 0%
- Rock sugar, crystallized sugar, purity water	: 5%
- Other merchandises	: 10%

In 2024, VAT rate of goods and services subject to 10% is reduced to 8% in line with Decree No. No. 94/2023/NĐ-CP dated 28 December 2023 and Decree No. 72/2024/NĐ-CP dated 1 July 2024 of Government.

Corporate income tax

The Companies in the Group has to pay corporate income tax for taxable income at tax rate of 20%.

Determination of corporate income tax liability of the Companies in the Group is based on prevailing regulations on tax. Nonetheless, these tax regulations may change from time to time and tax regulations applicable to variety of transactions can be interpreted differently. Hence, the tax amounts presented in the Consolidated Financial Statements can be changed upon the inspection of tax authorities.

Other taxes

The Company has declared and paid these taxes in line with regulations.

14. Payable to employees

	Ending balance	Beginning balance
Salary payable to employees	16.698.919.246	73.360.610.062
Total	16.698.919.246	73.360.610.062

KHANH HOA SANEST SOFT DRINK JOINT STOCK COMPANY

Address: National Road 1A, My Thanh Village, Cam Thinh Dong Commune, Cam Ranh City, Khanh Hoa Province

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Notes to the Consolidated Financial Statements (cont.)

15. Short-term accrued expenses

	<u>Ending balance</u>	<u>Beginning balance</u>
Loan interest expenses	266.120.960	95.509.009
Expenses for selling goods	-	35.208.238.615
Other short-term accrued expenses	55.028.403	368.910.830
Total	<u>321.149.363</u>	<u>35.672.658.454</u>

16. Other short-term payables

	<u>Ending balance</u>	<u>Beginning balance</u>
<i>Payables to related parties</i>	<i>697.356.771</i>	<i>632.737.730</i>
Remuneration of the Board of Management, the Supervisory Board and bonus fund for the Executive Officers	697.356.771	632.737.730
<i>Payables to other organizations and individuals</i>	<i>4.318.961.722</i>	<i>3.557.691.233</i>
Excess assets for treatment	1.012.253.081	1.197.980.000
Trade Union's Expenditure	3.246.230.952	2.299.233.544
Other short-term payables	60.477.689	60.477.689
Total	<u>5.016.318.493</u>	<u>4.190.428.963</u>

The Group has no other overdue payables.

17. Short-term/ long-term borrowings**17a. Short-term borrowings**

	<u>Ending balance</u>	<u>Beginning balance</u>
Short-term loans from organizations and other individuals	103.739.428.423	134.742.976.253
- <i>Joint Stock Commercial Bank for Foreign Trade of Vietnam (Vietcombank) - Khanh Hoa Branch</i> ⁽ⁱ⁾	<i>62.064.873.988</i>	<i>72.023.714.190</i>
- <i>Vietnam Joint Stock Commercial Bank for Industry and Trade (Vietinbank) - Khanh Hoa Branch</i> ⁽ⁱⁱ⁾	<i>41.674.554.435</i>	<i>43.101.272.745</i>
- <i>Military Commercial Joint Stock Bank (MB Bank) - Khanh Hoa Branch</i>	-	19.617.989.318
Current portion of long-term loans (see Note No. V.17b)	7.284.000.000	5.271.000.000
Total	<u>111.023.428.423</u>	<u>140.013.976.253</u>

The Group is solvent over short-term borrowings.

- (i) The loan from Vietcombank - Khanh Hoa Branch in line with credit line agreement No. 2024/HM-SANEST dated 30 May 2024. This loan is used for supplementing working capital serving in business and manufacture activities excluding short-term demands serving in fixed asset investments, the credit line is VND 150 billion, the disbursement period is within 12 months starting from the date of credit agreement, the loan period is 6 months, loan interest rate is applied for each loan receipt. No collaterals are used for this loan.

KHANH HOA SANEST SOFT DRINK JOINT STOCK COMPANY

Address: National Road 1A, My Thanh Village, Cam Thinh Dong Commune, Cam Ranh City, Khanh Hoa Province

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Notes to the Consolidated Financial Statements (cont.)

- (ii) The loan from Vietinbank - Khanh Hoa Branch in line with credit line agreement No. 40/2024-HĐCVHM/NHCT580-KHDNL dated 01 July 2024 for purpose of supplementing working capital, the credit line is VND 100 billion, the period maintaining credit line is until 30 June 2025, the loan period is 5 months starting from the date of loan disbursement. Loan interest rate is applied for each loan receipt. No collaterals are used for this loan.

Increases/ decreases of short-term loans during the year are as follows:

	<u>Beginning balance</u>	<u>Increase</u>	<u>Amount already paid</u>	<u>Conversion from long-term loans</u>	<u>Ending balance</u>
Short-term loans	134.742.976.253	331.206.366.733	(362.209.914.563)	-	103.739.428.423
Current portion of long-term loans	5.271.000.000	-	(3.499.000.000)	5.512.000.000	7.284.000.000
Total	<u>140.013.976.253</u>	<u>331.206.366.733</u>	<u>(365.708.914.563)</u>	<u>5.512.000.000</u>	<u>111.023.428.423</u>

17b. Long-term borrowings

	<u>Ending balance</u>	<u>Beginning balance</u>
Vietnam Joint Stock Commercial Bank for Industry and Trade (Vietinbank) - Khanh Hoa Branch ⁽ⁱ⁾	27.058.360.611	9.438.467.500
Joint Stock Commercial Bank for Foreign Trade of Vietnam (Vietcombank) - Khanh Hoa Branch ⁽ⁱⁱ⁾	3.358.224.500	2.183.774.000
Total	<u>30.416.585.111</u>	<u>11.622.241.500</u>

The Group is solvent over long-term borrowings.

- (i) The loan from Vietinbank - Khanh Hoa in line with credit line agreement No. 115/2022-HĐCVĐAT/NHCT580-KHDNL dated 21 December 2022 to pay legal investment expenses of project of constructing Salanganes Nest Sepcial Processing Factory. The credit line is VND 38 billion, the loan period is 84 months starting from the date of the first loan disbursement, the due date is 12 months starting from the next date of the first loan disbursement date. Loan interest rate is applied for each loan receipt.

This loan is secured by mortgaging leased land use right at Lot No. 10, Dien Phu Expansion Industrial Park, Dien Phu Commune, Dien Khanh District, Khanh Hoa Province and assets pertaining to this land plot (see Note V.6b and V.7).

- (ii) The long-term loan from Vietcombank - Khanh Hoa in line with medium - long term credit agreement for each time No. 2023/TDH-SANEST dated 31 July 2023 for purpose of paying expenses and offsetting expenses the Company paid expenses related to construction of Office House 2 at High Quality Salanganes Nest Soft Drink Factory. The loan credit is VND 10 billion, the loan term is 60 months. The loan interest as of the balance sheet date is 7,6%/ year.

This loan is secured by mortgaging some machinery and equipment in line with the mortgage agreement No. 0123/MMTB-SANEST dated 31 July 2023 and the amended one dated 6 May 2024 (see Note V.7).

KHANH HOA SANEST SOFT DRINK JOINT STOCK COMPANY

Address: National Road 1A, My Thanh Village, Cam Thinh Dong Commune, Cam Ranh City, Khanh Hoa Province

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Notes to the Consolidated Financial Statements (cont.)

Payment term of long-term loans is as follows:

	Ending balance	Beginning balance
From 01 year or less	7.284.000.000	5.271.000.000
More than 01 year to 05 years	27.406.224.500	11.622.241.500
More than 5 years	3.010.360.611	-
Total	37.700.585.111	16.893.241.500

Details of increases/decreases of long-term loans during the year are as follows:

	Current year	Previous year
Beginning balance	11.622.241.500	-
Increases	24.306.343.611	16.980.241.500
Amount already paid	-	(87.000.000)
Conversion of short-term loans	(5.512.000.000)	(5.271.000.000)
Ending balance	30.416.585.111	11.622.241.500

17c. Overdue debts and loans

The Group has no overdue debts and loans.

18. Bonus and welfare funds

	Beginning balance	Increase due to appropriation from profit	Receipt of bonus	Funds paid during the year	Ending balance
Bonus fund	1.266.646.881	711.805.648	260.000.000	(2.010.600.000)	227.852.529
Welfare fund	29.547.966.661	10.541.634.765	151.080.000	(22.828.259.154)	17.412.422.272
Total	30.814.613.542	11.253.440.413	411.080.000	(24.838.859.154)	17.640.274.801

19. Owner's capital**19a. Statement of fluctuation in owner's capital**

	Owner's capital	Business promotion fund	Retained earnings	Total
Beginning balance of the previous year	330.000.000.000	24.211.093.237	63.860.613.995	418.071.707.232
Sharing dividends of the previous year	-	-	(63.855.000.000)	(63.855.000.000)
Profit in the previous year	-	-	102.500.983.864	102.500.983.864
Appropriation for business promotion fund	-	10.250.098.384	(10.250.098.384)	-
Appropriation for bonus and welfare funds	-	-	(20.500.196.773)	(20.500.196.773)
Appropriation for remuneration of the BOM, the Supervisory Board and of bonus fund for the Executive Officers	-	-	(2.050.019.675)	(2.050.019.675)
Ending balance of the previous year	330.000.000.000	34.461.191.621	69.706.283.027	434.167.474.648

KHANH HOA SANEST SOFT DRINK JOINT STOCK COMPANY

Address: National Road 1A, My Thanh Village, Cam Thinh Dong Commune, Cam Ranh City, Khanh Hoa Province

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Notes to the Consolidated Financial Statements (cont.)

	Owner's capital	Business promotion fund	Retained earnings	Total
Beginning balance in current year	330.000.000.000	34.461.191.621	69.706.283.027	434.167.474.648
Sharing 2023 dividends	-	-	(69.696.000.000)	(69.696.000.000)
Profit in current year	-	-	56.267.202.066	56.267.202.066
Appropriation for business promotion fund	-	5.626.720.208	(5.626.720.208)	-
Appropriation for bonus and welfare funds	-	-	(11.253.440.413)	(11.253.440.413)
Appropriation for remuneration of the BOM, the Supervisory Board and the bonus fund for the Executive Officers	-	-	(1.125.344.041)	(1.125.344.041)
Ending balance in current year	330.000.000.000	40.087.911.829	38.271.980.431	408.359.892.260

19b. Details of owner's capital contribution

Details of capital contribution upon major shareholders are as follows:

	Ending balance	Beginning balance
Khanh Hoa Salanganes Nest Company	168.500.000.000	168.500.000.000
Other shareholders	161.500.000.000	161.500.000.000
Total	330.000.000.000	330.000.000.000

19c. Shares

	Ending balance	Beginning balance
Number of shares registered to be issued	33.000.000	33.000.000
Number of shares already sold to the public	33.000.000	33.000.000
Number of outstanding shares	33.000.000	33.000.000

All shares are ordinary shares. Face value of outstanding shares: VND 10.000.

19d. Profit distribution

The Company's 2023 profit distribution plan has been approved in 2024 annual general meeting of shareholders in line with Resolution No. 01/2024/DHDCD dated 6 June 2024 and Resolution of the Board of Management No. 07/NQ-SKH dated 24 September 2024 as follows:

	Amount distributed	Amount already appropriated in previous year	Amount appropriated current year
• Sharing dividends to shareholders ⁽ⁱ⁾	69.696.000.000	-	69.696.000.000
• Appropriation for business promotion fund	10.250.098.384	10.250.098.384	-
• Appropriation for bonus and welfare funds	20.500.196.773	20.500.196.773	-
• Appropriation for remuneration of the Board of Management, the Supervisory Board and bonus fund of the Executive Officers	2.050.019.675	2.050.019.675	-

KHANH HOA SANEST SOFT DRINK JOINT STOCK COMPANY

Address: National Road 1A, My Thanh Village, Cam Thinh Dong Commune, Cam Ranh City, Khanh Hoa Province

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Notes to the Consolidated Financial Statements (cont.)

In addition, the Group has provisionally distributed profit in 2024 as follows:

	Amount (VND)
• Appropriation for business promotion fund	: 5.626.720.208
• Appropriation for bonus and welfare funds	: 11.253.440.413
• Appropriation for remuneration of the Board of Management, the Supervisory Board and bonus fund of the Executive Officers	: 1.125.344.041

20. Off-consolidated balance sheet items

As of the balance sheet date, the Group only holds USD 1,746.13 (Beginning balance: USD 53,814.17).

VI. ADDITIONAL INFORMATION ON THE ITEMS OF THE CONSOLIDATED INCOME STATEMENT**1. Net revenue****1a. Net revenue**

	Current year	Previous year
Revenue from sales of merchandise, finished goods	1.177.951.648.658	1.894.172.782.096
Revenue from sales of materials	1.388.894.150	3.677.781.060
Other revenue	1.340.369.305	2.199.842.265
Gross revenue	1.180.680.912.113	1.900.050.405.421
Revenue deductions	3.343.722.900	-
Net revenue	1.177.337.189.213	1.900.050.405.421

1b. Sales of goods and service provision to related parties

Details of net revenue on sales of goods and provision of services to other related parties are as follows:

	Current year	Previous year
Khanh Hoa Salanganes Nest Company	459.473.883.459	791.028.819.839
Khanh Hoa Salanganes Nest Soft Drink Joint Stock Company	58.645.825.501	106.079.078.925
Sanna Khanh Hoa Beverage Joint Stock Company	895.161.782	8.164.625.080
North-South Route Service One Member Limited Liability Company	608.610.675	1.761.467.073
Sanatech Land Construction Designing One Member Limited Liability Company	716.559.600	5.370.978.100
Khanh Hoa Lam Dong Sanest Restaurant One Member Limited Liability Company	2.018.079.700	3.045.221.300
Cam Thinh Coconut Farm One Member Limited Liability Company	7.936.903.200	5.718.913.946
Fishsan Aquaculture One Member Limited Company	5.051.558	1.851.851

KHANH HOA SANEST SOFT DRINK JOINT STOCK COMPANY

Address: National Road 1A, My Thanh Village, Cam Thinh Dong Commune, Cam Ranh City, Khanh Hoa Province

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Notes to the Consolidated Financial Statements (cont.)

2. Costs of goods sold

	Current year	Previous year
Cost of goods and finished goods	824.986.734.443	1.406.255.880.446
Costs of materials	1.387.957.318	3.672.593.655
Other costs	1.338.520.076	2.199.652.499
Total	827.713.211.837	1.412.128.126.600

3. Financial income

	Current year	Previous year
Gains from bank deposits	1.823.240.537	1.315.233.015
Gains from foreign exchange difference	97.288.793	116.754.742
Total	1.920.529.330	1.431.987.757

4. Financial expenses

	Current year	Previous year
Loan interest expenses	5.243.992.712	4.509.084.651
Loss from foreign exchange difference	9.695.881	236.376.667
Total	5.253.688.593	4.745.461.318

5. Selling expenses

	Current year	Previous year
Expenses for employees	27.834.741.351	44.166.818.019
Supplies, packaging, tools	21.950.787.626	15.333.665.368
Depreciation of fixed assets	287.869.899	236.457.015
External services rendered	28.470.783.352	28.215.829.761
Other expenses	128.655.987.599	182.127.393.291
Total	207.200.169.827	270.080.163.454

6. General and administration expenses

	Current year	Previous year
Expenses for employees	36.338.972.656	52.008.692.362
Office supplies, tools	3.854.361.344	3.397.061.700
Depreciation of fixed assets	1.122.701.294	834.190.150
Taxes, fees and legal fees	354.398.401	287.513.778
External services rendered	10.407.506.919	14.769.396.741
Other expenses	16.263.840.795	14.710.445.073
Total	68.341.781.409	86.007.299.804

7. Other incomes

	Current year	Previous year
Gains from treatment of physical count results	556.378.378	294.520.000
Gains from cooperation activities	29.613.961	59.226.604
Other gains	58.328.903	143.766.237
Total	644.321.242	497.512.841

KHANH HOA SANEST SOFT DRINK JOINT STOCK COMPANY

Address: National Road 1A, My Thanh Village, Cam Thinh Dong Commune, Cam Ranh City, Khanh Hoa Province

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Notes to the Consolidated Financial Statements (cont.)

8. Other expenses

	<u>Current year</u>	<u>Previous year</u>
Other expenses	78.835.227	8.805.854
Total	78.835.227	8.805.854

9. Deferred corporate income tax expenses

	<u>Current year</u>	<u>Previous year</u>
Deferred corporate income tax expenses arising from reversal of deferred income tax assets	2.911.864.426	6.413.956.885
Deferred corporate income tax expenses arising from temporarily taxable differences	(3.957.197.452)	(2.911.864.426)
Total	(1.045.333.026)	3.502.092.459

10. Earnings per share*Basic/ diluted earnings per share*

	<u>Current year</u>	<u>Previous year</u>
Accounting profit after corporate income tax	56.267.202.066	102.500.983.864
Appropriation for bonus and welfare funds	(11.253.440.413)	(20.500.196.773)
Profit used to calculate basic earnings per share	45.013.761.653	82.000.787.091
The average number of ordinary shares outstanding during the year	33.000.000	33.000.000
Earnings per share	1.364	2.485

There are no transactions over the common shares or the potential common shares from the balance sheet date until the date of these Consolidated Financial Statements.

11. Operating costs by factors

	<u>Current year</u>	<u>Previous year</u>
Materials and supplies	951.806.281.819	1.283.550.027.677
Labors	174.367.836.579	286.744.650.602
Depreciation of fixed assets	26.483.288.707	28.377.676.628
External service rendered	59.089.458.270	66.512.928.134
Other expenses	147.066.718.451	200.748.573.911
Total	1.358.813.583.826	1.865.933.856.952

VII. ADDITIONAL INFORMATION ON THE ITEMS OF THE CONSOLIDATED CASH FLOW STATEMENT**Liabilities related to acquire, to construct fixed assets and other long-term assets**

As of the balance sheet date, liabilities related to acquire, to construct fixed assets and other long-term assets are as follows:

	<u>Ending balance</u>	<u>Beginning balance</u>
Advances on acquisition and construction of fixed assets and other long-term assets	286.614.900	4.738.935.112
Payable for acquisition and construction of fixed assets and other long-term assets	4.034.495.935	5.192.632.014

KHANH HOA SANEST SOFT DRINK JOINT STOCK COMPANY

Address: National Road 1A, My Thanh Village, Cam Thinh Dong Commune, Cam Ranh City, Khanh Hoa Province

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Notes to the Consolidated Financial Statements (cont.)

VIII. OTHER INFORMATION**1. Balances and transactions with related parties**

The related parties with the Company include key managers, their related individuals and other related parties.

1a. Balances and transactions with key managers and their related individuals

Key managers include members of the Board of Management and of the Executive Officers. Individuals related to key managers are their family members.

Transactions with key managers and their related individuals

The Company has not had the transactions on sales of goods and provision of services as well as the other transactions with key managers and their related individuals.

Liabilities with key managers and their related individuals

Liabilities with key managers and their related individuals are presented in Note V.16.

Income of key managers

Total salary/ remuneration of key managers during the year is as follows:

	<u>Quantity (person)</u>	<u>Total salary and remuneration in current year</u>	<u>Total salary and remuneration in the previous year</u>
Full time Board of Management, Supervisory Board and Executive Officers		2.593.055.000	3.683.960.000
General Director	01	88.744.000	642.240.000
Members of the Board of Management cum Deputy General Director	02	1.008.439.000	1.239.880.000
Deputy General Director	02	560.942.000	619.940.000
Head of the Control Board	01	503.600.000	631.090.000
Chief Accountant	01	431.330.000	550.810.000
Part-time Board of Management, the Supervisory Board		442.900.000	538.800.000
Chairman of the Board of Management	01	68.500.000	164.400.000
Member of the Board of Management	01	115.200.000	115.200.000
Member of the Board of Management	01	115.200.000	115.200.000
Members of the Control Board	02	144.000.000	144.000.000
Total		3.035.955.000	4.222.760.000

1b. Balances and transactions with other related parties

Other related parties with the Company include:

KHANH HOA SANEST SOFT DRINK JOINT STOCK COMPANY

Address: National Road 1A, My Thanh Village, Cam Thinh Dong Commune, Cam Ranh City, Khanh Hoa Province

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Notes to the Consolidated Financial Statements (cont.)

Other related parties	Relationship		
Khanh Hoa Salanganes Nest Company	Parent company, possessing 51,06% of charter capital		
Khanh Hoa Salanganes Nest Soft Drink Joint Stock Company	The Company is possessed 51% of charter capital by Khanh Hoa Salanganes Nest Company		
Khanh Hoa Material Supply One Member Co., Ltd.	Subsidiary of Khanh Hoa Salanganes Nest Soft Drink Joint Stock Company		
Sanna Khanh Hoa Beverage Joint Stock Company	The Company is possessed 51% of charter capital by Khanh Hoa Salanganes Nest Company		
North-South Route Service One Member Limited Liability Company	The Company is possessed 100% of charter capital by Khanh Hoa Salanganes Nest Company		
Sanatech Land Construction Designing One Member Limited Liability Company	The Company is possessed 100% of charter capital by Khanh Hoa Salanganes Nest Company		
Sanest Tourist Travel One Member Limited Liability Company	The Company is possessed 100% of charter capital by Khanh Hoa Salanganes Nest Company		
Khanh Hoa Lam Dong Sanest Restaurant One Member Limited Liability Company	The Company is possessed 100% of charter capital by Khanh Hoa Salanganes Nest Company		
Cam Thinh Coconut Farm One Member Limited Liability Company	The Company is possessed 100% of charter capital by Khanh Hoa Salanganes Nest Company		
Khanh Hoa Sanest Restaurant and Products Promoting One Member Co., Ltd.	The Company is possessed 100% of charter capital by Khanh Hoa Salanganes Nest Company		
Khanh Hoa Sanest Restaurant One Member Limited Liability Company	The Company is possessed 100% of charter capital by Khanh Hoa Salanganes Nest Company		
Fishsan Aquaculture One Member Limited Company	The Company is possessed 100% of charter capital by Khanh Hoa Salanganes Nest Company		
Nam Anh Services & Trade Transport Company Limited	The Company is controlled by key managers' close family members		
<i>Transactions with other related parties</i>			
Apart from transactions on sales of goods and service provision to other related parties presented in Note VI.1b, the Company has also had other transactions with other related parties as follows:			
		Current year	Previous year
Khanh Hoa Salanganes Nest Company			
The Company paid dividends		35.587.200.000	32.604.750.000
Purchase of goods, tools and other services		55.744.880.054	76.821.460.204
Leasing transport vehicles and fuel expenses		970.611.533	2.004.638.436
Khanh Hoa Salanganes Nest Soft Drink Joint Stock Company			
Purchase of goods, tools and finished salanganes nest soft drink		57.260.443.146	102.576.192.335

These notes form an integral part of and should be read in conjunction with the Consolidated Financial Statements

KHANH HOA SANEST SOFT DRINK JOINT STOCK COMPANY

Address: National Road 1A, My Thanh Village, Cam Thinh Dong Commune, Cam Ranh City, Khanh Hoa Province

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Notes to the Consolidated Financial Statements (cont.)

	Current year	Previous year
Khanh Hoa Material Supply One Member Co., Ltd		
Purchase of goods	44.750.288	42.757.059.091
Sanna Khanh Hoa Beverage Joint Stock Company		
Purchase of goods, tools	9.329.063.927	9.469.771.029
North-South Route Service One Member Limited Liability Company		
Purchase of petro and other services	18.114.110.598	18.924.681.960
Sanatech Land Construction Designing One Member Limited Liability Company		
Purchase of supplies, consulting fee and repair expenses, etc.	4.537.417.098	1.972.656.574
Other transactions	67.791.279	-
Sanest Tourist Travel One Member Limited Liability Company		
Expenses for renting vehicles, tourist service, etc.	2.377.859.187	3.572.450.303
Khanh Hoa Sanest Restaurant and Products Promoting One Member Co., Ltd.		
Expenses for using services	215.425.421	318.886.687
Khanh Hoa Sanest Restaurant One Member Limited Liability Company		
Expenses for using services	46.698.517	503.471.482
Fishsan Aquaculture One Member Limited Company		
Purchase of goods	-	67.000.000
Cam Thinh Coconut Farm One Member Limited Liability Company		
Purchase of goods, tools	1.000.000	-
Nam Anh Services & Trade Transport Company Limited		
Transportation expenses	547.915.508	821.655.084

Liabilities with other related parties

Liabilities with other related parties are presented in Notes V.2, V.3 and V.11.

Accounts receivable from other related parties are un-secured and paid by cash. No provision is made for receivables from other related parties.

These notes form an integral part of and should be read in conjunction with the Consolidated Financial Statements

KHANH HOA SANEST SOFT DRINK JOINT STOCK COMPANY

Address: National Road 1A, My Thanh Village, Cam Thinh Dong Commune, Cam Ranh City, Khanh Hoa Province

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Notes to the Consolidated Financial Statements (cont.)

2. Segment information

The only business field of the Company is to process products and functional food from salanganes nests and is taken place in Vietnam.

3. Subsequent events

Pursuant to Resolution No. 13/NQ-SKH dated 31 December 2024 of the Board of Management, Sanest Khanh Hoa One Member Limited Liability Company and Salanganes Nest Special Processing One Member Limited Liability Company - subsidiaries - will merge (in which Sanest Khanh Hoa Company Limited is the merger recipient). After the merger, the charter capital of Sanest Khanh Hoa One Member Limited Liability Company will increase from VND 36 billion to VND 72 billion. The expected time to complete the merger is in the first quarter of 2025

Apart from the event said above, there have been no material events arising after the date of this statement which need to make adjustments on the figures or the disclosures in the Financial Statements.



Ngô Thị Xuân Nghĩa
Preparer/ Accountant in charge

Le Hoang Anh
General Director



Khanh Hoa, 23 January 2025

Le Duc Tien
Chairman
Legal representative



KHANH HOA SANEST SOFT DRINK JOINT STOCK COMPANY
VIETNAM VALUE

Khanh Hoa, February 7, 2025
LEGAL REPRESENTATIVE
CHAIRMAN OF THE BOD



LE DUC TIEN

YẾN SÀO KHÁNH HÒA
THƯƠNG HIỆU QUỐC GIA



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KHANH HOA SANEST SOFT DRINK JOINT STOCK COMPANY
KHANH HOA SANEST SOFT DRINK JOINT STOCK COMPANY

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