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MECHANNICS CONSTRUCTION AND FOODSTUFF JOINT-STOCK COMPANY



ANNUAL REPORT 2024



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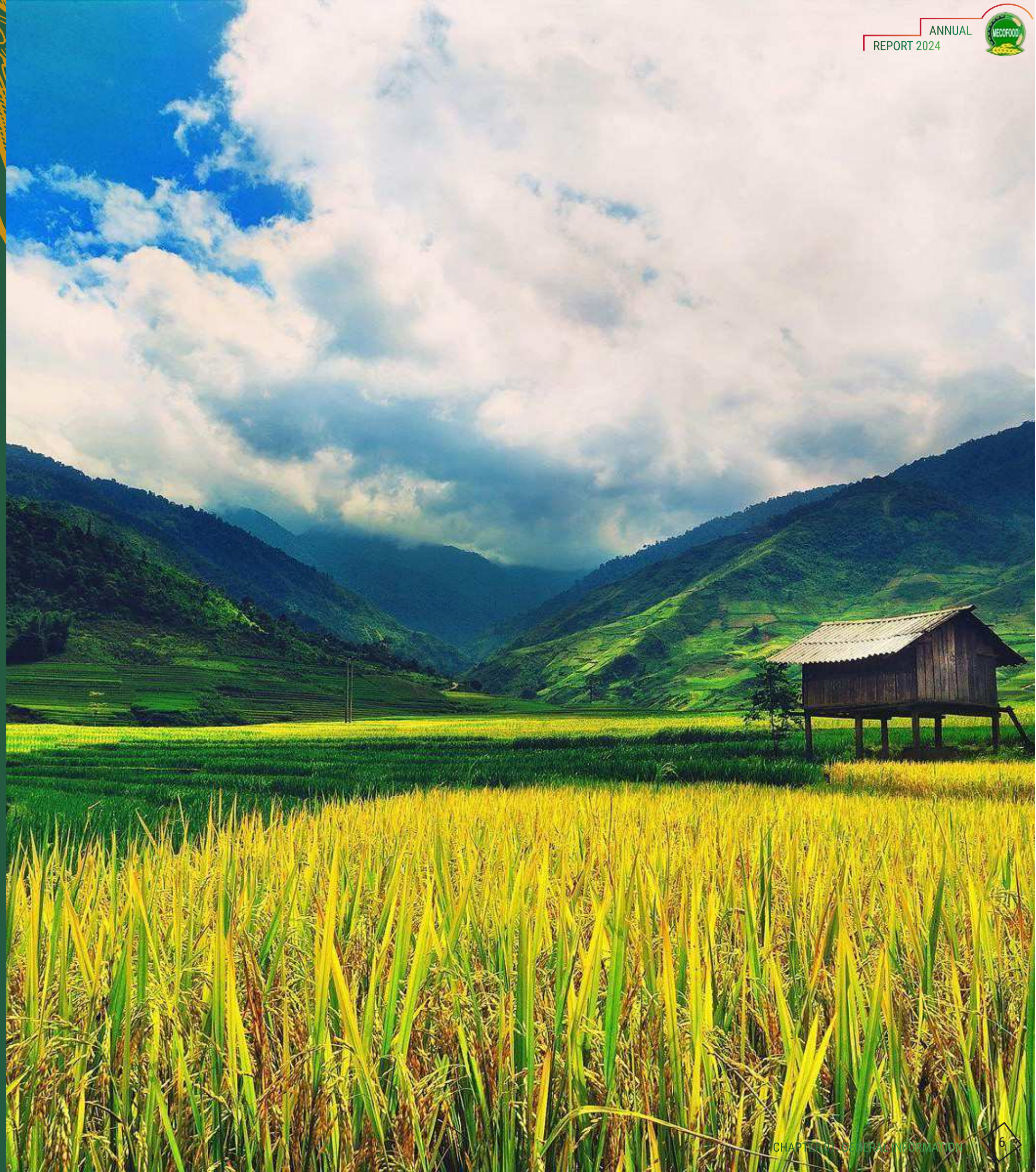
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01

General Information

- Overview Information
- Formation and Development Process
- Business Lines and Operating Areas
- Information on Governance Model, Business Organization, and Management Apparatus
- Development Orientation
- Risks



OVERVIEW INFORMATION



Charter Capital:
107.778.380.000 VND



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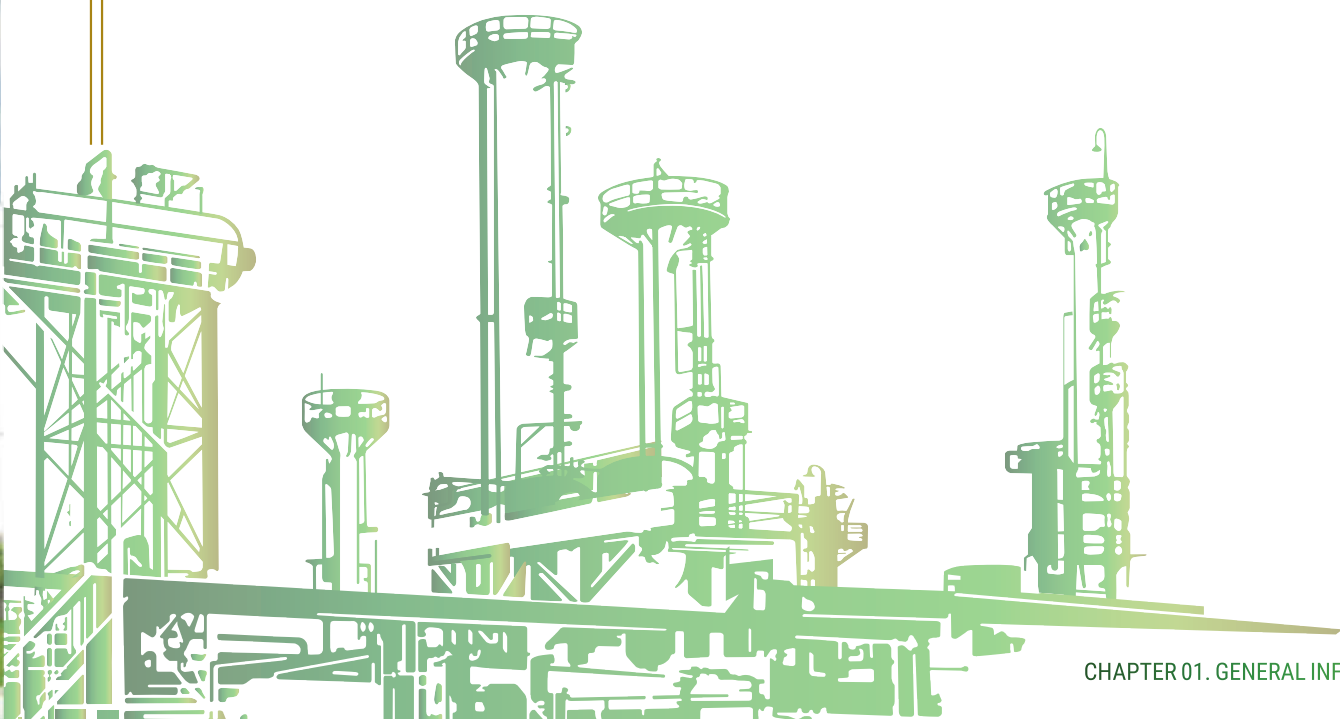
Stock Code:
MCF

Company Name: Mechannics Construction And Foodstuff Joint-Stock Company

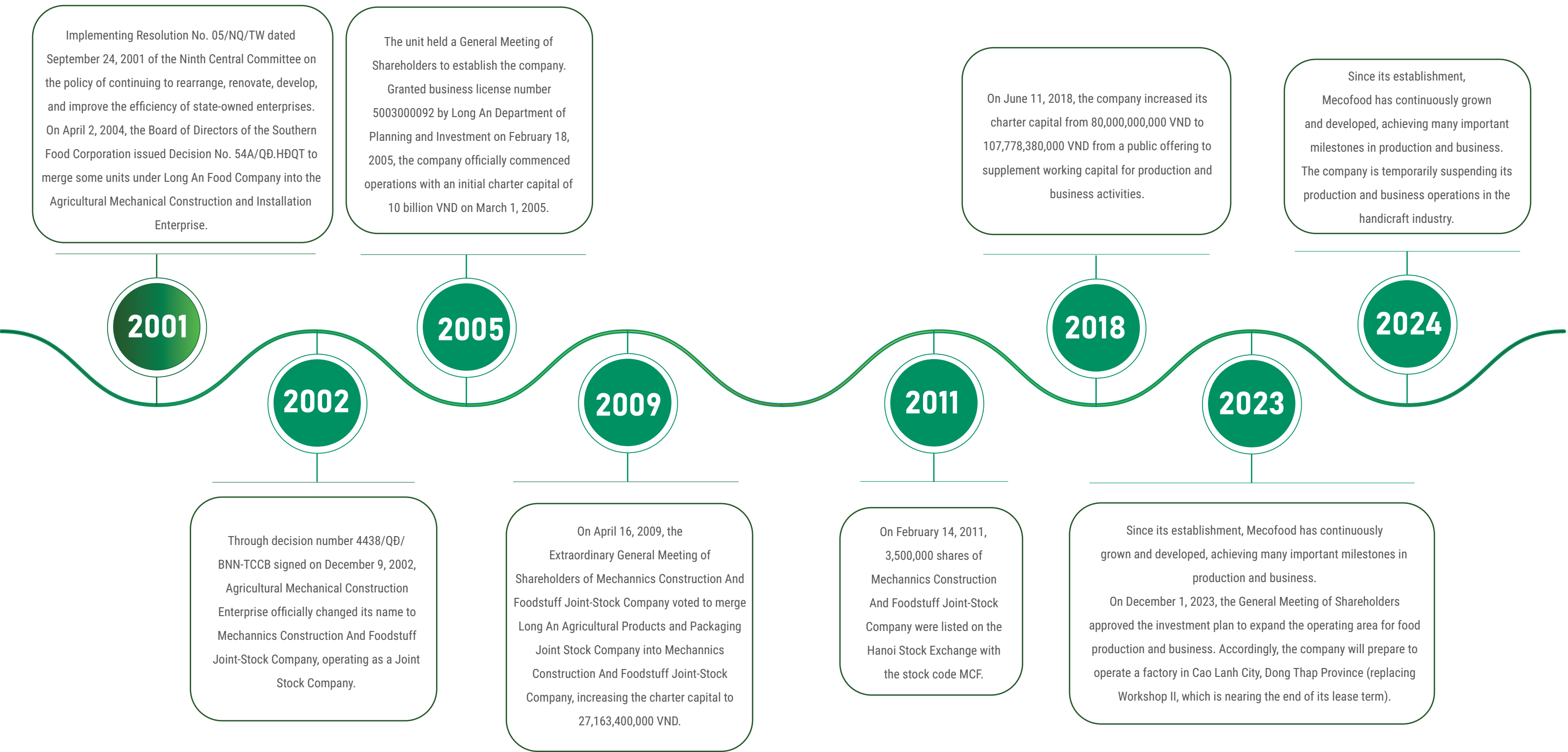
Trading Name: Mechannics Construction And Foodstuff Joint-Stock Company

Address: No. 29, Nguyen Thi Bay Street, Ward 6, Tan An City, Long An Province

Business Registration Certificate No: 1100664038, initially issued by the Department of Planning and Investment of Long An Province on 2005-02-18, amended for the 16th time on 2022-05-19



FORMATION AND DEVELOPMENT PROCESS



KEY ACHIEVEMENTS

Year	Type of achievement	Decision number	Decision date
2005	Certificate of Merit from the Ministry of Agriculture and Rural Development	1317/QĐ/BNN-VP	09/05/2006
2009	Flag of the Ministry of Agriculture and Rural Development	3672/QĐ-BNN-TCCB	25/12/2009
2011	Certificate of Merit from the Ministry of Agriculture and Rural Development	715/QĐ/BNN-TCCB	30/03/2012
2011	Flag of the Ministry of Agriculture and Rural Development	242/QĐ-BNN-TCC	10/02/2012
2012	Certificate of Merit from the Prime Minister	2045/QĐ-TTg	11/06/2013
2012	Flag of the Ministry of Agriculture and Rural Development	3247/QĐ-BNN-TCCB	27/12/2012
2013	Flag of the Ministry of Agriculture and Rural Development	3037/QĐ-BNN-TCCB	24/12/2013
2014	Certificate of Merit from the Ministry of Agriculture and Rural Development	3196/QĐ-BNN/TCCB	11/8/2015
2014	Flag of the Ministry of Agriculture and Rural Development	5497/QĐ-BNN-TCCB	22/12/2014
2015	Certificate of Merit from the Ministry of Agriculture and Rural Development (commendation for exemplary advancement for the 5-year period 2010-2014)	3197/QĐ-BNN/TCCB	11/08/2015
2018	Flag of the Ministry of Agriculture and Rural Development	1498/QĐ-BNN-TCCB	03/05/2019
2019	Flag of the Commission for the Management of State Capital	221/QĐ-UBQLV	07/05/2020
2020	State Capital Management Committee Flag	90/QĐ-UBQLV	23/03/2021
2021	Prime Minister's Certificate of Merit	1612/QĐ-TTg	26/12/2022
2021	State Capital Management Committee Flag	91/QĐ-UBQLV	21/03/2022
2022	State Capital Management Committee Flag	612/QĐ-UBQLV	05/12/2022
2023	State Capital Management Committee Flag	745/QĐ-UBQLV	20/12/2023

BUSINESS LINES AND OPERATING AREAS

BUSINESS LINES

No.	Business lines
1	Production, processing, import-export business and domestic consumption of food, foodstuff, agricultural products, all kinds of packaging, handicrafts from young rice plants and dried straw;
2	Production, import-export business of machinery and equipment for processing food, foodstuff, agricultural products and mechanical products;
3	Inland and waterway freight transport services;
4	Consulting, designing, manufacturing and construction in the fields of mechanics, electricity and construction;
5	Production and trading of construction materials, real estate and infrastructure investment.

BUSINESS AREAS

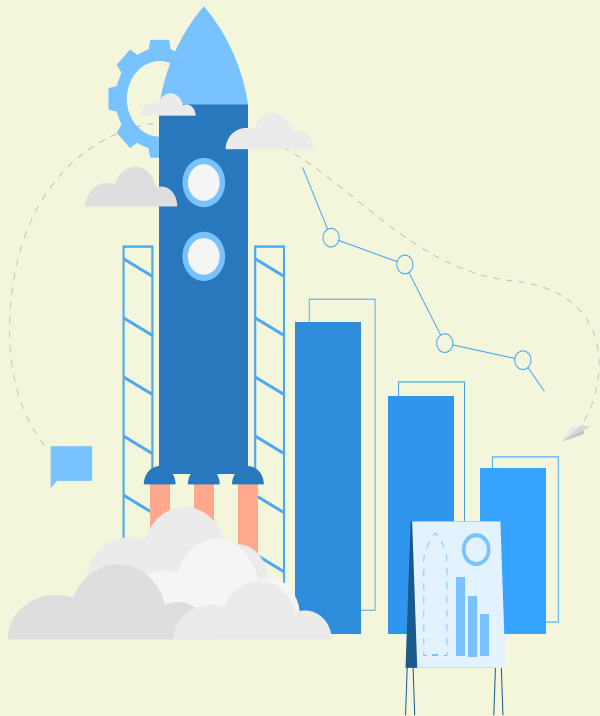
- Rice: MECOFOOD's Tho Com brand rice products have a nationwide distribution network spanning North, Central, and South Vietnam. Our rice products are available in most supermarkets like Metro and Coop-mart, and are supplied to partners in the vermicelli and instant noodle industries, breweries, and large-scale industrial catering services. Furthermore, the company has successfully penetrated demanding markets such as the US, Canada, and the Middle East, in addition to more common markets like Africa and Asia.
- Products from the mechanical engineering, concrete and construction materials, and packaging and fine arts sectors are primarily distributed and consumed in Long An Province and neighboring provinces.



DEVELOPMENT ORIENTATION

MAIN OBJECTIVES OF THE COMPANY

- Enhance management effectiveness and supervise the entire process from procurement to product consumption.
- Ensure transparent and efficient capital utilization, fully complying with legal regulations.
- Expand the market and strengthen marketing activities to develop both domestic and export markets.
- Consolidate and expand the production linkage network, ensuring stable and high-quality raw materials.
- Innovate and research to improve product and packaging quality to enhance customer satisfaction.~Implement strict quality management, reduce waste, and maximize profits.



MEDIUM AND LONG-TERM OBJECTIVES



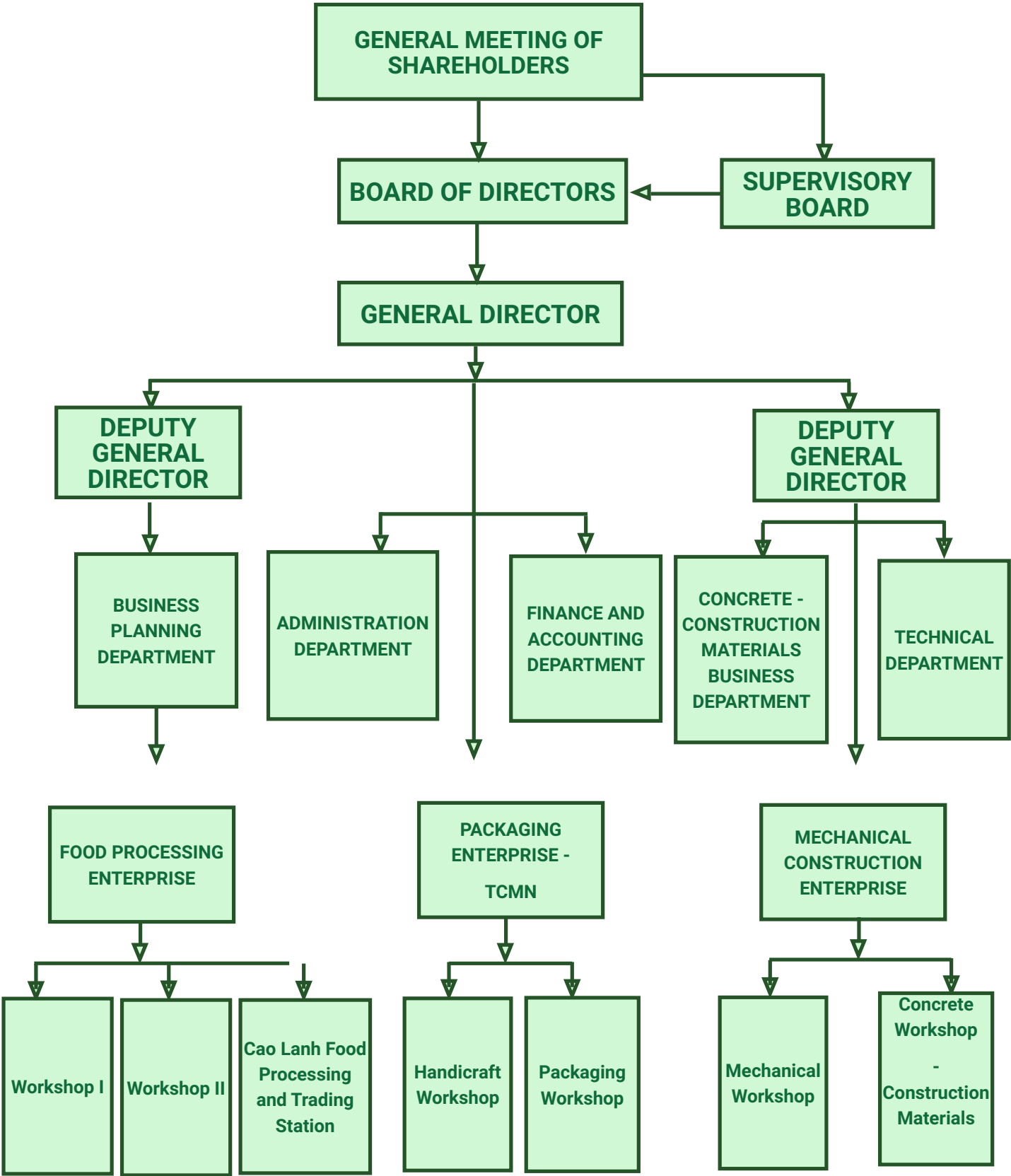
- Optimize supply chain management: Establish a modern management and monitoring system to improve efficiency throughout the entire process from procurement to production and consumption.
- Transparent and efficient financial management: Enhance expense control processes and increase financial transparency by investing in advanced management methods. Conduct periodic evaluations to ensure all investment activities align with the company's strategic objectives.
- Expand the market and strengthen marketing: Develop a multi-channel promotion strategy to exploit and expand both domestic and international markets.
- Enhance production linkages: Expand and strengthen the network of connections with farmers, cooperatives, and other businesses to ensure high-quality raw materials.
- Improve products and services: Invest in the factory to improve product quality, ensure production output, and develop new products.

OBJECTIVES FOR THE COMMUNITY, SOCIETY, AND ENVIRONMENT

- Community: Promote local economic development by creating job opportunities and providing agricultural skills training for residents.
- Society: Encourage the consumption of clean rice while supporting social welfare programs and raising awareness about nutrition and health.
- Environment: Promote a green and sustainable development chain by collaborating with farmers who apply environmentally friendly farming methods, minimizing carbon emissions in transportation, and applying modern milling technology to save water and energy.



INFORMATION ON GOVERNANCE MODEL, BUSINESS
ORGANIZATION, AND MANAGEMENT APPARATUS



RISKS



Economic Risks

Overall, the global economy in 2024 is more stable than in 2023, with inflation continuously decreasing and reaching targets compared to central banks’ plans. However, 2024 is still affected by risks related to political conflicts in countries such as the Russia-Ukraine war, (Red Sea, Middle East), trade tensions between the US and China, unstable policies, extreme weather conditions, and compliance with strict regulations on sustainable development, affecting the import and export of goods. According to the United Nations Conference on Trade and Development (UNCTAD), the economic forecast for 2025 is still under pressure from severe climate change, leading to higher food prices and reduced food quality. Besides, the US may increase import taxes on goods from China, indirectly putting pressure on other countries to sign trade agreements that benefit the US, coincidentally creating a major shift in the way goods are exchanged worldwide, especially in the Asian region.

In the context of many domestic and global difficulties and complexities, Vietnam remains a bright spot in the overall economic picture and continuously elevates its international position. According to the General Statistics Office, GDP growth for the whole of 2023 is estimated at about 7.09%, maintaining the trend of higher growth in later quarters (5.98% in Q1, 7.25% in Q2, 7.43% in Q3). In particular, the agriculture,



forestry, and fishery sector in 2024 achieved a positive growth rate of 2.37% despite being affected by natural disasters and floods; the agricultural sector increased by 2.94% compared to the previous year, accounting for the majority of percentage points in the total agriculture, forestry, and fishery sector. The industry and construction sector recovered positively, ranking second among the three sectors contributing to GDP, with the added value of the industrial and construction sectors being 8.32% and 7.87% respectively. Besides, trade and tourism activities maintained stable growth momentum, with the wholesale and retail sector increasing by 7.96%. In addition, in 2024, the total export of goods to the international market increased by 14.3%, of which the food processing and goods group accounted for 88%. As a business operating in the agriculture, industry, and construction sectors, the company has both development opportunities and faces many challenges in the current economic context. To maintain stability and promote growth, the company needs to seize opportunities and develop appropriate strategies. At the same time, focus on strengthening financial management, risk management, expanding operating segments and areas; strengthening investment cooperation; cutting costs; and developing product lines.

RISKS (CONTINUED)

Exchange rate risk

Exchange rate risk is the risk that the fair value of future cash flows calculated in the plan will fluctuate due to exchange rate changes. In 2024, the exchange rate fluctuated significantly due to the influence of the US dollar. This was influenced by recent economic events such as the US presidential election, China's economic stimulus packages, and other geopolitical tensions. However, compared to other currencies in the region, the VND maintained relative stability thanks to interventions by the State Bank. Specifically, the State Bank sold USD from foreign exchange reserves and issued short-term bills, helping to curb the increase in exchange rates. MCF's products are not only consumed domestically but also exported to niche markets, therefore, fluctuations in the international financial market, especially exchange rates, have created significant pressure on the Company's business operations. To mitigate the risk from exchange rate fluctuations, the Company has proactively developed a detailed financial plan.

Legal risks

Mechanical and Food Construction Joint Stock Company (MECOFOOD) is a joint-stock company and has been officially listed on the HNX Stock Exchange. Therefore, all production and business activities of MECOFOOD must strictly comply with current legal regulations, including regulations related to the Enterprise Law, Securities Law, Labor Code, Investment Law, Land Law, Commercial Law, Accounting Law, and other relevant legal documents.

With its core business being rice production and export activities, the Company also needs to comply with food safety and hygiene standards not only domestically but also in international markets where it has customers, ensuring that rice products do not contain harmful substances or plant protection chemicals exceeding permitted limits, as well as complying with international food safety standards.

In addition, MECOFOOD is actively taking advantage of preferential policies, such as being supported with capital to purchase and store rice when prices are low, to develop the market and enhance competitiveness. To ensure business operations strictly comply with legal regulations and minimize legal risks, the Company regularly updates changes in relevant laws and reviews and adjusts internal regulations to comply with current laws.



Competitive risks

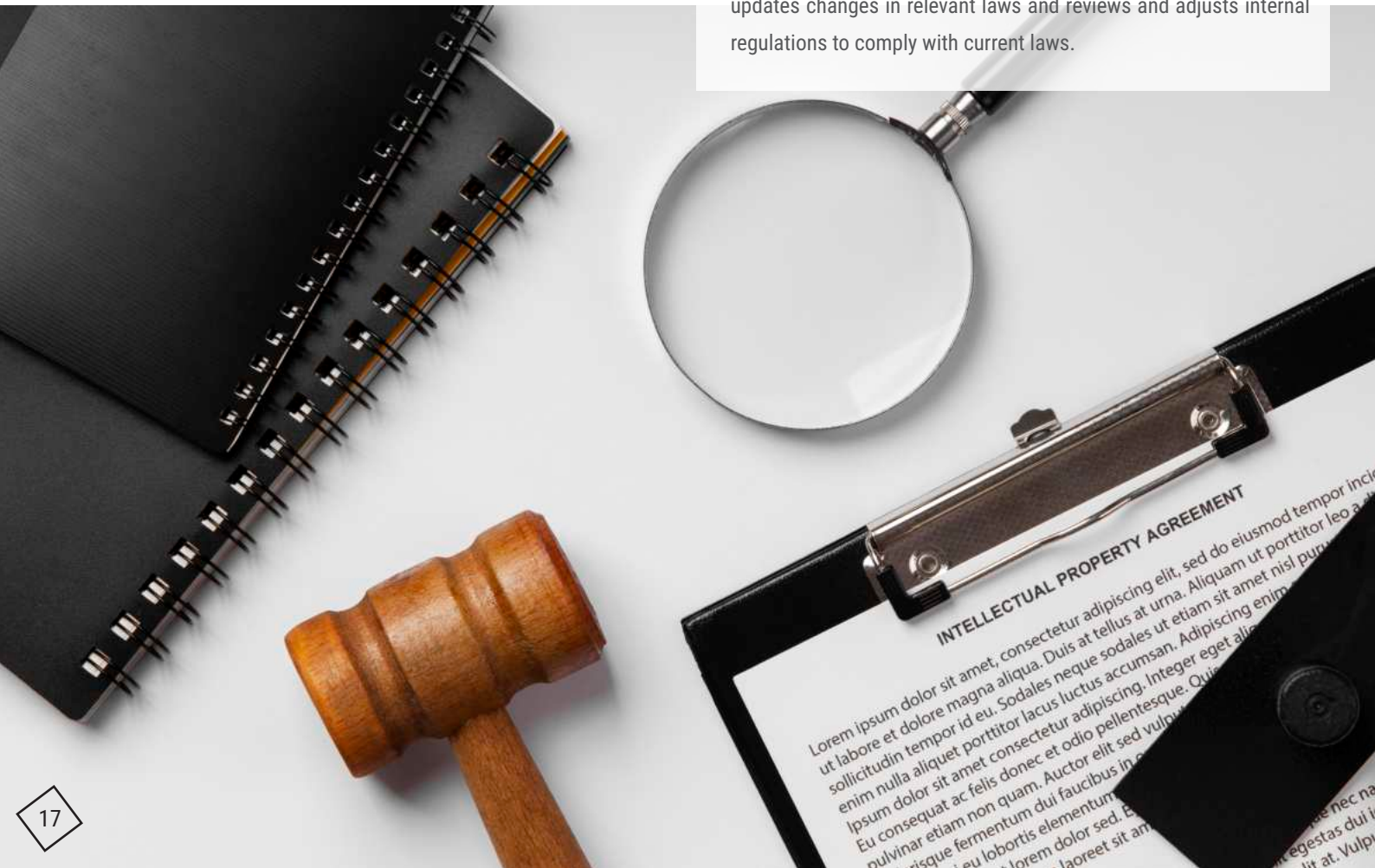
Rice continues to affirm its position as a spearhead agricultural sector in Vietnam, playing a key role in the national socio-economic development. The growth of the industry has led to a strong wave of investment from domestic enterprises, while the market entry of many new businesses creates significant competitive pressure. 2024 marked a new record milestone for Vietnam's rice exports, reaching 9 million tons with a value of 5.67 billion USD.

However, MECOFOOD has not yet fully exploited the potential from major export markets where competitive pricing is a decisive factor. High production costs compared to competitors are a major challenge, making MECOFOOD's product prices less competitive. Meanwhile, the Company's other product lines such as mechanics, concrete, handicrafts, and packaging are also facing a shrinking market and declining domestic demand, increasing competitive pressure on prices.

Amidst these challenges, the Company's Board of Directors has issued timely, decisive, and flexible directives, closely adhering to the guidelines and orientations of the Corporation. MECOFOOD is striving to expand both domestic and international markets by enhancing product quality and diversifying its product portfolio.

Input Material Risks

Currently, Mecofood operates in five product categories: Food, Mechanics, Concrete, Handicrafts, and Packaging. Most input materials for these categories are externally sourced for processing and production. Therefore, input material risks are unavoidable. 2024 marked a successful year for the rice industry with high demand and prices. However, this presented a significant challenge for the company due to reduced supply caused by climate change, diseases, and pests. This resulted in increased rice prices from farmers, creating difficulties in material procurement for the company and other processing businesses. Concrete, Handicrafts, and Packaging sectors face continuous price increases for input materials like cement, sand, stone, and plastic beads, along with fluctuating material prices and fierce competition in purchasing. Supply-demand imbalances and disruptions in domestic and international supply chains have increased production costs, hindering businesses, reducing profits, and potentially leading to losses. To mitigate these losses, the Company actively monitors the market and gathers information for effective material price risk management. Simultaneously, the Company needs a reasonable production and business plan aligned with the current situation, ensuring continuous operation and profit optimization.



RISKS (CONTINUED)



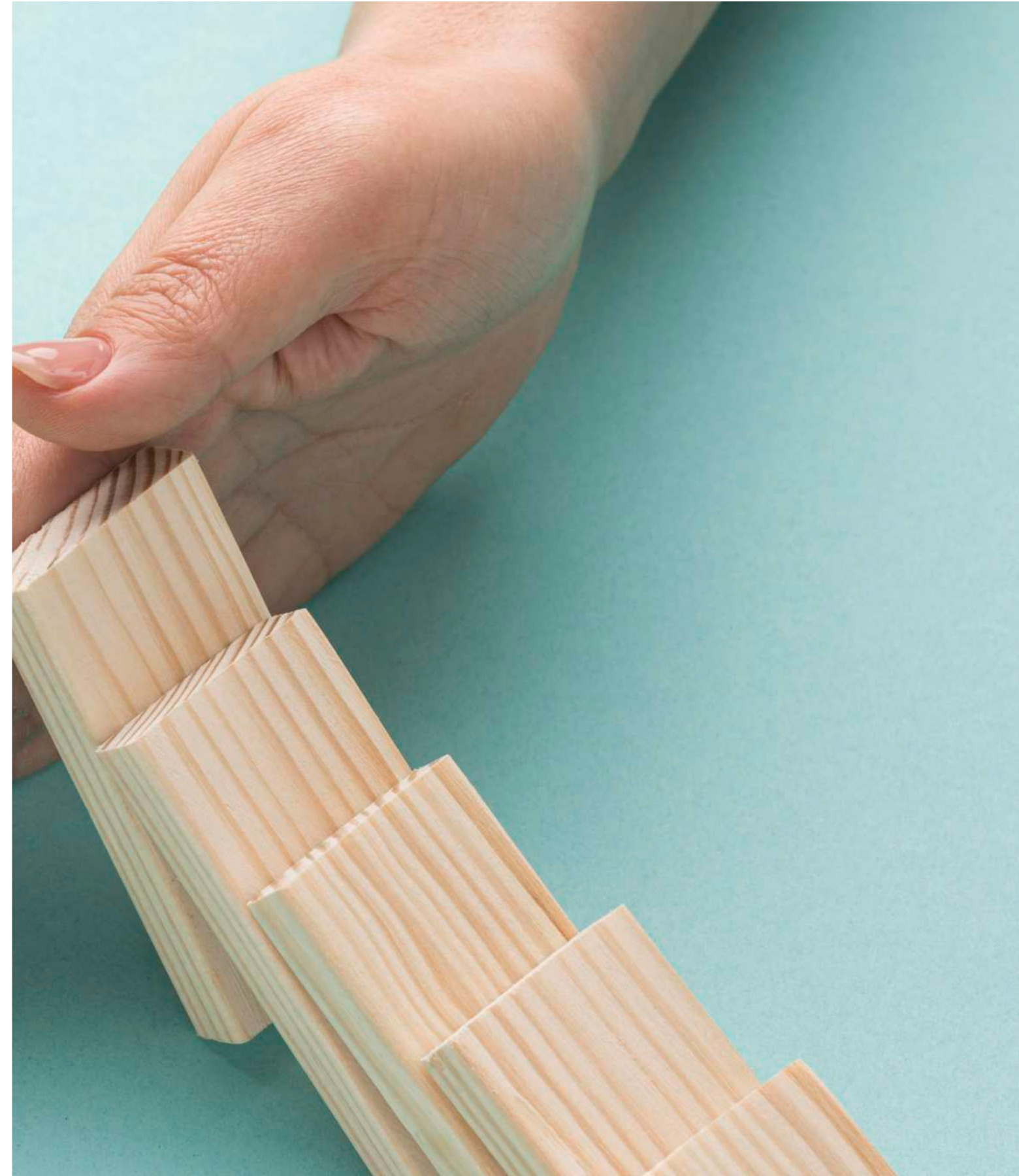
Interest Rate Risks

In 2024, major economies, including Vietnam, witnessed a “summer of low interest rates” due to expansionary monetary policies. The primary goal was to stabilize inflation and stimulate consumption and investment. This trend is likely to continue into early 2025, supporting businesses and paving the way for global economic recovery. By the end of 2024, the average deposit interest rate for a 12-month term across the banking system reached 5.1%, 0.2% higher than at the beginning of the year. According to the State Bank of Vietnam, credit growth reached 15.08%, exceeding the target, indicating higher loan demand than banks’ lending capacity, forcing them to raise deposit interest rates to attract deposits. The entire banking system is expected to achieve 7.9% for the whole of 2024. To boost economic recovery, credit institutions and commercial banks actively lowered lending rates. According to reports, lending rates continued to decrease by approximately 0.96% per year, meeting capital demands and encouraging development across various economic sectors.



Other Risks

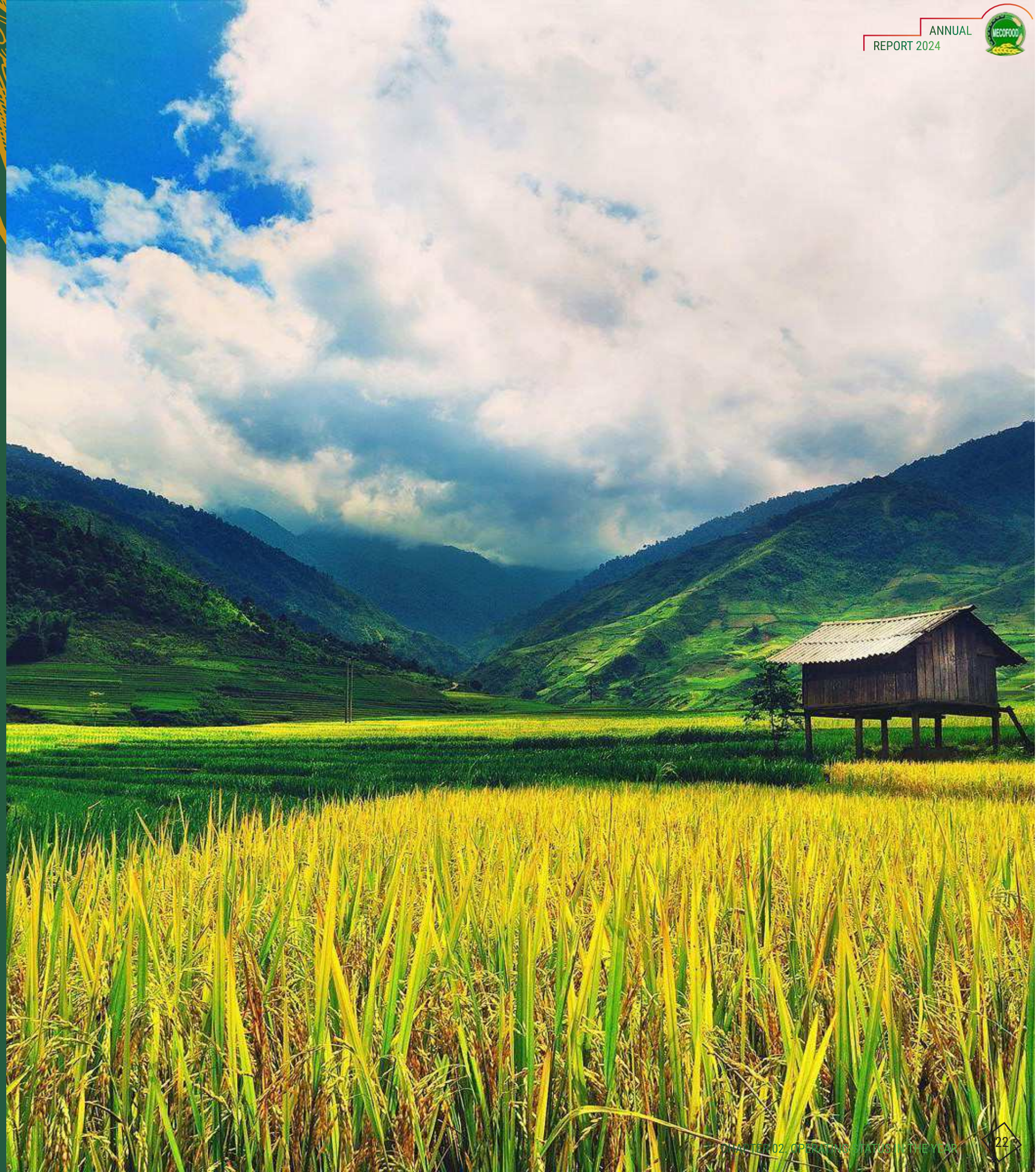
Besides the mentioned risks, the Company also faces force majeure risks from external factors like natural disasters, epidemics, fires, and political and social instability. These risks can occur unexpectedly and potentially cause losses to human life and health, as well as the Company’s assets and production activities. While these risks cannot be entirely eliminated, the Company has proactively implemented preventive measures such as insurance, training, and awareness-raising for employees on occupational safety and disaster prevention. The Company also regularly updates information and strictly adheres to regulations related to rescue, evacuation, and disaster prevention, aiming to proactively respond and minimize human and property damage.



02

OPERATING STATUS IN THE YEAR

- Production and Business Performance Report
- Organization and Personnel
- Investment Status, Project Implementation Status
- Financial Status Shareholder Structure
- Company's Environmental and Social Impact Report



PRODUCTION AND BUSINESS PERFORMANCE REPORT

PRODUCTION AND BUSINESS PERFORMANCE REPORT 2024

No.	Target	Unit	Year 2023	Năm 2024			COMPARED TO THE SAME PERIOD IN 2023 (%)
				Plan	Implementation	Implementation/ Plan Ratio	
1	Total Revenue	Billion VND	446.454	572.529	494.134	86.31%	110.68%
2	Profit before tax	Billion VND	13.901	14	12.528	89.49%	90.12%
3	Budget Contribution	Billion VND	5.023	According to Decision	5.278	-	105.08%
4	Average income	Million VND	8.667	8.85	9.616	108.65%	101.64%

PERFORMANCE RESULTS OF PRODUCT CATEGORIES

No.	Description	Unit	Year 2023	Year 2024			COMPARED TO THE SAME PERIOD IN 2023 (%)
				Plan	Implementation	Implementation/ Plan Ratio	
I	Purchase						
1	Food (rice equivalent)	Tonnes	23,094	34,000	26,653	78.39%	115.41%
II	Sales						
1	Food Sales	Tonnes	25,294	34.000	22.440	66.00%	88.72%
	Of which: + Export	Tonnes	3,519	6.000	3.438		
	+ Domestic Rice	Tonnes	21,775	28.000	19.002		
2	Packaging	1000 units	3,748	7.000	5.466	78.09%	143.84%
3	Mechanics	Billion VND	22	25	26	104.00%	118.18%
4	Concrete - Construction Materials	m³	37.760	60.000	42.657	71.10%	112.97%
5	Handicrafts	Cont.	12.5	20	12.5	62.50%	100.00%

EVALUATION OF EACH PRODUCT

Foodstuff products

In 2024, foodstuff product sales reached 22,440 tons, achieving 66.00% of the plan (22,440 tons/34,000 tons), and 88.72% compared to the same period in 2023. Although the sales output in 2024 reached 66.00% of the plan, this product category brought significant profits to the Company. This achievement was due to effective procurement; from the beginning of 2024, the Company consistently monitored the market to purchase raw rice at low prices, ensuring profitability when processed and sold to customers. This was the main profitable product category for the company in 2024.



Mechanical Engineering category

In 2024, the revenue from mechanical engineering products was 26 billion VND (including: actual revenue of 15.772 billion VND and the breach of contract portion from Saigon Viet Hung Agricultural Products Processing and Export Joint Stock Company, which agreed to a settlement and paid Mechannics Construction And Foodstuff Joint-Stock Company according to Decision No. 01/2024/QĐST-KDTM dated 2024-02-16 of the People's Court of Thanh Hoa District, Long An Province, recognizing the agreement between the parties as 10.6 billion VND), reaching 104% of the plan (26 billion VND/25 billion VND) and 118.18% compared to the same period in 2024. In 2024, the mechanical engineering category lacked major contracts, primarily focusing on repairing, renovating, and upgrading machinery and equipment within the Corporation system and external private entities, resulting in low revenue and limited effectiveness. The main objective was to create jobs for employees and offset costs to maintain production for this product category while awaiting development opportunities. However, the significant increase in revenue and gross profit for mechanical engineering products in 2024 was due to income from a partial breach of contract that occurred in 2014 with Saigon Agricultural Products Processing and Export Joint Stock Company, which agreed to a settlement and paid the Company.



Concrete – Construction Materials category

In 2024, concrete product sales reached 42,657 m³, achieving 71.10% of the plan (42,657 m³/60,000 m³) and 112.97% compared to the same period in 2023. Concrete product sales faced numerous difficulties due to the general economic situation, with most construction projects halting or operating at reduced capacity. The Company focused on marketing to private projects, households, and rural roads, resulting in low sales and consequently low profits for this product category.



Packaging – Handicrafts category

In 2024, packaging product sales reached 5.466 million units, achieving 78.09% of the plan (5.471 million units/7 million units) and 145.84% compared to the same period in 2023. This achievement was due to the Company fulfilling packaging supply contracts for member units within the Corporation system and external private entities in 2024, significantly increasing output compared to the same period in 2023. However, the profitability of this product category remained low due to intense price competition from external private entities, forcing the Company to reduce prices significantly to secure sales.

In 2024, handicraft product exports reached 12.5 containers, achieving 62.5% of the plan (12.5 containers/20 containers) and 100% compared to the same period in 2023. This product category is no longer profitable for the company due to factors such as increasing raw material prices, difficulties in procurement and recruitment, and declining sales over the years. The company has developed a plan to temporarily suspend production and business for this product category, which has been approved by the Corporation and the Company's Board of Directors.



ORGANIZATION AND PERSONNEL

LIST OF MEMBERS OF BOARD OF MANAGEMENT

No.	Member	Position	Number of shares owned	Ownership percentage
1	Mr. Le Truong Son	General Director	1,239	0.011%
2	Mr. Nguyen Binh Hien	Deputy General Director	1,114,148 (*)	10.34%
3	Mr. Nguyen Minh Phuc	Deputy General Director	2,978	0.03%
4	Ms. Nguyen Thi Thanh Phung	Chief Accountant	404 (*)	0.00%

CHANGES IN MEMBERS OF BOARD OF MANAGEMENT IN 2024

None

SUMMARY OF BOARD OF MANAGEMENT MEMBERS’ BACKGROUNDS

MR. LE TRUONG SON

General Director

- **Date of Birth:** 10/02/1963
- **Professional Qualification:** Bachelor of Finance – Accounting
- **Current Position in other Organizations:** None
- **Number of shares held at present:** 1,239 shares, accounting for 0.011% of charter capital
- **Percentage of securities ownership in other Companies:** None
- **Number of shares held at present by related persons:** None

MR. NGUYEN MINH PHUC

Deputy General Director

- **Date of Birth:** 12/11/1968
- **Professional Qualification:** Bachelor of Economics
- **Current Position in other Organizations:** None
- **Number of shares held at present:** 2,978 shares, accounting for 0.03% of charter capital
- **Percentage of securities ownership in other Companies:** None
- **Number of shares held at Number of shares held at present by related persons:** None

MR. NGUYEN BINH HIEN

Member of the Board of Directors, Deputy General Director

- **Date of Birth:** 23/07/1964
- **Professional Qualification:** Bachelor of Finance – Accounting
- **Current Position in other Organizations:** None
- **Number of shares held at present:** 1,114,148 shares, accounting for 10.34% of charter capital.
- **Personal Ownership:** 36,348 shares, accounting for 0.34% of charter capital.
- **Representative Ownership:** 1,077,800 shares, accounting for 10.00% of charter capital (representing Vietnam Vietnam Southern Food Corporation - Joint Stock Company).
- **Percentage of securities ownership in other Companies:** None
- **Number of shares held at present by related persons:**
 - Dang Thi Be Chinh: 4,041 shares, accounting for 0.04% of the charter capital.

MS. NGUYEN THI THANH PHUNG

Chief Accountant

- **Date of Birth:** 15/12/1988
- **Professional Qualification:** Bachelor’s Degree
- **Current Position in other Organizations:** None
- **Number of shares held at present:** 404 shares, accounting for 0.00% of charter capital
- **Percentage of securities ownership in other Companies:** None
- **Number of shares held at Number of shares held at present by related persons:** None

ORGANIZATION AND PERSONNEL (CONTINUED)

NUMBER OF OFFICIALS AND EMPLOYEES

No.	Classification	Quantity (people)	Percentage (%)
I	By labor qualification	243	100.00%
1	University and college level	60	24.69%
2	Intermediate level	57	23.45%
3	Technical Workers	110	45.26%
4	Unskilled Labor	16	6.60%
II	By Employment Contract Type	243	100.00%
1	Indefinite Contract	198	81.48%
2	Seasonal Contract (Under 1 Year)	24	9.88%
3	Fixed-term Contract (1-3 Years)	21	8.64%
III	By Gender	243	100.00%
1	Male	159	65.43%
2	Female	84	34.57%

* Of which, 203 are regular employees on the list as of December 31, 2024.

AVERAGE INCOME OF EMPLOYEES

Year	2023	2024
Total Number of Employees (People)	311	243
Average Employee Income (VND/Person/Month)	8.667	9.616

HUMAN RESOURCES POLICY

Human resources play a crucial and essential role in every business. Therefore, the company always focuses on building a team of highly qualified personnel to promote the company’s development through specific recruitment policies as follows:

- Prioritize recruiting individuals with extensive knowledge and practical experience in the agricultural sector.
- Develop recruitment policies based on the specific needs of each position.
- Ensure a fair recruitment environment, free from discrimination based on gender, age, ethnicity, religion, or any other personal criteria unrelated to job competence.
- Prioritize candidates who meet occupational health and safety requirements, especially in agricultural production environments that may present potential risks.

Regarding Recruitment



Regarding Training

Personnel training is one of the top policies that MECOFOOD focuses on developing. The company applies various training methods, suitable for different roadmaps, orientations, and target groups. The training program for new employees is designed to help them quickly get acquainted with the corporate culture, working environment, and specific job skills. Thereby, the company can search and screen individuals with professional competence and ethics, meeting the standards and development needs of the new generation of human resources. For internal training policies, the company mainly focuses on improving the capacity, professional skills, and awareness of the staff, workers, and employees, aiming towards sustainable development and improving the service quality of MECOFOOD.



ORGANIZATION AND PERSONNEL (CONTINUED)

HUMAN RESOURCES POLICY

About Working Environment

The working environment is an important factor that helps shape the characteristics of each business and influences the choices of employees. MECOFOOD sets clear goals regarding working time and conditions, ensuring employee benefits. The company builds a healthy, comfortable, and professional working environment, inspiring employees and attracting competent individuals for long-term commitment. Moreover, MECOFOOD always encourages feedback and initiatives from employees for company development, while respecting and ensuring fair rights for all employees.



About Salary, Bonus, Benefits, and Remuneration

Employees sign contracts in accordance with legal regulations. Every month, they receive salaries based on the company's timekeeping standards, commensurate with their work performance. For employees working in arduous or hazardous conditions, the company will provide mid-shift meals, safety equipment, and ensure they receive appropriate remuneration for their work.



INVESTMENT STATUS, PROJECT IMPLEMENTATION STATUS

In 2024, the Company invested in arising essential items with a total value excluding VAT of 1,772,370,825 Dong, including:

Unit: VND

No.	Investment Item Name	Investment - Construction Plan 2024 Approved	Total Investment in 2024	Notes
I	Mechanical Construction Enterprise	3,850,000,000		
1	CNC Metal Cutting Machine (VN, 100% New): 1 Machine	550,000,000		Carried Forward from 2023
2	Concrete Mixer Truck (CN, 100% New): 2 Units	3,300,000,000		
II	Foodstuff Enterprise	4,730,000,000	1,040,179,916	
1	Finished Product Tank System (Dc Machine 3 – PX1)	2,000,000,000		Carried Forward from 2023
2	Fire Protection Water Reservoir	550,000,000		Completed in 2023
3	WORKSHOP 1 Warehouse Floor Elevation	1,210,000,000	161,712,452	Carried Forward from 2023
4	Renovation and Upgrade of Dust Treatment System for Production Lines at PX1	970,000,000	821,467,464	Carried Forward from 2023
5	CBS01 Conveyor Belt Scale - Cao Lanh Grain Trading Station		57,000,000	Resolution No. 13/NQ-MCF-HĐQT dated 2024-05-02
III	Company Office		732,190,909	
1	8-Seat Toyota Innova, License Plate: 62A 396.67		732,190,909	Resolution No. 07/NQ-MCF-HĐQT dated May 2, 2024
TOTAL		8,580,000,000	1,772,370,825	

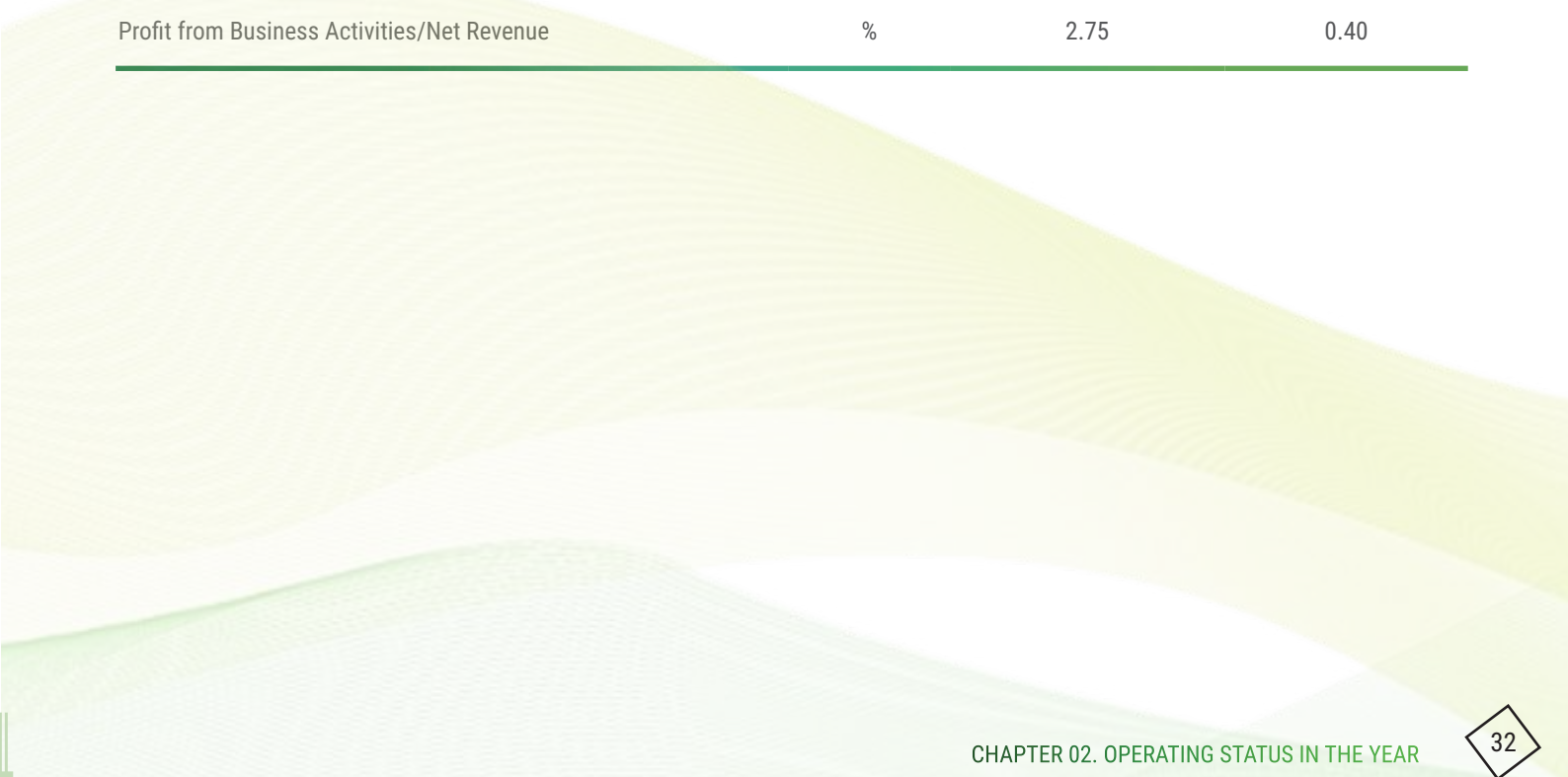
FINANCIAL STATUS

Unit: VND

STT	Target	Year 2023	Year 2024	%2024/2023
1	Total Asset Value	169,335,200,991	195,125,015,315	115.23%
2	Net Revenue	443,846,689,702	480,125,601,327	108.17%
3	Profit from Business Activities	12,209,066,721	1,926,168,120	15.78%
4	Other Profit	1,691,850,013	10,601,904,939	626.65%
5	Profit Before Tax	13,900,916,734	12,528,073,059	90.12%
6	Profit After Tax	10,863,544,809	9,654,232,940	88.87%
7	Dividend Payout Ratio	12%	Expected 6.5%	-

FINANCIAL INDICATORS

Indicator	Unit	Year 2023	Year 2024
1. Liquidity Ratios			
Current Ratio (Current Assets/Current Liabilities)	Times	3.00	2.23
Quick Ratio ((Current Assets - Inventory)/Current Liabilities)	Times	0.77	0.52
2. Capital Structure Ratios			
Debt/Total Assets Ratio	%	26.92	39.37
Debt/Equity Ratio	%	36.83	64.94
3. Activity Ratios			
Inventory Turnover (Inventory/Average Cost of Goods Sold)	Turns	3.39	3.78
Total Asset Turnover (Net Revenue/Average Total Assets)	Turns	2.45	2.63
4. Profitability Ratios			
Profit After Tax/Net Revenue Ratio	%	2.45	2.01
Return on Equity (Profit After Tax/Equity)	%	8.78	7.9
Return on Assets (Profit After Tax/Total Assets)	%	6.42	5.30
Profit from Business Activities/Net Revenue	%	2.75	0.40

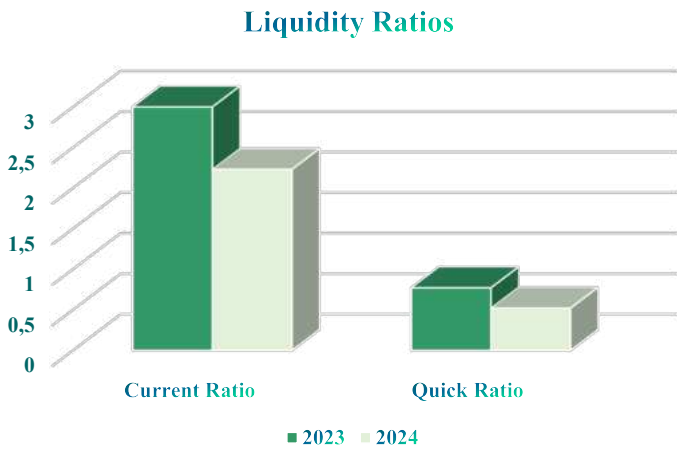


FINANCIAL STATUS (CONTINUED)

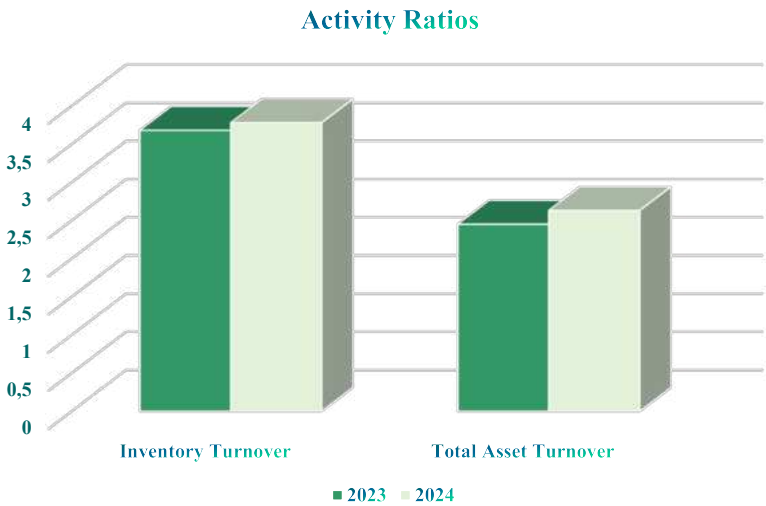
FINANCIAL INDICATORS (CONTINUED)

Liquidity Ratios

In 2024, the Company’s current ratio reached 2.23, decreasing compared to 3.00 in 2023, indicating an adjustment in the asset and liability structure. The quick ratio also recorded a slight decrease, from 0.77 in 2023 to 0.52 in 2024, mainly due to the increase in short-term loans. However, the Liquidity Ratios has remained greater than 1 throughout the years, demonstrating the stability and good ability of the Company to pay off short-term debts, creating reassurance for investors and partners.



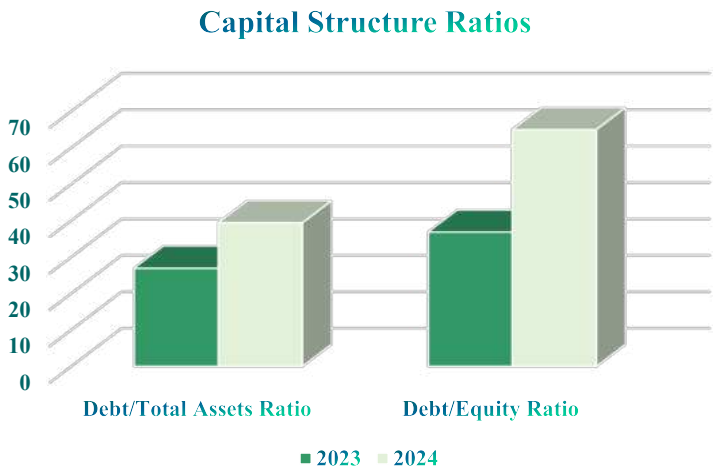
Activity Ratios



In 2024, the inventory turnover was 3.78 times, a change from 3.39 times in 2023. This is partly due to the influence of the rising rice price trend in the market. However, most of these goods have sales contracts, ensuring stable output for the Company.

In 2024, the total asset turnover reached 2.63 times, an adjustment compared to 2.45 times in 2023. This is mainly due to the growth of Net Revenue in 2024, when the domestic rice price situation fluctuated.

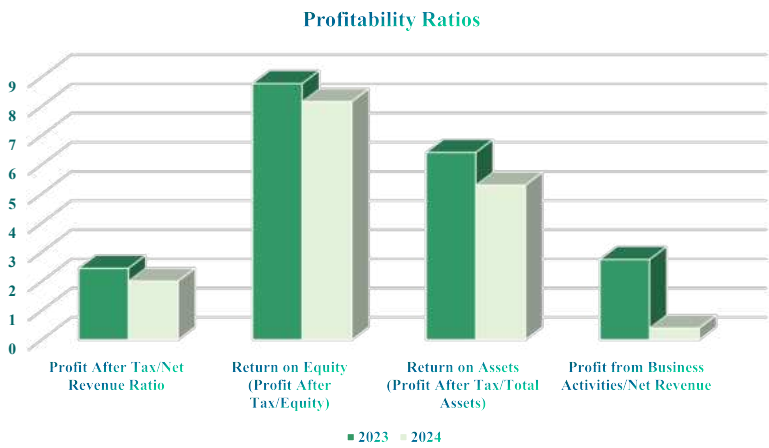
Capital Structure Ratios



Regarding capital structure, the increase in short-term borrowing to supplement working capital has led to significant changes in capital structure indicators. Specifically, the debt-to-asset ratio increased from 26.92% in 2023 to 39.37% in 2024, while the debt-to-equity ratio also increased from 36.83% to 64.94% during the same period. In addition, equity recorded a slight decrease due to the Company deducting profit after tax to pay dividends to shareholders in 2023. These fluctuations reflect adjustments in the Company’s financial policies, while reinforcing stakeholders’ confidence in the Company’s financial capacity.

Profitability Ratios

The relatively high increase in rice prices during the year led to a slight decrease in the Company’s profit margin. Profitability indicators all recorded adjustments compared to the previous year. However, the Company’s management has been actively implementing many solutions to adapt to the new situation, aiming to maintain stability and sustainable development in 2025.



SHAREHOLDER STRUCTURE

SHARES

CHARTER CAPITAL:

107.778.380.000 VND

- Changes in Owner's Investment Capital: None
- Restricted Transfer Shares: None
- Treasury Stock Transactions: None
- Other Securities: None

SHAREHOLDER STRUCTURE

No.	Shareholder Type	Number of Shareholders	Number of Shares	Value (VND)	Ownership Ratio/ Charter Capital (%)
I	Domestic Shareholders	605	10,777,838	107,778,380,000	100.00%
1	State-Owned Shareholders	1	6,466,800	64,668,000,000	60.00%
2	Institutional Shareholders	1	67,525	675,250,000	0.63%
3	Individual Shareholders	592	4,086,199	40,861,990,000	37.91%
II	Foreign Shareholders	605	10,777,838	107,778,380,000	100.00%
1	Institutional Shareholders	3	20,769	207,690,000	0.19%
2	Individual Shareholders	8	136,545	1,365,450,000	1.27%
III	Treasury Shares	0	-	-	0.00%
Total		605	10,777,838	107,778,380,000	100.00%

As of 29/05/2024

LIST OF MAJOR SHAREHOLDERS

No.	Name	Number of Shares	Ownership Ratio/ Charter Capital (%)
1	Vietnam Southern Food Corporation - Joint Stock Company	6,466,800	60.00%

As of 29/05/2024

M
C
F

Total Common Shares

10.777.838 shares

Number of Outstanding Shares

10.777.838 shares

Share Type

Common shares

Par Value per Share

10.000 VND

Number of Treasury Shares

0 shares

COMPANY’S ENVIRONMENTAL AND SOCIAL IMPACT REPORT

RAW MATERIAL MANAGEMENT

Total raw materials used for the Company’s product manufacturing and packaging

Raw materials used for the packaging and handicraft industry are as follows

No.	Demand	Unit	Year 2023	Year 2024
1	Virgin Resin	Ton	362	409.225
2	Fresh Rice	Ton	1,229	249.51
3	Taical, Color Seeds	Ton	139	125.192
4	Dried Straw	Ton	66	106.86
5	Lubricating Oil	Liter	1,400	4,400

Raw materials used for the mechanical engineering, ready-mix concrete, and construction materials industry are as follows

No.	Demand	Unit	Year 2023	Year 2024
1	Iron	Ton	91,7	49
2	Paint	Kg	108	1,900
3	Kerosene	Liter	120	158
4	Stone 1x2	Ton	69,000	58,500
5	Coarse Sand	m³	31,800	18,881
6	Cement	Ton	19,000	13,100
7	Waterproofing	Liter	287	0
8	Mira 188HD Additive	Liter	188,700	116,000

Raw materials used for the rice industry

No.	Demand	Unit	Year 2023	Year 2024
1	Rice	Ton	21,000	31,000
2	Lubricating Oil	Liter	350	270

Recycled raw materials used for product manufacturing



Packaging Industry
Defective packaging products and packaging edges are collected and sold to purchasing facilities



Mechanical Engineering, Concrete, and Construction Materials Industry:
Surplus materials from metal cutting processes are collected and supplied to purchasing facilities.



Food Industry
Due to the specific nature of production and business activities, the food industry does not have any recycled materials.

COMPANY’S ENVIRONMENTAL AND SOCIAL IMPACT REPORT (CONTINUED)

ENERGY CONSUMPTION

The Company’s primary energy source is electricity, sourced from the national grid. In 2024, the company’s electricity consumption for production and office operations was approximately 1,956,797 kw/year, specifically:

- Company Office: 92,110 kw/year
- Mechanical Construction Enterprise: 152,020 kw/year
- Foodstuff Enterprise: 665,567 kw/year
- Packaging and Handicraft Enterprise: 1,047,100 kw/year

WATER CONSUMPTION (WATER CONSUMPTION OF BUSINESS ACTIVITIES IN 2024)

Packaging and Handicraft Enterprise

The enterprise’s water supply is sourced from on-site wells. The demand is approximately 13,728 m³/year, primarily for mixing ready-mix concrete and partially for the daily needs of the enterprise’s employees.

Mechanical Construction Enterprise

The enterprise’s water supply is provided by Long An Water Supply Joint Stock Company. The demand is approximately 1,439 m³/year, mainly for the daily sanitation needs of the enterprise’s employees.

Foodstuff Enterprise

The enterprise’s water supply is provided by Long An Water Supply Joint Stock Company. The demand is approximately 1,439 m³/year, mainly for the daily sanitation needs of the enterprise’s employees.

COMPANY'S ENVIRONMENTAL AND SOCIAL IMPACT REPORT

(CONTINUED)

ENVIRONMENTAL PROTECTION LAW COMPLIANCE

Mechannics Construction And Foodstuff Joint-Stock Company strictly adheres to the Environmental Protection Law and current legal regulations. Annually, the company collaborates with environmental consulting units to measure and analyze environmental quality at its subsidiary enterprises. The objective is to control pollution, address existing environmental protection issues, and identify solutions to minimize pollution.

Dust and Emissions

The amount of dust and emissions generated at the enterprises significantly impacts worker productivity and health. Therefore, the company has implemented measures to mitigate the impact of dust on workers during production and protect their health through the following measures:

- Design workshops in compliance with industrial construction regulations, ensuring adequate ventilation.
- Install appropriate ventilation systems for the workspace.
- Provide workers with labor protection equipment, including gloves, masks, earplugs, plastic slippers, aprons, and safety helmets.
- Conduct regular health check-ups for employees to minimize the risk of occupational diseases.
- Regularly inspect and clean the workshops.
- Internal roads will be regularly cleaned and sprayed with water to reduce dust and heat radiation from the road surface.
- Vehicles moving within the enterprise must adhere to speed limits and be thoroughly covered.



Noise and Vibration

Although noise sources during the company’s production process are insignificant, the company still implements measures to minimize noise levels to protect workers’ health:

- Separate production areas from office spaces.
- Regularly check the balance of machinery during operation, monitor the wear of components, and periodically lubricate, especially the transmission parts.
- When machinery parts are found worn, technical staff will promptly replace and repair them.
- Continuously measure and monitor the noise levels of equipment, implementing corrective actions as needed.
- Cast machine foundations with high-standard concrete, increasing foundation depth and digging dry sand trenches to reduce vibrations from the ground.
- Inspect the wear of components and perform regular lubrication or replace damaged parts.
- Workers are provided with sufficient earplugs.
- Establish a plan to inspect and closely monitor the use of worker safety equipment

Excess heat control measures

To minimize the impact of excess heat and ensure a favorable microclimate for machine operators, enterprises have implemented the following measures:

- Design workshops to be tall and well-ventilated, ensuring compliance with technical standards and suitability for the production technology.
- Arrange ventilation openings around the walls of workshops or use vertical shaft fans to enhance air circulation in the production area.
- Plant numerous trees on the company premises, ensuring that green spaces occupy at least 15% of the total land area.
- Provide workers with complete safety attire to minimize negative impacts. This includes protective clothing, safety shoes, helmets, aprons, masks, gloves, and earplugs.

In summary, mitigating the impact of excess heat and improving the microclimate is crucial. A poor microclimate not only affects production technology and product quality but also impacts workers’ labor. Hot and dusty working conditions not only harm their health but also reduce their productivity.

COMPANY'S ENVIRONMENTAL AND SOCIAL IMPACT REPORT

(CONTINUED)

ENVIRONMENTAL PROTECTION LAW COMPLIANCE (CONTINUED)

Measures to control pollution caused by wastewater

Rainwater runoff

- The rainwater drainage system is designed separately from the wastewater drainage system.
- Rainwater runoff on internal roads and yards is filtered for large debris using steel mesh or trash screens at manholes before being directed to the receiving source.
- Rainwater from the roofs of workshops will be collected into plastic downpipes and then discharged into the rainwater drainage system.

Domestic wastewater

- Primarily generated from employee water usage such as personal hygiene and handwashing. Wastewater is pre-treated through a three-compartment septic tank located underground. The treated wastewater will circulate in the tank for an extended period to ensure settling efficiency before moving to the filtration compartment and entering the area's main system.
- Domestic wastewater generated from toilets, urinals, showers, and washing is collected and directed to a three-compartment septic tank for treatment. This type of septic tank consists of 1, 2, or 3 compartments. It can treat all types of fecal and urine wastewater. When wastewater enters the tank, it is cleaned through two main processes: sedimentation and sludge fermentation, then flows through the third compartment before reaching the settling tank and manhole, and finally discharges into the main sewer.

Production wastewater

Due to the nature of the production industry, the company's operations do not generate production wastewater, only a small amount of sanitary wastewater from the workshop, which is minimal and infrequent. However, the company's ready-mix concrete production does generate wastewater, but this is treated through a wastewater treatment system. After treatment, the wastewater is reused.



Solid waste pollution control measures

For general solid waste

To minimize pollution from general solid waste, the company has implemented the following management measures:

- Implement solid waste sorting at the source, divided into 2 main groups:
 - » Group of recyclable materials: waste products such as packaging, cardboard, bottles, bottle caps, etc.
 - » Group of wastes requiring treatment: Easily biodegradable organic wastes such as vegetables and leftover food are classified separately for collection and treatment according to regulations. Other solid wastes that cannot be reused will be collected and swept daily, and stored in accordance with regulations;
- The company regularly organizes education to raise awareness of general hygiene for all employees and has issued environmental protection regulations for implementation;
- To prevent littering, the company has installed trash cans in surrounding areas;
- We have contracted with the Urban Works Company to collect, transport, and treat domestic solid waste generated at the factories and offices of the Company.



For production solid waste

During operation, the factory has implemented the following production solid waste management measures:

- Selvages, nylon strings, sewing thread, and scrap metal are collected and sold to purchasing facilities.
- Dry straw removed from the rice selection and product trimming process is collected and sold to livestock households.
- The remaining amount that cannot be sold is collected along with domestic waste.

For hazardous solid waste:

- Storage is carried out in sealed containers with lids, marked with warning signs, and not mixed with other types of waste.
- The amount of hazardous waste generated at the company is very small. For fluorescent lamps and oil-contaminated rags, the company will collect and store them separately in labeled areas. Every 6 months, the company will hire a qualified unit to transport, collect, and treat them according to regulations.

COMPANY'S ENVIRONMENTAL AND SOCIAL IMPACT REPORT

(CONTINUED)

ENVIRONMENTAL PROTECTION LAW COMPLIANCE (CONTINUED)

Environmental incident prevention measures

- The company has fully equipped fire prevention and fighting equipment, including an automatic electronic fire alarm system, and has a fire prevention and fighting plan along with strict compliance with relevant regulations.
- Arrange equipment: fire extinguishers, fire hydrants, water tanks... in reasonable locations for timely response in case of fire or explosion.
- Coordinate with the Fire Police to develop plans and implement specific tasks to ensure absolute occupational safety for workers, organize training sessions and drills for the company's employees.
- The company also established a fire prevention and fighting team consisting of 5 fire fighting, first aid, and transport teams to respond to fire and explosion situations.
- Store materials and products safely, away from potential sources of explosion.
- Check signs, no-fire signs, automatic fire alarm systems, and fire safety regulations.
- Install lightning protection systems at the highest points of the factory.
- In addition to the above fire and explosion prevention measures, the Company also implements the following measures to ensure occupational safety and health for workers.
- All workers are trained in occupational safety.
- Occupational safety equipment is also provided to workers during equipment repair and maintenance.
- Regular health checks and monitoring for workers.
- Microclimate factors and working conditions are ensured to meet the standards of the Ministry of Health.
- The company controls pollution sources to meet prescribed standards, aiming to prevent occupational diseases.

POLICY RELATED TO EMPLOYEES

- Total number of employees is 243 people.
- The average income in 2024 of the Company is 9.616 million VND/person/month.

The company fully implements policies on social insurance, health insurance, unemployment insurance, and personal accident insurance for employees; implements a toxic allowance regime for workers working in hazardous environments and occupational diseases; takes care of employees' lives, distributes salaries, bonuses, and gifts to employees on traditional Tet holidays and major holidays of the year.

At the same time, the Company develops plans and organizes the implementation of labor protection throughout the Company; Organizes training on occupational safety and hygiene, food safety and hygiene, periodic health check-ups for employees, and measures the working environment.

REPORT RELATED TO RESPONSIBILITY TO THE LOCAL COMMUNITY

In 2024, our company committed to fulfilling its social responsibilities and actively contributing to the local community through a series of meaningful activities. Most notably was the incense offering ceremony in memory of heroes and martyrs at Long An Province Martyrs Cemetery, expressing deep gratitude and honoring the noble sacrifices for the country. In addition, the Company also visited and gave gifts to Vietnamese Heroic Mothers, those who have made great contributions and suffered irreplaceable losses. The Company's Youth Union also carried out the Journey to the Source, a meaningful trip to arouse patriotism and historical traditions among young people. In addition, within the framework of the 'Green Sunday' event, the company's Youth Union launched community service projects, contributing to beautifying the surrounding living environment. Finally, it is impossible not to mention the company's Youth Union giving gifts and bringing joy to orphaned children at the Kim Chi charity house - Thu Thua district, thereby sharing love and care for the less fortunate. These activities not only demonstrate the Company's sense of responsibility to the community but also contribute to building a united and loving society.

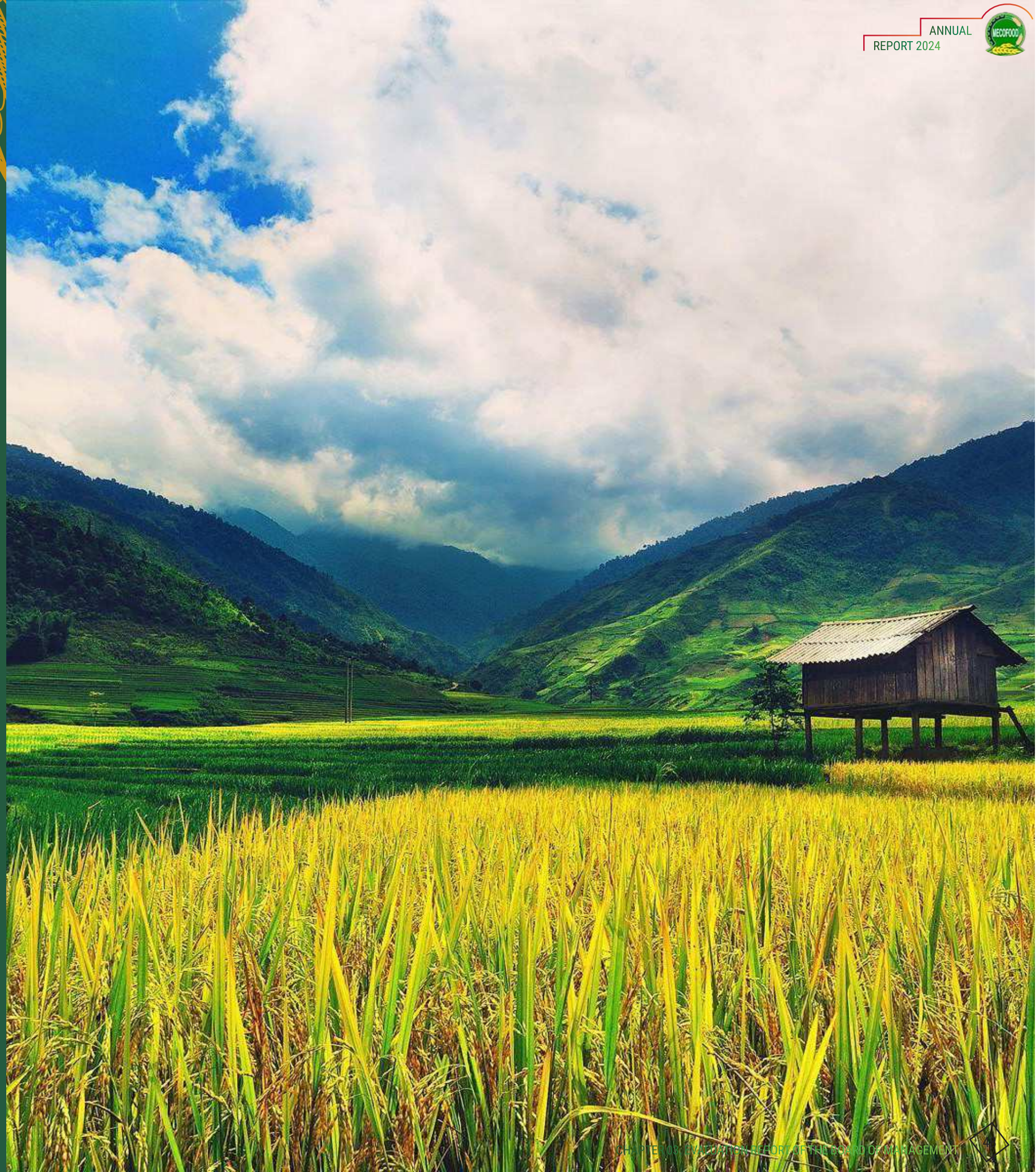




03

EVALUATION REPORT OF THE BOARD OF MANAGEMENT

- Evaluation of production and business results
- Financial Status
- Improvements in organizational structure, policies, and management
- Board of Management' explanation of audit opinions
- Company's development plan for 2025



EVALUATION OF PRODUCTION AND BUSINESS RESULTS

RESULTS OF KEY BUSINESS INDICATORS IN 2024

No.	Indicator	Unit	Year 2024			Compared to the same period in 2023 (%)
			Plan	Actual	Compared to the 2024 Plan (%)	
1	Total Revenue	Million VND	572,529	494,134	86.31%	110.68%
2	Profit Before Tax	Million VND	14,000	12,528	89.49%	90.12%
3	Budget Contribution	Million VND	According to the Decision	5.278	-	105.08%
4	Average income per employee	Million VND	8.850	9.616	108.65%	101.64%



Advantages

- Timely direction and guidance from the Board of Directors of the Southern Food Corporation.
- The drastic, dynamic, and creative direction and administration of the Board of Directors and the Board of Management of the Company.
- The unity of the Board of Directors, the Board of Management of the Company, and all employees to overcome difficulties and develop production.
- The company has a healthy financial situation for many years, effective business, and is trusted by credit institutions to provide credit limits.
- - The company has a team of qualified and experienced managers, a young workforce full of creativity and passion for work

Difficulties

TIn 2024, due to the domestic and global situation causing fluctuations in gasoline, goods, and raw material prices, the Company's production and business activities faced many difficulties. All of the Company's product lines did not achieve the planned output, revenue, and profit.

- **Foodstuffs:** Rice prices remained high, making forecasting and timing purchases and sales challenging. The company retained existing rice customers but struggled to acquire new ones. Export contracts were scarce due to increased shipping costs, with customers waiting for lower rates before importing.
- **Concrete:** Numerous public construction projects launched this year experienced delays or slow progress. The company focused on residential and rural road projects, resulting in low concrete sales. Additionally, state construction on the factory's riverbank in 2024 prevented direct material sourcing (sand, gravel, etc.) from the factory site. The company had to lease external private docks for transport, increasing production costs.
- **Handicrafts:** In 2024, Handicrafts sales reached 12.5 units, only 62.5% of the plan. Rising material costs, procurement difficulties, worker recruitment challenges, and declining sales made this sector ineffective. The company developed a plan to discontinue this sector, which the Board of Directors approved and implemented.
- **Packaging:** Despite support from the parent company and external customers, intense price competition persisted. Although sales volume increased compared to 2023, profitability remained low.
- **Mechanical Engineering:** Lacking major contracts, the focus was on repair, renovation, and equipment upgrades for external entities and internal projects within the parent company. This led to low revenue, high labor costs, and a strained mechanical workforce. The company sought solutions to ensure timely and efficient customer service.

Company Achievements

- Maintained stable business operations and growth, particularly retaining existing customers, especially in foodstuffs.
- Implemented focused and effective investments in key sectors.
- Built credibility with financial institutions, ensuring loan access and timely debt repayment.
- Ensured business efficiency, capital preservation, job retention, and employee income.

FINANCIAL STATUS

ASSETS STATUS

Indicator	Year 2023	Year 2024	FY2024/FY2023	Proportion in 2023	Proportion in 2024
Short-Term Assets	135,826,871,992	170,878,235,463	25.81%	80.21%	87.57%
Long-Term Assets	33,508,328,999	24,246,779,852	-27.64%	19.79%	12.43%
Total Assets	169,335,200,991	195,125,015,315	15.23%	100.00%	100.00%

In 2024, the company's total assets increased by 15.23%, reaching 195,125 million VND. Significant shifts occurred in the asset structure, reflected in the following changes:

- Current Assets: Continued to hold a large proportion (87.57%) and increased significantly (25.81%) compared to 2023, reaching 170,878 million VND. This increase primarily stemmed from higher inventory due to rising rice prices and increased short-term receivables. The company is actively implementing measures to manage these receivables effectively.
- Non-current Assets: Accounted for 12.43% of total assets, reaching 24,247 million VND, and decreased by 27.64% compared to the previous year. This decrease was mainly due to adjustments in long-term receivables and long-term work in progress.

LIABILITIES STATUS

Target	Year 2023	Year 2024	FY2024/FY2023	Proportion in 2023	Proportion in 2024
Liabilities	45,579,727,742	76,827,041,726	68.56%	26.92%	39.37%
Owner's equity	123,755,473,249	118,297,973,589	-4.41%	73.08%	60.63%
Tổng nguồn vốn	169,335,200,991	195,125,015,315	15.23%	100.00%	100.00%

Along with asset fluctuations, the company's liability structure in 2024 also underwent significant changes:

- Current Liabilities:** Total current liabilities increased sharply by 68.96% compared to 2023, reaching 76,557 million VND, and accounted for 39.23% of total capital (up from 26.76% in 2023). This increase was primarily due to increased borrowing for inventory purchases and working capital supplementation amid rising rice prices.
- Long-term debt:** Unchanged compared to 2023, remaining at 270 million VND, accounting for a very small proportion (0.14%) of total capital.

IMPROVEMENTS IN ORGANIZATIONAL STRUCTURE, POLICIES, AND MANAGEMENT



- Review and reorganization:** The company continued to review, reorganize, and redefine the organizational structure company-wide to streamline and improve efficiency. This includes reorganizing and consolidating the management apparatus of the company and its subsidiaries, and improving the organization in several management areas and business lines to adapt to the current challenging situation.
- Enhanced governance:** The company strengthened corporate governance and risk management.
- Review of labor and wage practices:** The company reviewed and evaluated labor and wage practices and implemented appropriate compensation policies to motivate production development and enhance economic efficiency.
- Cost reduction:** Management cost reduction was implemented thoroughly, decisively, and specifically.
- Improvement of regulations:** The company supplemented and improved regulations in management; Actively practiced thrift and combated waste; Strengthened inspection of compliance with regulations on financial management in revenue, expenditure, import, and export at subsidiaries, and regulations on receivables management.
- Training and appointment of personnel:** Focused on training and development to enhance management, business, and professional skills for the staff and planned for successor personnel. Paid attention to training young staff with qualifications and qualities from the workshop level and above to meet the company's current work requirements. In 2024, the company appointed 04 personnel, transferred 01 personnel, and processed retirement for 04 personnel.
- Suspension of fine arts production and business:** Implemented a plan to temporarily suspend fine arts production and business due to inefficiency and submitted it to the Corporation and the Company's Board of Directors for approval while addressing outstanding issues after the suspension.
- Establishment of a technical and economic norms team:** Established a technical and economic norms team for brown rice to determine norms and apply them at the Cao Lanh Food Processing Business Station.
- Information disclosure:** Submitted periodic reports in accordance with the Securities Law to relevant authorities as regulated.
- Inspection and audit:** Regularly disseminated regulations and internal rules on anti-corruption, and strengthened inspection, audit, and supervision to prevent violations.

BOARD OF MANAGEMENT' EXPLANATION OF AUDIT OPINIONS

None

COMPANY'S DEVELOPMENT PLAN FOR 2025

Assessment for 2025 the Company's production and business situation is expected to continue facing many difficulties due to the impact of various domestic and international factors such as: The escalating conflict in Ukraine and the Middle East, disruptions in global supply chains, fluctuations in gasoline prices, commodity prices, and freight rates; unpredictable fluctuations in exchange rates and interest rates; natural disasters, climate change, energy security, and food security.

Based on the above assessment, the company has developed a production and business plan for 2025 with the following main targets

PRODUCTION AND BUSINESS PLAN FOR 2025

Target	Unit	Actual 2024	Plan 2025
Total revenue	Million VND	494,134	621,487
Profit	Million VND	12,528	12,500
Budget contribution	Million VND	5,278	According to the Decision
Average income per employee	Million VND	9.230	10.890

PURCHASE AND SALE TARGETS

No.	Target	Unit	Plan 2025
1	Rice purchased in rice equivalent:		34.000
	Rice of all kinds:	Ton	33.500
	Paddy of all kinds		1.000
	Rice sold in rice equivalent		34.000
	Export	Ton	6.000
	Domestic rice		28.0000
2	Packaging (standard 120 gr)	1000 units	7
3	Mechanical sales	Billion VND	25
4	Concrete	m³	60.000



COMPANY’S DEVELOPMENT PLAN FOR 2025 (CONTINUED)

GENERAL TASKS AND SOLUTIONS

The company proposes several key tasks and solutions to be implemented in 2025 as follows:

- Continue to reorganize and consolidate the apparatus: Continue to reorganize and consolidate the management apparatus of the company and its subsidiaries, and improve the management apparatus and business lines to suit the company’s production and business activities.
- Improve regulations and rules in management: Actively practice thrift and combat waste; Strengthen inspection of compliance with financial management regulations in revenue, expenditure, import, and export at subordinate units. Actively recover debts, limit overdue and outstanding debts.
- Asset Inventory: Establish an inventory team to inventory goods, assets, machinery, equipment, and tools of the entire company for the 2024 settlement.
- Revamp salary and bonus policies: Revamp salary, bonus, and employee policies, the mechanism of decentralization and delegation of authority, and administrative procedure reform.
- Digital Transformation Application: Continue deploying digital transformation applications and information technology in business administration and management.
- Review and evaluate personnel: Organize review, arrangement, and evaluation of personnel, plan leadership and management personnel resources, the Board of Management, department heads, and subordinate units.
- Human Resource Training: Continue training human resources, improving work capacity, professional expertise, and contract negotiation skills.
- Inspection and Examination: Develop an implementation plan and periodic reports on anti-corruption work in 2025. Establish an anti-corruption board in 2025 as regulated. Organize the evaluation of the implementation of the anti-corruption plan. Report on anti-corruption periodically to the General Corporation as regulated.
- Financial Management: Regularly monitor the financial market to advise the Company’s Board of Directors on borrowing, especially loan interest rates, currencies, loan types, and loan terms for optimal results.



SOLUTIONS FOR PRODUCT LINES

Food Products

- Regarding production and processing: Review production quotas to save costs and increase finished product recovery; maintain machinery and operate processing according to HACCP quality standards; manage quality from raw materials to finished products.
- Regarding consumption: Establish a consumption plan based on the existing customer network and expand into new markets; develop a competitive pricing strategy; forecast the market before signing contracts; strengthen the search for export customers; market domestically with suitable products, participate in advertising and promotions, diversify products in supermarkets and cafeterias; provide customer care to gather feedback.



Packaging Products



Manage quality, limit defective products; actively market and provide customer care to increase domestic and international sales; inspect production, save raw materials and energy, ensure quality and weight, and reduce costs; forecast the market to purchase low-priced raw materials.

Mechanical – Concrete & Construction Materials Products:

- **Mechanical Products:** Strengthen marketing and customer care, especially for traditional customers, and consult on upgrading production lines and equipment.
- **Concrete – Construction Materials Products:** Proactively seek construction projects; maintain traditional customers; ensure the quality of concrete and construction materials; save production costs; coordinate with units within the General Corporation to supply materials; seek additional sources of input materials for proactive production and increased competitiveness; strengthen input material quality inspection; strictly implement project acceptance and handover.

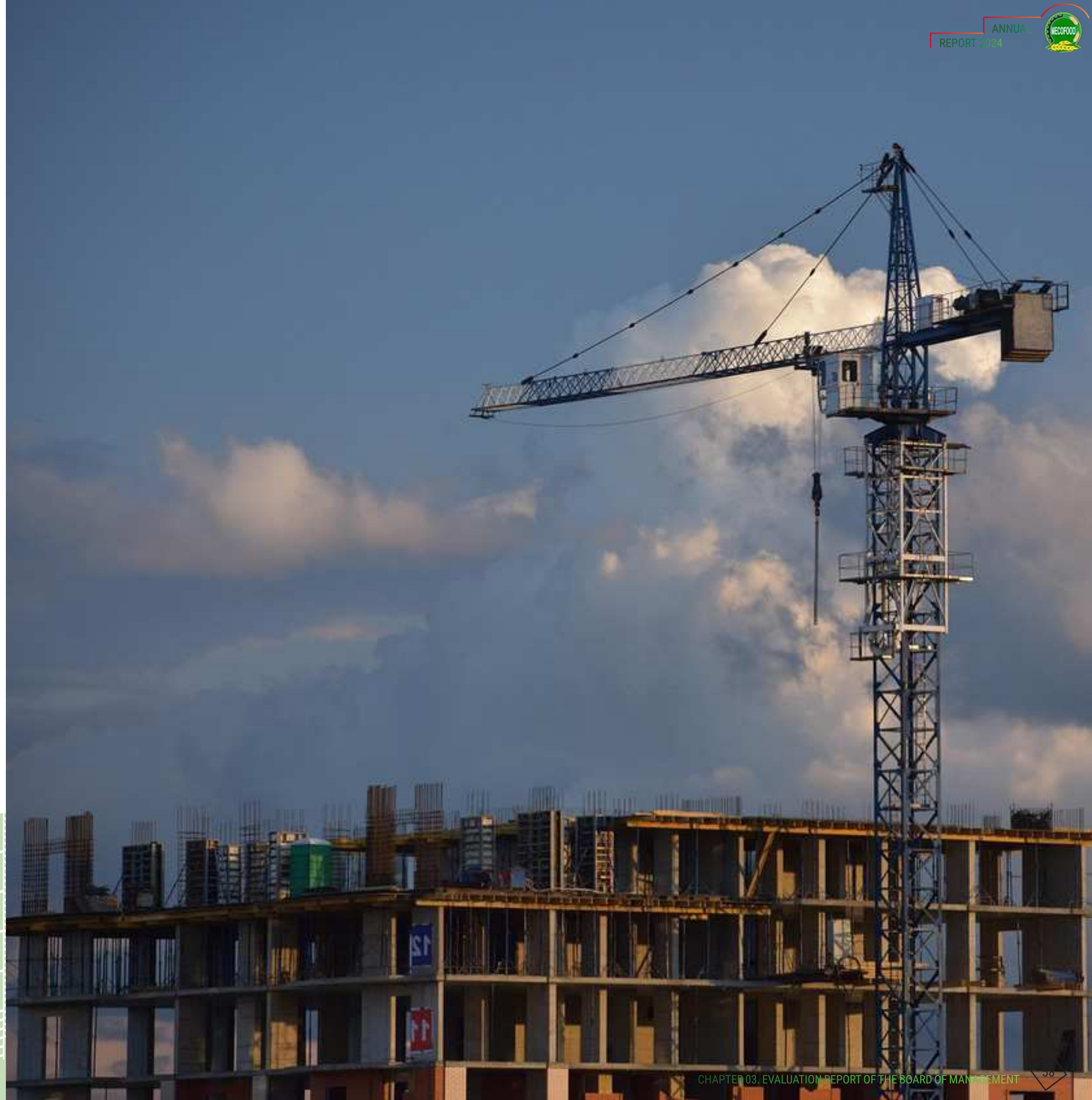


2025 INVESTMENT PLAN

The company has developed a capital construction investment plan for 2025 for higher-level approval. It primarily focuses on key projects serving urgent production and business needs in 2025 and subsequent years.

Planned internal investment for the company office and factories in 2025 (including VAT): 13.082 billion VND, including:

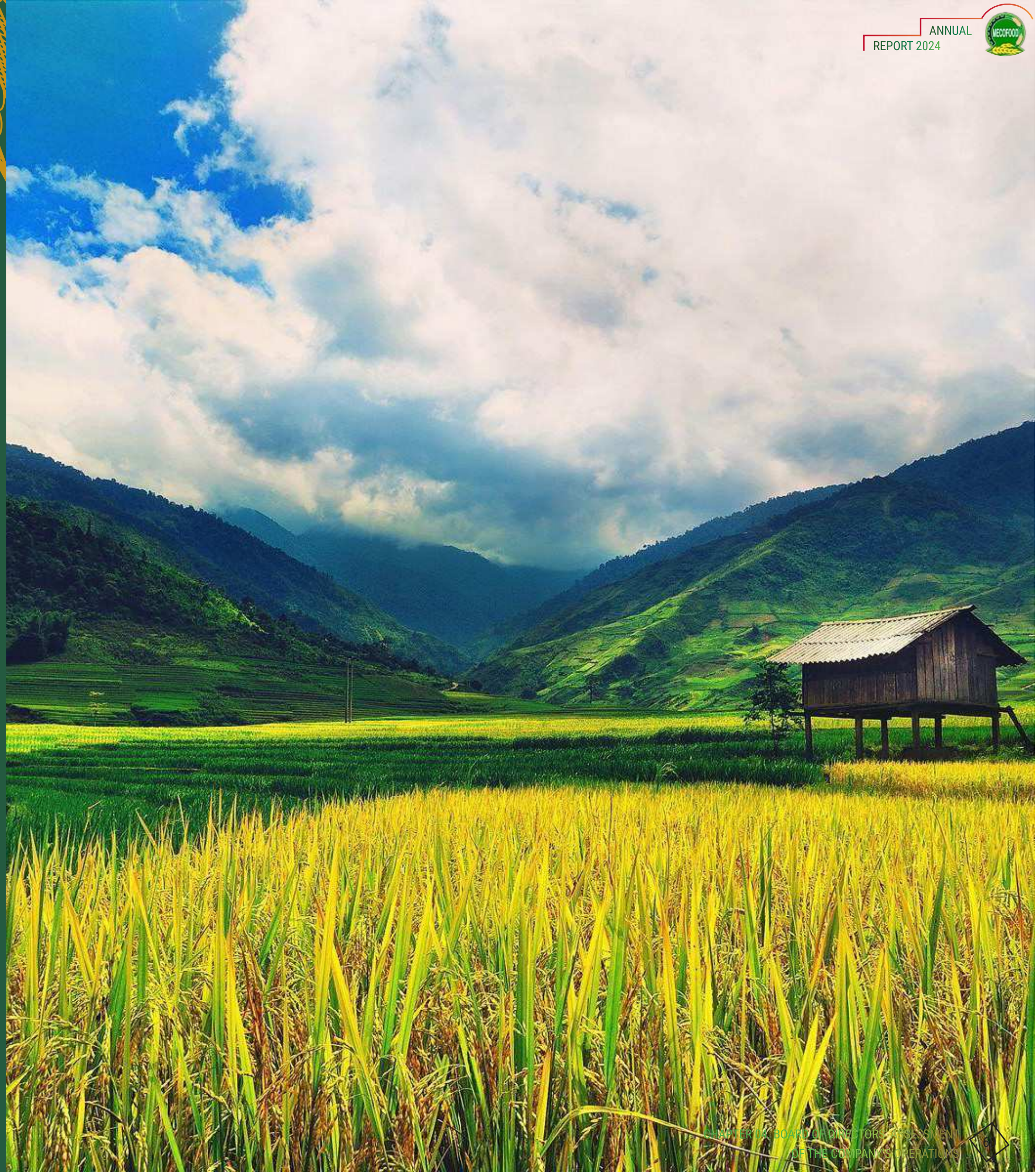
- Foodstuff Factory: 6.532 billion VND.
- Mechanical Construction Factory: 3.850 billion VND.
- Company office: 2 billion VND.
- Investment to implement digital transformation for the entire company: 0.7 billion VND.



04

Board of Directors' assessment of the Company's operations

- Board of Directors' assessment of the Company's operational aspects
- Board of Directors' assessment of the Board of Management activities
- Plans and orientations of the Board of Directors





BOARD OF DIRECTORS’ ASSESSMENT OF THE COMPANY’S OPERATIONAL ASPECTS

Unit: VND

No.	Target	Year 2023	Year 2024	%2024 /2023
1	Net revenue	443,846,689,702	480,125,601,327	108.17%
2	Profit from business activities	12,209,066,721	1,926,168,120	15.78%
3	Other profit	1,691,850,013	10,601,904,939	626.65%
4	Profit before tax	13,900,916,734	12,528,073,059	90.12%
5	Profit after tax	10,863,544,809	9,654,232,940	88.87%

BOARD OF DIRECTORS’ ASSESSMENT OF THE BOARD OF MANAGEMENT ACTIVITIES

Besides performing the management and supervision function of the Board of Management’s operations, the Board of Directors has closely coordinated with the Board of Management to find solutions to overcome difficulties in production and business in 2024.

Overall, in 2024, amidst the heavy influence of macroeconomic factors, the rapidly changing and complex global situation; strategic competition between major countries is increasingly fierce, and prolonged military conflicts in many places have led to a decline in global economic growth; financial, monetary risks, energy insecurity, and food insecurity are present. For the domestic situation, inflationary pressure is increasing; gasoline and raw material prices fluctuate sharply, significantly impacting the economy. The Board of Directors has implemented drastic solutions in supervising and directing the Board of Management to implement the Resolutions of the General Meeting of Shareholders and the Board of Directors, resulting in profitable business operations, thereby ensuring benefits for the Company and shareholders.

PLANS AND ORIENTATIONS OF THE BOARD OF DIRECTORS

In 2025, the Board of Directors will focus on promoting the following activities of the Company:

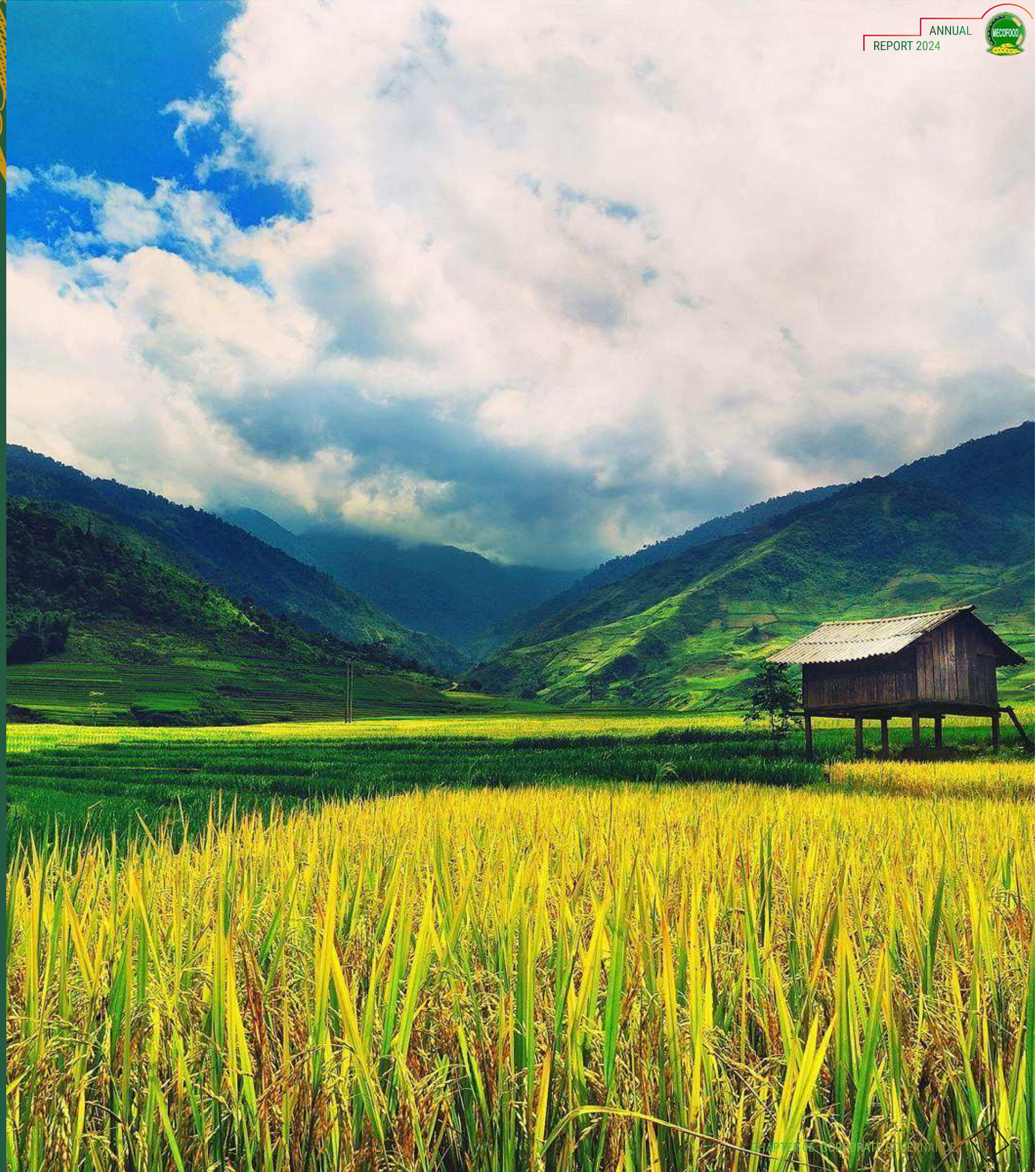
- Exercise the rights and responsibilities of the Board of Directors as stipulated in the Charter, ensuring compliance with the objectives of the General Meeting of Shareholders and the interests of shareholders.
- Develop the Company’s production and business orientation according to the Resolution of the 2025 General Meeting of Shareholders to ensure the successful completion of the 2025 plan targets.
- Strengthen forecasting, continue to improve financial management capacity, and ensure the safety and efficiency of the Company’s finances.
- Strengthen the inspection and supervision of capital and asset management to ensure compliance with regulations. Direct the strict control of operating costs for the entire Company.
- Strengthen the direction of risk management throughout the Company, controlling risks related to debt and inventory.
- Direct the disclosure of information in accordance with current legal regulations.
- Renovate salary and bonus policies, employee policies, decentralization mechanisms, and administrative procedure reform.
- Continue to consolidate the organizational structure, personnel, and promote the development of the Company’s business activities.
- Promote the spirit of unity and consensus in managing and directing production and business activities.
- Continue to implement the application of digital transformation and information technology in business administration and management.
- Organize the review, arrangement, and evaluation of personnel, planning of leadership and management personnel, the Board of Management, and heads of departments and affiliated units.
- Continue to train human resources, improve work capacity, enhance professional expertise, and contract negotiation skills.
- Regularly review and improve regulations and rules to comply with current legal regulations and the Company’s actual situation.



05

Corporate Governance

- Board of Directors
- Supervisory Board
- Transactions, remuneration, and other benefits of the Board of Directors/ Supervisory Board
- Evaluation of the implementation of corporate governance regulations



BOARD OF DIRECTORS

MEMBERS AND STRUCTURE OF THE BOARD OF DIRECTORS

The Board of Directors has 05 members, including 02 executive members and 03 non-executive members

No.	Member	Position	Ownership representative	Individual owner	Ownership percentage	Note
1	Mr. Le Phat Tai	Chairman of the Board of Directors	2,155,600 (*)	39	20.00%	Non-executive
2	Mr. Nguyen Van Kiet	Member of the Board of Directors	1,077,800 (*)	14,280	10.13%	Non-executive
3	Mrs. Le Mai Han	Member of the Board of Directors	1,077,800 (*)	-	10.00%	Non-executive
4	Mrs. Ho Thi Cam Van	Member of the Board of Directors	1,077,800 (*)	-	10.00%	Non-executive
5	Mr. Nguyen Binh Hien	Member of the Board of Directors	1,077,800 (*)	36,348	10.34%	

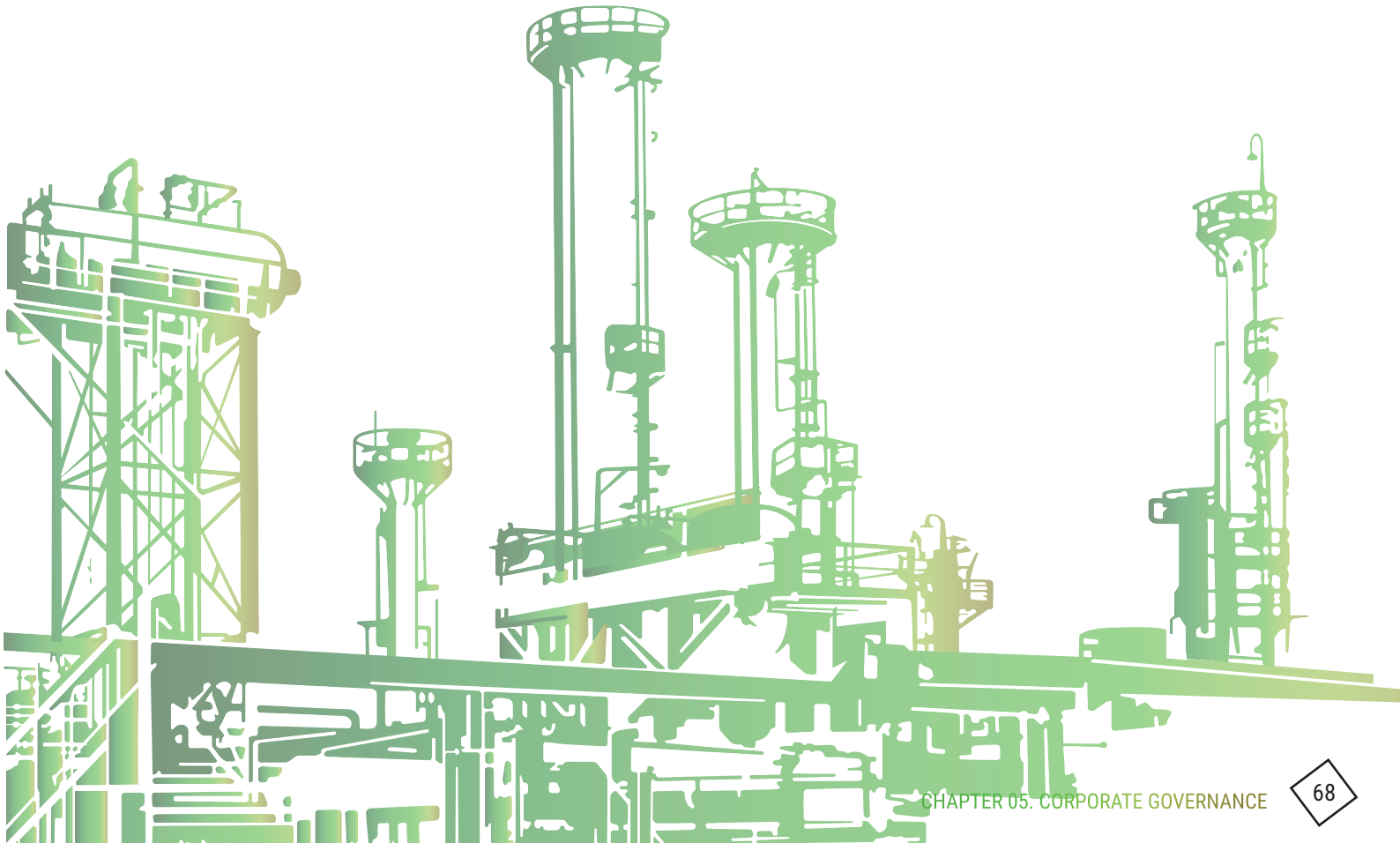
(*) Number of shares representing Vietnam Southern Food Corporation - Joint Stock Company.

BOARD OF DIRECTORS MEETINGS

No.	Member of the Board of Directors	Number of meetings attended	Percentage	Reason for not attending the meeting
1	Mr. Bach Ngoc Van	5/5	100%	Was dismissed from 08/05/2024, so did not attend subsequent meetings
2	Mr. Le Phat Tai	6/6	100%	Was appointed from 08/05/2024, so did not attend previous meetings
3	Mr. Nguyen Van Kiet	11/11	100%	
4	Mrs. Le Mai Han	11/11	100%	
5	Mrs. Ho Thi Cam Van	11/11	100%	
6	Mr. Nguyen Binh Hien	11/11	100%	

LIST OF CHANGES IN MEMBERS OF THE BOD IN 2024

In 2024, there were no changes in the Company’s Board of Directors.



BOARD OF DIRECTORS (CONTINUED)

SUMMARY OF BIOGRAPHIES OF BOARD MEMBERS

MR. LE PHAT TAI

Chairman of the Board of Directors

- **Date of birth:** 16/10/1971
- **Current position at the Company:** Chairman of the Board of Directors of Mechannics Construction And Foodstuff Joint-Stock Company.
- **Professional qualifications:** Bachelor of Economics, Bachelor of English
- **Current position at other organizations:** Head of Business Department - Southern Food Corporation - JSC
- **Number of shares held at present:** 2,155,600 shares, accounting for 20.00% of charter capital.
 - » **Representative ownership:** 2,155,600 shares, accounting for 20.00% of charter capital (representing Viet-nam Southern Food Corporation - Joint Stock Company).
 - » **Personal ownership:** 39 shares, accounting for 0.00% of charter capital.
- **Percentage of securities ownership in other Companies:** None
- **Number of shares currently held by related persons:** None

MR. NGUYEN VAN KIET

Vice Chairman of the Board of Directors

- **Date of birth:** 20/04/1964
- **Current position at the Company:** Vice Chairman of the Board of Directors of Mechannics Construction And Foodstuff Joint-Stock Company.
- **Professional qualifications:** Bachelor - University of Economics
- **Current position at other organizations:** None
- **Number of shares held at present:** 1,092,080 shares, accounting for 10.34% of charter capital.
 - » **Representative ownership:** 1,077,800 shares, accounting for 10.00% of charter capital (representing Viet-nam Southern Food Corporation - Joint Stock Company).
 - » **Personal ownership:** 14,280 shares, accounting for 0.13% of charter capital
- **Percentage of securities ownership in other companies:** None
- **Number of shares currently held by related persons:**

Tran Thi Thu Huong - Wife: 538 shares, accounting for 0.01% of charter capital

MS. LE MAI HAN

Vice Chairman of the Board of Directors

- **Date of birth:** 27/06/1993
- **Current position at the Company:** Vice Chairman of the Board of Directors of Mechannics Construction And Foodstuff Joint-Stock Company; Member of the capital representative team of Southern Food Corporation at Mechannics Construction And Foodstuff Joint-Stock Company.
- **Professional qualifications:** Bachelor’s degree
- **Current position at other organizations:** None
- **Number of shares held at present:** 1,077,800 shares, accounting for 10.00% of charter capital.
 - » **Representative ownership:** 1,077,800 shares, accounting for 10.00% of charter capital (representing Viet-nam Southern Food Corporation - Joint Stock Company).
- **Share ownership ratio in other companies:** None
- **Number of shares held at present by related persons:** None

MS. HO THI CAM VAN

Member of the Board of Directors

- **Date of birth:** 23/12/1984
- **Current position in the Company:** Member of the Board of Directors of Mechannics Construction And Foodstuff Joint-Stock Company; Member of the capital representative team of Southern Food Corporation at Mechannics Construction And Foodstuff Joint-Stock Company.
- **Professional qualifications:** Bachelor’s degree
- **Current position in other organizations:** Member of the Board of Directors of Vietnam Southern Food Corporation - Joint Stock Company; Member of the Board of Directors of Cashew Nuts and Agricultural Products Import-Export Joint Stock Company, Ho Chi Minh City; Member of the Board of Directors of Thai Son Long An Joint Stock Company; Chairman of the Board of Directors of Nhan Phuc Duc Investment Joint Stock Company; Chief Accountant of Eastern Forestry Joint Stock Company; Finance Director of Agriculture, Forestry and Fishery Management Board - T&T Group Joint Stock Company.
- **Number of shares held at present:** 1,077,800 shares, accounting for 10.00% of charter capital
 - » **Representative ownership:** 1,077,800 shares, accounting for 10.00% of charter capital (representing Southern Food Corporation).
- **Share ownership ratio in other companies:** None
- **Number of shares held at present by related persons:** None

MR. NGUYEN BINH HIEN

Member of the Board of Directors

Stated in the biographical information of the Board of Management

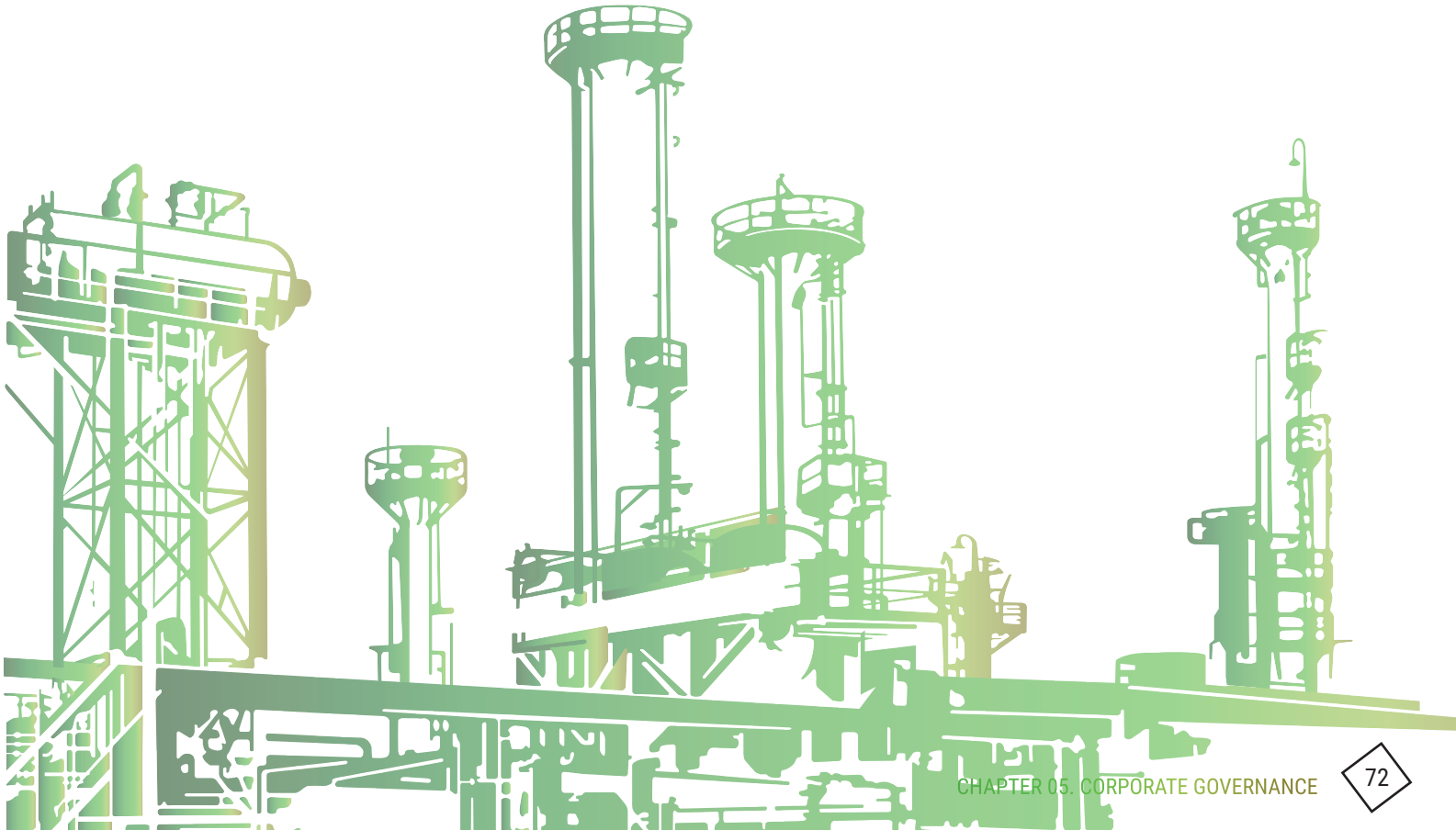
BOARD OF DIRECTORS (CONTINUED)

RESOLUTIONS/DECISIONS OF THE BOARD OF DIRECTORS

STT	Resolution/Decision Number	Date issued	Content	Approval Rate
1	04/NQ-MCF-HĐQT	11/03/2024	Agreement on establishing a list of shareholders eligible to attend the 2024 Annual General Meeting of Shareholders	100%
2	07/NQ-MCF-HĐQT	20/03/2024	- Approved the 2023 Production and Business Performance Report - Approved the 2023 Financial Statements audited by CPA Vietnam Auditing Co., Ltd. - Approved the investment policy for a car to serve the work at Mechannics Construction And Foodstuff Joint-Stock Company	100%
3	08/QĐ-MCF-HĐQT	20/03/2024	Decision to issue the company's information disclosure policy.	100%
4	10/NQ-MCF-HĐQT	08/04/2024	Agreed to choose 2024-05-08 as the date for the 2024 Annual General Meeting of Shareholders.	100%
5	13/NQ-MCF-HĐQT	02/5/2024	Approved the reports and submissions submitted to the 2024 Annual General Meeting of Shareholders for approval.	100%
6	30/NQ-MCF-HĐQT	13/05/2024	Approved the implementation of dividend payment for 2023.	100%
7	30C/NQ-MCF0-HĐQT	27/10/2023	Agreed to assign the General Director of the Company to implement the selection of one of the independent audit units approved by the 2024 Annual General Meeting of Shareholders.	100%
8	37/NQ-MCF-HĐQT	28/06/2024	Agreed to select CPA Vietnam Auditing Co., Ltd. as the audit unit to conduct the review of the semi-annual financial statements and audit the 2024 financial statements of the company.	100%
9	40/NQ-MCF-HĐQT	28/8/2024	Approved the Company to mobilize capital at BIDV Long An Branch to serve production and business activi-ties in the form of credit limit/by transaction.	100%
10	43/NQ-MCF-HĐQT	09/10/2024	Approved the refinancing and mortgaging of assets at Vietcombank Long An Branch.	100%
11	45/NQ-MCF-HĐQT	31/12/2024	Agreed to temporarily suspend the Fine Arts business line of Mechannics Construction And Foodstuff Joint-Stock Company.	100%

Other activities of the the Board of Directors

None



SUPERVISORY BOARD

MEMBER OF THE SUPERVISORY BOARD

The Supervisory Board consists of 03 members:

No.	Full Name	Position	Number of shares owned & represented	Ratio (%)
1	Mrs. Hoang Thi Lien	Head of Supervisory Board	20,208	0.19%
2	Mrs. Le Thi Hong Nhung	Member of Supervisory Board	-	-
3	Mr. Phan Le Duy	Member of Supervisory Board	-	-

MS. LE THI HONG NHUNG

Member of Supervisory Board

- **Date of birth:** 07/05/1987
- **Professional qualifications:** Bachelor of Accounting
- **Current position in other organizations:** None
- **Number of shares held at present:** 0 shares, accounting for 0.00% of charter capital.
- **Share ownership ratio in other companies:** None
- **Number of shares held at present by related persons:** None

SUPERVISORY BOARD PROFILE

MS. HOANG THI LIEN

Head of the Supervisory Board

- **Date of Birth:** 05/08/1979
- **Professional qualifications:** Bachelor of Finance and Accounting
- **Current position in other organizations:** None
- **Number of shares held at present:** 20,208 shares, accounting for 0.19% of charter capital.
- **Share ownership ratio in other companies:** None
- **Number of shares held at present by related persons:** None

MR. PHAN LE DUY

Member of Supervisory Board

- **Date of birth:** 16/11/1987
- **Professional qualifications:** Bachelor of Banking and Finance
- **Current position in other organizations:** None
- **Number of shares held at present:** 0 shares, accounting for 0.00% of charter capital.
- **Share ownership ratio in other companies:** None
- **Number of shares held at present by related persons:** None



SUPERVISORY BOARD (CONTINUED)

ACTIVITIES OF THE SUPERVISORY BOARD

Supervisory Board Meetings

No.	Member	Number of meetings attended	Ratio	Reason for absence
1	Ms. Hoang Thi Lien	4/4	100%	-
2	Ms. Le Thi Hong Nhung	4/4	100%	-
3	Mr. Phan Le Duy	4/4	100%	-

Activities of the Supervisory Board

- All activities of the Board of Directors comply with the Enterprise Law and the Company’s Charter. The Board of Directors has regularly held periodic meetings and then promptly implemented the Board’s resolutions for the Board of Management to execute.
- The issues discussed and voted on at the Board of Directors meeting are based on the Resolution of the General Meeting of Shareholders and fall under the authority of the Board of Directors. The discussion and voting are consistent with the functions, duties, and powers of the Board of Directors according to the Enterprise Law and the Company’s Charter.

Coordination of activities of the Supervisory Board with the Board of Directors and the Board of Management

- The Board of Directors and the Board of Management have made great efforts and regularly directed company employees to practice maximum savings in production costs, sales costs, and management costs, maintaining stable production and business.
- The Supervisory Board is invited to participate in meetings with the Board of Directors and the Board of Management.
- The Supervisory Board monitors and inspects the management and implementation of the business objectives of the Board of Directors and the Board of Management, and checks the legality and reasonableness of business activities during the year according to the Resolution of the General Meeting of Shareholders.
- Inspect and supervise the issuance of Resolutions and Decisions of the Board of Directors and the Board of Management.
- The Supervisory Board has proactively and regularly coordinated its activities with the Board of Directors and the Board of Management. The Supervisory Board receives full reports and documents related to the production and business situation and other activities of the Company. The Supervisory Board has contributed many opinions and proposals to the Board of Directors and the Board of Management on the Company’s activities. Review accounting records and books, reasonable and legal accounting methods, and honesty in preparing and presenting the Company’s reports.
- The Supervisory Board’s activities are always actively supported by the Board of Directors, the Board of Management, Departments, and Factories. The Supervisory Board’s activities are independent and do not hinder the Company’s production and business activities. The coordination between the Board of Directors, the Board of Management, and the Supervisory Board is in accordance with standards, the Enterprise Law, and the Company’s Charter.

Other activities of the Supervisory Board

None



TRANSACTIONS, REMUNERATION, AND OTHER BENEFITS OF THE BOARD OF DIRECTORS/SUPERVISORY BOARD

SALARIES, BONUSES, REMUNERATION, AND BENEFITS OF THE BOARD OF DIRECTORS, SUPERVISORY BOARD, AND BOARD OF MANAGEMENT

Full Name	Position	Salary	Remuner-ation	Bonus	Total
Board of Directors					
Mr. Bach Ngoc Van	Chairman of the BOD	-	42,692,000	4,030,000	46,722,000
Mr. Le Phat Tai	Chairman of the BOD	-	77,308,000	-	77,308,000
Mr. Nguyen Van Kiet	Vice Chairman of the BOD	444,863,000	-	47,955,000	492,818,000
Ms. Le Mai Han	Vice Chairman of the BOD	-	96,000,000	34,254,000	130,254,000
Ms. Ho Thi Cam Van	Member of the BOD	-	84,000,000	2,821,000	86,821,000
Mr. Nguyen Binh Hien	Member of the BOD		84,000,000	-	84,000,000
Mr. Tran Vinh Thanh	Former Member of the BOD	7,430,000	-	9,871,000	17,301,000
Supervisory Board					
Ms. Hoang Thi Lien	Head of Supervisory Board	289,368,000	-	19,343,000	308,711,000
Ms. Le Thi Hong Nhung	Member of Supervisory Board	167,700,000	54,000,000	9,672,000	239,094,000
Mr. Phan Le Duy	Member of Supervisory Board	-	54,000,000	9,672,000	63,672,000
Board of Management					
Mr. Le Truong Son	General Director	425,441,000	-	59,440,000	484,881,000
Mr. Nguyen Binh Hien	Member of the Board, Deputy General Director	385,381,000	-	45,940,000	431,321,000
Mr. Nguyen Minh Phuc	Deputy General Director	368,518,000	-	33,851,000	402,369,000
Chief Accountant					
Ms. Nguyen Thi Thanh Phung	Chief Accountant	326,433,000	-	33,851,000	360,284,000

INSIDER TRADING AND RELATED PARTY TRANSACTIONS

No.	Transaction performer	Position	Number of shares held at the beginning of the period		Number of shares held at the end of the period		Reason for increase/decrease (purchase, sale, conversion, bonus...)
			Number of shares	Percentage	Number of shares	Percentage	
1	Le Truong Son	General Director	80,839	0.75	1,239	0.011	Floor-matched sale

TRANSACTIONS BETWEEN THE COMPANY AND RELATED PERSONS OF THE COMPANY; OR BETWEEN THE COMPANY AND MAJOR SHAREHOLDERS, INSIDERS, OR RELATED PERSONS OF INSIDERS

No.	Organization/ Individual Name	Relationship with the company	Business Registration No.	Transaction time with the company	Resolution number	Content	Transaction value (VND)
1	Southern Food Corporation - JSC	State shareholder holding 60% charter capital	0300613198	01/01/2024 to 31/12/2024	24/NQ-MCF- ĐHCD dated 08/05/2024	Sale of packaging, rice, machinery	48,267,778,400
						Cash dividend	7,760,160,000
2	Long An Food Company	Subsidiary of Southern Food Corporation - JSC	0300613198-008	01/01/2024 to 31/12/2024		Sale of packaging, mechanical services	7,429,306,711
3	Dong Thap Food Company	Subsidiary of Southern Food Corporation - JSC	0300613198-010	01/01/2024 to 31/12/2024		Mechanical services sales	8,400,000
							1,832,895,242
4	Kien Giang Import- Export Joint Stock Company	Joint stock company with capital contribution from Vietnam Southern Food Corporation - Joint Stock Company	1700100989	01/01/2024 to 31/12/2024		Packaging sales, mechanical services	9,378,789,000
						Fuel costs	454,545
5	Saigon Food Joint Stock Compa-ny	Joint stock company with capital contribution from Vietnam Southern Food Corporation - Joint Stock Company	0300606715	01/01/2024 to 31/12/2024		Rice sales and rice milling processing	2,210,321,857
6	Tien Giang Food Company	Subsidiary of Vietnam Southern Food Corporation - Joint Stock Company	0300613198-009	01/01/2024 to 31/12/2024		Purchase of bottled water	48,306,949
7	COLUSA-MILIKET Food Joint Stock Company	Joint stock company with capital contribution from Vietnam Southern Food Corporation - Joint Stock Company	0304517551	01/01/2024 to 31/12/2024		Rice sales	1,700,000
					Instant noodle purchase	34,444,410	
8	SAFOCO Food Joint Stock Com-pany	Joint stock company with capital contribution from Vietnam Southern Food Corporation - Joint Stock Company	0303752249	01/01/2024 to 31/12/2024	Packaging sales	40,890,000	

TRANSACTIONS, REMUNERATION, AND OTHER BENEFITS OF THE BOARD OF DIRECTORS/SUPERVISORY BOARD (CONTINUED)

EVALUATION OF THE IMPLEMENTATION OF CORPORATE GOVERNANCE REGULATIONS

The Company always complies with legal regulations related to corporate governance, such as:

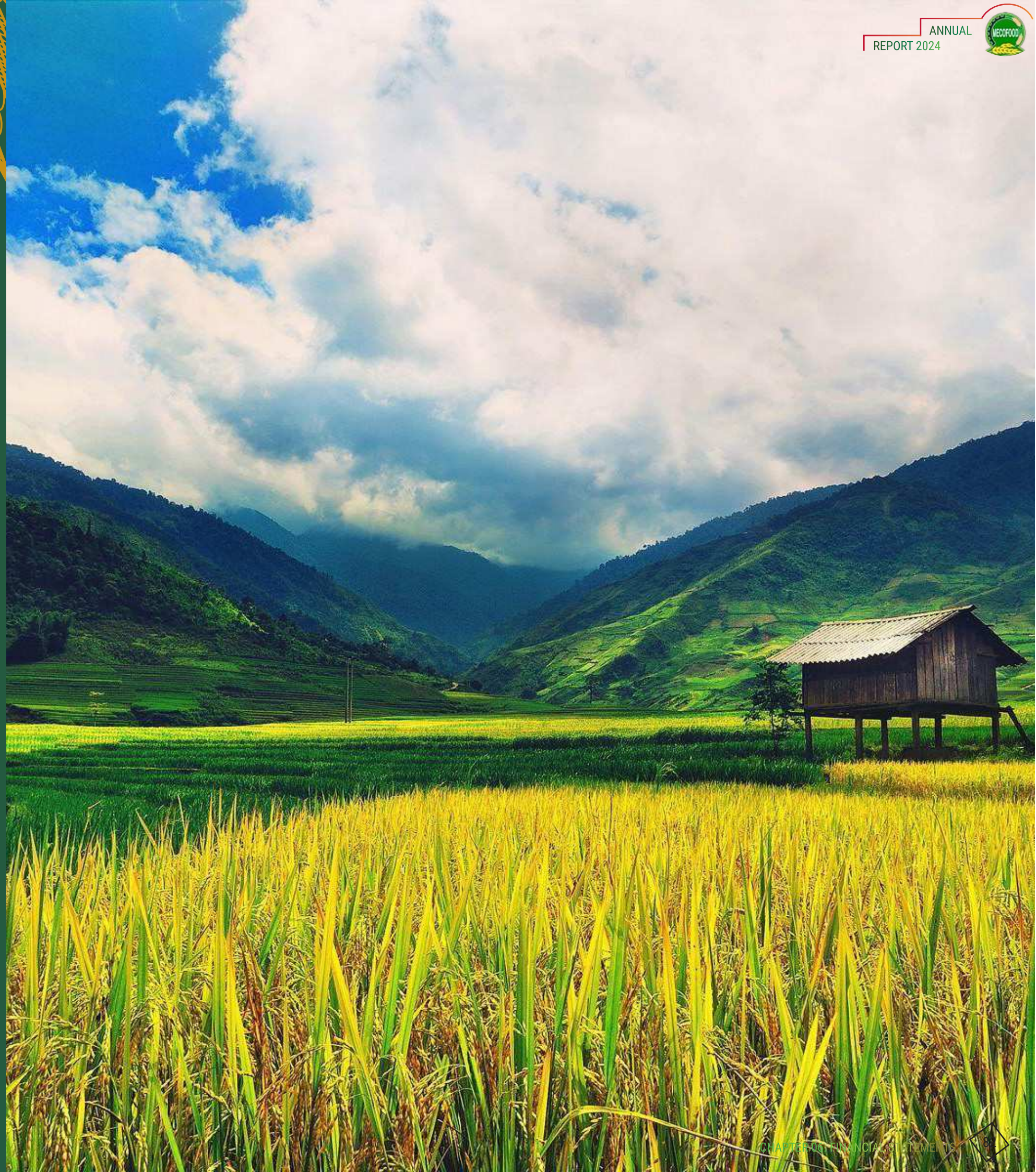
- Laws, Decrees, Circulars, and Regulations on corporate governance and guidance on information disclosure in the stock market.
- Other relevant legal document.

The Company has specified corporate governance regulations in internal regulations, including: Operating Regulations, Internal Regulations on Corporate Governance, Regulations on the Operation of the Board of Directors, and Regulations on the Operation of the Supervisory Board.

06

Financial statements

- Audit opinion
- Audited Financial Statements





CPA VIETNAM AUDITING COMPANY LIMITED

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+84 (24) 3 783 2122 www.cpavietnam.vn

No.: 76/2025/BCKT-CPA VIETNAM-HCM

INDEPENDENT AUDITORS' REPORT

To: **Shareholders**
The Board of Directors, Supervisors and Management
Mechanics Construction and Foodstuff Joint-Stock Company

We have audited the accompanying Financial Statements of Mechanics Construction and Foodstuff Joint-Stock Company, prepared on February 24, 2025, as set out on pages 06 to pages 42, including the balance sheet as at December 31, 2024, the Income Statement, and Cash flows Statement for the year then ended, and Notes to the Financial Statements.

Responsibility of the Board of General Directors

The Company's Board of Management is responsible for the true and fair preparation and presentation of these Financial Statements in compliance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the relevant statutory requirements applicable to the preparation and presentation of the Financial Statements, and for the internal control as the Board of Management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

Responsibility of Auditors

Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. These standards require us to comply with the Standards and codes of ethics, to plan and perform the audit to obtain reasonable assurance as to whether the Company's financial statements are free from any significant errors or not.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The audit procedures are selected based on the auditor's judgment, including the assessment of risks of material misstatement in the Financial Statements due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Financial Statements in order to design appropriate audit procedures to the actual situation, which is not intended to give an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Management, as well as evaluating the overall presentation of the Financial Statements.

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

**Opinion of Auditors**

In our opinion, the accompanying Financial Statements gives a true and fair view of, in all material respects, the financial position of Mechanics Construction and Foodstuff Joint-Stock Company as at December 31, 2024 and the results of its operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of the Financial Statements in Vietnam.



Nguyen Thi Mai Hoa
Deputy General Director
 Audit Practising Registration Certificate:
 No: 2326-2023-137-1

Letter of Authorization No: 08/2025/UQ-CPA VIETNAM dated 02/01/2025 of Chairman

For and on behalf of

CPA VIETNAM AUDITING COMPANY LIMITED

An Independent Member of IMPACT

Ha Noi, February 24, 2025

Luu Minh Toi
Auditor

Audit Practising Registration Certificate
 No: 3920-2022-137-1



BALANCE SHEET
As at December 31, 2024

ASSETS	Codes	Notes	31/12/2024 VND	01/01/2024 VND
A - CURRENT ASSETS (100 = 110+120+130+140+150)	100		170,878,235,463	135,826,871,992
I- Cash and cash equivalents	110		3,125,122,734	6,068,926,742
1. Cash	111	5.1	3,125,122,734	6,068,926,742
II- Short-term financial investments	120		-	-
III- Short-term receivables	130		35,831,513,072	28,745,907,460
1. Short-term receivables from customers	131	5.2	37,388,664,052	28,563,398,770
2. Prepayments to sellers in short-term	132		154,402,000	252,887,363
3. Other short-term receivables	136	5.3	4,105,520	1,855,066,477
4. Short-term allowances for doubtful debts	137	5.5	(1,715,658,500)	(1,925,445,150)
IV- Inventories	140	5.4	131,297,065,754	100,836,807,471
1. Inventories	141		131,297,065,754	100,836,807,471
V- Other short-term assets	150		624,533,903	175,230,319
1. Short-term prepaid expenses	151		624,533,903	-
2. Deductible value added tax	152		-	175,230,319
B - LONG-TERM ASSETS (200 = 210+220+230+240+250+260)	200		24,246,779,852	33,508,328,999
I Long-term receivables	210		536,000,000	386,000,000
1. Other long-term receivables	216	5.3	536,000,000	386,000,000
II Fixed assets	220		23,586,536,624	28,429,354,300
1. Tangible fixed assets	221	5.6	23,524,697,742	28,342,583,594
- Historicals costs	222		122,722,943,426	121,100,572,601
- Accumulated depreciation	223		(99,198,245,684)	(92,757,989,007)
2. Intangible fixed assets	227	5.7	61,838,882	86,770,706
- Historicals costs	228		837,530,502	837,530,502
- Accumulated depreciation	229		(775,691,620)	(750,759,796)
III. Investment properties	230		-	-
IV. Long-term assets in progress	240	5.8	124,243,228	4,692,974,699
1. Long-term work in progress	241		-	4,127,305,412
2. Construction in progress	242		124,243,228	565,669,287
V. Long-term investments	250		-	-
VI Other long-term assets	260		-	-
TOTAL ASSETS (270 = 100+200)	270		195,125,015,315	169,335,200,991

BALANCE SHEET (CONTINUED)
As at December 31, 2024

RESOURCES	Codes	Notes	31/12/2024 VND	01/01/2024 VND
C- LIABILITIES (300 = 310+330)	300		76,827,041,726	45,579,727,742
I- Short-term liabilities	310		76,557,041,726	45,309,727,742
1. Short-term trade payables	311	5.9	12,913,283,262	7,837,355,773
2. Short-term prepayments from customers	312	5.10	2,885,096,846	6,747,606,859
3. Taxes and other payables to government budget	313	5.11	1,464,469,063	1,079,013,771
4. Payables to employees	314		546,440,000	3,878,164,200
5. Short-term accrued expenses	315		103,086,351	41,666,667
6. Other short-term payments	319	5.12	908,888,650	2,421,163,118
7. Short-term borrowings and finance lease liabilities	320	5.13	55,908,200,650	21,274,031,400
8. Short-term provisions	321		346,975,942	620,145,429
9. Bonus and welfare fund	322		1,480,600,962	1,410,580,525
II- Long-term liabilities	330		270,000,000	270,000,000
1. Other long-term payables	337	5.12	270,000,000	270,000,000
D- OWNERS' EQUITY (400 = 410+430)	400		118,297,973,589	123,755,473,249
I- Owners' equity	410	5.14	118,297,973,589	123,755,473,249
1. Contributed capital	411		107,778,380,000	107,778,380,000
- Ordinary shares with voting rights	411a		107,778,380,000	107,778,380,000
2. Capital surplus	412		(31,818,182)	(31,818,182)
3. Development and investment funds	418		1,045,084,000	5,055,904,066
11. Undistributed profit after tax	421		9,506,327,771	10,953,007,365
- Undistributed profit after tax brought forward	421a		152,094,831	191,462,556
- Undistributed profit after tax for the current period	421b		9,354,232,940	10,761,544,809
II- Funding sources and other funds	430		-	-
TOTAL LIABILITIES AND OWNERS' EQUITY (440 = 300+400)	440		195,125,015,315	169,335,200,991

Long An, February 24, 2025

Preparer

Bui Van Ket

Chief Accountant

Nguyen Thi Thanh Phung

General Director



Le Truong Son



INCOME STATEMENT

For the year ended December 31, 2024

ITEMS	Codes	Notes	Year 2024 VND	Year 2023 VND
1. Revenues from sales and services rendered	01	6.1	480,125,601,327	443,846,689,702
2. Revenue deductions	02		-	-
3. Net revenues from sales and services rendered (10 = 01-02)	10	6.2	480,125,601,327	443,846,689,702
4. Costs of goods sold	11	6.3	438,831,587,862	393,759,129,990
5. Gross revenues from sales and services rendered (20 = 10-11)	20		41,294,013,465	50,087,559,712
6. Financial income	21	6.4	1,003,227,170	595,670,489
7. Financial expenses	22	6.5	5,998,195,185	3,264,356,754
<i>In which: interest expenses</i>	23		5,874,805,179	3,055,424,812
8. Selling expenses	25	6.6	12,687,912,566	13,346,653,295
9. General administrative expenses	26	6.7	21,684,964,764	21,863,153,431
10. Net profits from operating activities {30 = 20+(21-22)-(25+26)}	30		1,926,168,120	12,209,066,721
11. Other income	31	6.8	13,005,328,407	2,010,502,891
12. Other expenses	32	6.8	2,403,423,468	318,652,878
13. Other profits (40 = 31-32)	40	6.8	10,601,904,939	1,691,850,013
14. Total net profit before tax (50 = 30+40)	50		12,528,073,059	13,900,916,734
15. Current corporate income tax expenses	51	6.10	2,873,840,119	3,037,371,925
16. Deferred corporate income tax expenses	52		-	-
17. Profits after corporate income tax (60 = 50-51-52)	60		9,654,232,940	10,863,544,809
18. Basic earnings per share	70	6.11	765.562	833.675

Long An, February 24, 2025

Preparer

Bui Van Ket

Chief Accountant

Nguyen Thi Thanh Phung

General Director



Le Truong Son

CASH FLOWS STATEMENT

(Indirect method)
For the year ended December 31, 2024

ITEMS	Codes	Notes	Year 2024 VND	Year 2023 VND
I. Cash flows from operating activities				
1. Profit before tax	01		12,528,073,059	13,900,916,734
2. Adjustments for				
- Depreciation of fixed assets and investment properties	02		6,615,188,501	6,791,610,805
- Provisions	03		(482,956,137)	95,978,365
- Gains (losses) on exchange rate differences from revaluation of accounts derived from foreign currencies	04		1,369,221	36,764,534
- Gains (losses) on investing activities	05		(171,044,446)	64,583,792
- Interest expenses	06		5,874,805,179	3,055,424,812
3. Operating profit before changes in working capital	08		24,365,435,377	23,945,279,042
- Increase (decrease) in receivables	09		(6,850,588,643)	6,854,447,900
- Increase (decrease) in inventories	10		(26,332,952,871)	11,062,843,728
- Increase (decrease) in payables	11		(3,794,262,147)	(1,240,603,284)
- Increase (decrease) in prepaid expenses	12		(624,533,903)	-
- Interest paid	14		(5,874,805,179)	(3,055,424,812)
- Corporate income tax paid	15		(2,563,563,771)	(2,703,850,661)
- Other payments on operating activities	17		(1,808,306,563)	(2,146,316,296)
Net cash flows from operating activities	20		(23,483,577,700)	32,716,375,617
II. Cash flows from investing activities				
1. Expenditures on purchase and construction of fixed assets and long-term assets	21		(1,330,944,766)	(1,261,901,543)
2. Proceeds from disposal or transfer of fixed assets	22		126,102,693	1,765,454,545
3. Proceeds from interests, dividends and distributed profits	27		44,941,753	6,179,421
Net cash flows from investing activities	30		(1,159,900,320)	509,732,423
III. Cash flows from financial activities				
1. Proceeds from borrowings	33		480,361,897,046	282,578,789,052
2. Repayment of principal	34		(445,727,727,796)	(306,839,757,937)
3. Dividends and profits paid to owners	36		(12,933,405,600)	(7,867,821,740)
Net cash flows from financial activities	40		21,700,763,650	(32,128,790,625)
Net cash flows during the period (50 = 20+30+40)	50		(2,942,714,370)	1,097,317,415
Cash and cash equivalents at the beginning of the period	60		6,068,926,742	4,971,803,256
Effect of exchange rate fluctuations	61		(1,089,638)	(193,929)
Cash and cash equivalents at the end of the period (70 = 50+60+61)	70	5.1	3,125,122,734	6,068,926,742

Long An, February 24, 2025

Preparer

Bui Van Ket

Chief Accountant

Nguyen Thi Thanh Phung

General Director



Le Truong Son



NOTES TO THE FINANCIAL STATEMENTS

The Financial Statements for the year ended December 31, 2024

1. COMPANY INFORMATION

1.1 Structure of ownership

Mechanics Construction and Foodstuff Joint-Stock Company is a joint stock company established by transforming the state-owned enterprise named Agricultural Mechanical Engineering Construction Enterprise into a joint stock company under Decision No. 4438/QĐ-BNN-TCCB dated December 9, 2004, by the Ministry of Agriculture and Rural Development. The Company was first granted an enterprise registration certificate No. 1100664038 by the Long An Department of Planning and Investment on February 18, 2005, and has undergone multiple registration changes, with the 16th registration change dated May 19, 2022.

The charter capital, according to the 16th amendment to the enterprise registration certificate No. 1100664038 on May 19, 2022, is VND 107,778,380,000 (*In words: One hundred seven billion, seven hundred seventy-eight million, three hundred eighty thousand Vietnamese Dongs*).

The Company's headquarters is located at: No. 29, Nguyen Thi Bay Street, Ward 6, Tan An City, Long An Province, Vietnam.

The company's name in English: MECHANNICS CONSTRUCTION AND FOODSTUFF JOINT - STOCK COMPANY.

Abbreviated name: MECOFOOD.

The Company's shares are listed on the Hanoi Stock Exchange under the stock symbol MCF.

The Company's headquarter is located at: No. 29, Nguyen Thi Bay, Ward 6, Tân An City, Long An Province, Viet Nam.

Total number of the Company's employees as at December 31, 2024 is 212 employees (as at January 01, 2024 is 298 employees).

1.2 Operating industries

The Company's operating industries are Construction - Mechanical Engineering and Foodstuffs, are foodstuffs, mechanical construction, and handicraft packaging.

1.3 Principal activities

The Company's principal activities as follows:

- Manufacturing, processing, importing, exporting, and domestic trading of various foodstuffs, agricultural products, packaging, and handicraft items made from young rice plants and dried straw;
- Manufacturing, importing, exporting, and trading machinery and equipment for food and agricultural processing, as well as various mechanical products;
- Producing fresh concrete, trading construction materials, real estate, and infrastructure investment.

1.4 Normal operating cycle

The Company's normal operating cycle is 12 months.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The Financial Statements for the year ended December 31, 2024

1.5 The Company structure

The Company has 3 subsidiaries, which centrally located an Tan An City, including:

STT	Name	Addresses	Operating activities
1	Packaging and Handicraft Enterprise	No. 4 Cu Luyen, Ward 5, Tan An City, Long An Province	Manufacturing of packaging and handicrafts
2	Foodstuffs Enterprise	No. 28 Cao Van Lau, Ward 5, Tan An City, Long An Province	Manufacturing, processing, and trading of foodstuffs and agricultural products
3	Construction and Mechanical Engineering Enterprise	No. 27 Vo Ngoc Quan, Ward 6, Tan An City, Long An Province	Manufacturing, trading, importing, and exporting machinery, equipment, and mechanical products; producing fresh concrete and construction materials

1.6 Statement on the comparability of information in the Financial Statements

The Company applied the Vietnamese Enterprise Accounting System promulgated under Circular No. 200/2014/TT-BTC on December 22, 2014, issued by the Ministry of Finance; Circular No. 53/2016/TT-BTC on March 21, 2016 issued by the Ministry of Finance, amending and adding some articles of Circular No. 200/2014/TT-BTC.

2. FISCAL YEAR AND ACCOUNTING CURRENCY

2.1 Fiscal year

The Company's fiscal year applicable for the preparation of its Financial Statements starts on 1 January and ends on 31 December of the solar year.

2.2 Accounting currency

The accompanying Financial Statements are expressed in Vietnam Dong (VND).

3. ACCOUNTING STANDARDS AND SYSTEM

3.1 Accounting System

The Company applied the Vietnamese Enterprise Accounting System promulgated under Circular No. 200/2014/TT-BTC on December 22, 2014, issued by the Ministry of Finance; Circular No. 53/2016/TT-BTC on March 21, 2016 issued by the Ministry of Finance, amending and adding some articles of Circular No. 200/2014/TT-BTC.

3.2 Statements for the compliance with Accounting Standards and System

The Board of Management ensures to follow all the requirements of the Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the relevant statutory requirements applicable to the preparation and presentation of the financial statements.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The Financial Statements for the year ended December 31, 2024

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation the financial statements

The attached financial statements are expressed in Vietnam Dong (VND), under the historical cost convention and in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the relevant statutory requirements applicable to the preparation and presentation of the Financial Statements.

The Financial Statements of the Company are prepared based on the summary of the Financial Statements of the dependent units and the Financial Statements of the Office of the Company. All transactions and balances between the Office of the Company and its dependent units as well as between the dependent units have been eliminated when preparing and presenting the Company's financial statements.

The accompanying financial statements are not intended to reflect the financial position, results of operations, and cash flows in accordance with accounting principles and practices accepted in countries other than Vietnam.

Accounting estimates

The preparation of the Financial Statements in conformity with Vietnamese Accounting Standards requires the Board of Management to make estimates and assumptions that affect the reported amounts of liabilities, assets, and disclosures of contingent assets and liabilities at the date of the Financial Statements and the reported amounts of revenues and expenses during the fiscal year. Actual results may differ from those estimates and assumptions.

Exchange Rates Applied in Accounting

For Transactions in Foreign Currency

Foreign currency transactions are converted at the actual exchange rate on the transaction date. The exchange rate differences arising from these transactions are recognized as financial income and expenses in the income statement. The actual exchange rate is determined as follows:

- Actual Transaction Rate for Foreign Currency Exchange (Spot Foreign Exchange Contracts): This is the rate agreed upon in the foreign currency purchase or sale contract between the Company and the commercial bank.
- If the contract does not specify the payment rate, the accounting treatment is as follows:
 - **For Receivables:** The transaction rate is the purchase rate of the commercial bank where the Company has directed the customer to make payment at the time the transaction occurs.
 - **For Payables:** The transaction rate is the selling rate of the commercial bank where the Company plans to make the payment at the time the transaction occurs.

Revaluation of Foreign Currency Monetary Items at the Balance Sheet Date:

- **For Assets:** Use the foreign currency purchase rate of the commercial bank where the Company regularly conducts transactions as of December 31, 2024.
- **For Liabilities:** Use the foreign currency selling rate of the commercial bank where the Company regularly conducts transactions as of December 31, 2024.

Exchange rate differences resulting from revaluation are transferred to the Exchange Rate Difference Account - 413. The balance in this account will be transferred to financial income or expenses at the time of preparing the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The Financial Statements for the year ended December 31, 2024

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and cash equivalents

Cash comprises cash on hand, bank deposits.

Receivables

The receivables comprise the customer receivables and other receivables. Receivables are recognized at the carrying amounts less allowances for doubtful debts.

Allowance for doubtful debts is assessed and made for overdue receivables that are difficult to be collected, or the debtor is unable to pay due to dissolution, bankruptcy, or similar difficulties.

Inventories

Inventories are measured at the lower cost and net realizable value. Costs of inventories comprise costs of purchases and other directly relevant costs.

The cost of inventories is determined in accordance with the weighted average method.

Net realizable value is the estimated selling price of inventory items less all estimated costs of completion and costs of marketing, selling, and distribution. The Company uses the perpetual inventory method.

The Company's allowance for impairment of inventories is made when there is reliable evidence of impairment of the net realizable value compared to the historical cost of inventories.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at historical cost 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.

Tangible fixed assets are depreciated using the straight-line method over their estimated useful lives. details are as follows:

	<u>Years</u>
Buildings and structures	05 - 30
Machinery and equipment	03 - 15
Motor vehicles	04 - 15
Office equipment	03 - 08

When a tangible fixed asset is sold or disposed of, 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.

Intangible fixed assets and Amortization

The Company's intangible fixed assets include computer software and other intangible assets, which are recorded at cost less accumulated amortization.

Computer software is amortized using the straight-line method based on an estimated useful life of 5 years, while other intangible assets are amortized over 15 years.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 The Financial Statements for the year ended December 31, 2024

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Construction in progress

Construction in progress reflects the Properties in progress for production, leasing, administrative purposes, or for any other purposes are recognized at the historical cost. This cost includes relevant service fees and interest fees to the Company's accounting policies. Depreciation of these assets is the same as the other assets, commencing from these assets are ready for their intended use.

Operating Leases

Lease payments for operating leases are recognized in the income statement using the straight-line method over the lease term. Lease commissions are recorded in the income statement as part of the total lease expenses over the lease term.

Payables

The account payables are monitored in detail by payable terms, payable parties, original currency, and other factors depending on the Company's management requirement.

The account payables include payables such as trade payables, loans payable, and other payables which are determined almost certainly by the recorded value and term, which is not carried less than the amount to be paid. They are classified as follows:

- Trade payables: Reflect payables of commercial nature arising from the purchase of goods, services, or assets, payables for import through trustees of which the seller is an independent entity with the Company; and
- Other payables: Reflect payables of non-commercial nature and irrelevant to purchase, sales of goods, or provisions of services.

Loans

Loans include loans, financial leases, excluding loans in the form of bonds or preference shares with terms that the issuer is required to repurchase at a certain point in the future.

The Company monitors loan amounts in det by each type and classifies them into short-term and long-term according to repayment terms.

Expenses directly related to the loan are recognized as financial expenses, except for expenses incurred from a loan for investment, construction, or production in progress, which are capitalized according to Accounting Standard "Borrowing costs".

Accrued expenses

Accrued expenses are those already recorded in operating expenses in the period/year but not paid to ensure that when these expenses occur, they will not have a significant influence on operating expenses based on the matching principle between income and expenses.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 The Financial Statements for the year ended December 31, 2024

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Provisions

The recorded value of a provision is the most reasonable estimate of the amount required to settle a current obligation at the end of the accounting period.

Only expenses related to provisions that were initially recognized can be covered by that provision.

If the difference between the provisions recorded in the previous accounting period and those in the current reporting period is greater than the provisions recognized in the current period, the excess is reversed and deducted from production and business expenses for the year, except for any excess related to mechanical products provisions, which is reversed and recognized as other income for the year.

The Company's provisions include provisions for mechanical products arising in 2024 based on contracts signed with buyers.

Owners' equity

Capital is recorded according to the actual amounts invested by shareholders.

Additional Paid-in Capital is recognized as the excess amount between the actual issuance price and the par value of the shares when shares are initially issued, additionally issued, or reissued from treasury stock.

Retained Earnings are determined based on the after-tax net income and the distribution of profits by the Company.

Profit after corporate income tax is distributed to shareholders after setting up funds in accordance with the Company's Charter as well as the provisions of law and approved by the General Meeting of Shareholders.

Dividends payable to shareholders are recognized as a liability on the Company's balance sheet after the Board of Management' declaration of dividends and the notification of the dividend entitlement date by the securities depository center.

Revenue and other income

The Company's revenue includes revenue from sales of products and goods construction, revenue from services, ...

Revenue from sale of goods and products

Revenue from the sale of goods shall be recognized when it satisfies all the five (5) conditions below:

- The Company has transferred to the buyer the significant risks and reward of ownership of the goods;
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Company; and;
- Costs related to transactions can be determined.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The Financial Statements for the year ended December 31, 2024

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue and other income (Continued)

Revenue from services

Revenue from services is recognized when the outcome of that transaction can be reliably determined. Where a transaction involving the rendering of services is attributable to several periods, revenue is recognized in the year by reference to the percentage of completion of the transaction at the balance sheet date of that period. The outcome of a transaction can be measured reliably when all four (4) following conditions are satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Company;
- Identify the completed work as at the balance sheet date; and
- Determine the costs incurred for the transaction as well as the cost to complete the transaction to provide that service.

Revenue from interest income and other income:

The revenue is recognized when the Company can obtain economic benefits from the above activities and when it is reliably measured.

Cost of goods sold

Cost of goods sold or services rendered including the cost of products, goods, services, and investment property sold during the period is recorded corresponding to revenue.

Financial expenses

Financial expenses reflect expenses incurred during the period, which mainly include borrowing costs, payment discounts, deferred purchase interest, and loss of foreign exchange rates.

Current corporate income tax expense and deferred corporate income tax expense

Corporate income tax expenses (or corporate income tax income): Are total current and deferred income tax expenses (or total current and deferred tax) in determining the profit or loss of a period.

Current income tax expenses: Are corporate income tax payable calculated on taxable profit during the year and current corporate income tax rate. Current income tax is calculated on taxable income and applicable tax rate during the tax period. The difference between taxable income and accounting profit is from adjustment of differences between accounting profit and taxable income in accordance with current tax policies.

The Company has an obligation to pay corporate income tax at the rate of 20% on taxable profits.

The determination of the Company's income tax is based on current tax regulations. However, these regulations change from time to time and the final determination of corporate income tax depends on the examination results of the competent tax authorities.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The Financial Statements for the year ended December 31, 2024

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basic Earnings per Share

Basic earnings per share for common stock is calculated by dividing the net income or loss attributable to common shareholders by the weighted average number of common shares outstanding during the year.

Related parties

A party is considered a related party of the Company in case that party can control the Company or 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.

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

Segments reporting

A segment is a distinguishable component of the Company that participates in providing related products or services (business segment) or in providing products or services within a specific economic environment (geographic segment), with risks and economic benefits different from other business segments. The Board of Management considers that the Company operates in business segments such as mechanical construction, fresh concrete, and construction materials; foodstuffs and agricultural products; and handicraft packaging, as well as in geographic segments including domestic and international markets. Segment reporting will be prepared according to business activity and geographic region.

5. SUPPLEMENTARY INFORMATION TO ITEMS DISCLOSED IN THE SEPERATE BALANCE SHEET

5.1 Cash and cash equivalents

	December 31, 2024 VND	January 01, 2024 VND
Cash on hand	298,721,800	306,597,000
Bank deposits on demand	2,826,400,934	5,762,329,742
Total	3,125,122,734	6,068,926,742

5.2 Short-term receivables from customers

	December 31, 2024 VND	January 01, 2024 VND
Branch of Acecook Vietnam JSC in Bac Ninh	-	4,322,400,000
Dong Phuong DISTRIBUTOR	5,390,070,884	-
Board of management of Tan An City Investment Construction	6,829,241,500	-
Others	25,169,351,668	24,240,998,770
Total	37,388,664,052	28,563,398,770

*In which: Short-term receivables from related parties
(Details in Note 7.1)*

1,211,604,804 **1,235,519,272**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
The Financial Statements for the year ended December 31, 2024

5.3 Other receivables

	December 31, 2024 (VND)		January 01, 2024 (VND)	
	Book value	Allowance	Book value	Allowance
a) Short-term				
T and T Supermarket Inc	4,105,520	-	1,855,066,477	-
Saigon - Viet Hung Agricultural Products Processing and Export JSC	-	-	1,641,158,477	-
Anh Duy Food Company Limited	-	-	213,908,000	-
b) Long-term				
Deposits	4,105,520	-	-	-
	536,000,000	-	386,000,000	-
	536,000,000	-	386,000,000	-
Total	540,105,520	-	2,241,066,477	-
<i>In which: Others receivables from related parties</i>				
<i>(Detail in Notes 7.1)</i>				
	300,000,000		300,000,000	

5.4 Inventories

	December 31, 2024 (VND)		January 01, 2024 (VND)	
	Original value	Allowance	Original value	Allowance
Raw materials	113,363,742,594	-	85,158,406,369	-
Tools and supplies	1,043,969,712	-	788,139,372	-
Work in progress	3,208,707,659	-	1,707,620,746	-
Finished goods	13,381,543,528	-	12,453,685,308	-
Goods	299,102,261	-	690,193,033	-
Goods on consignment	-	-	38,762,643	-
Total	131,297,065,754	-	100,836,807,471	-

As of December 31, 2024, inventories with carrying values of VND 94,181,250,000 and VND 99,027,500,000 (as of January 1, 2024: VND 41,076,000,000 and VND 81,327,500,000) were pledged as collateral for the Company's loans at VietinBank - Long An Branch and Vietcombank - Long An Branch (Note 5.13).

MECHANICS CONSTRUCTION AND FOODSTUFFS JOINT-STOCK COMPANY

Form No. B 09 - DN
Issued under Circular No. 200/2014/TT-BTC
No. 29 Nguyen Thi Bay, Ward 6, Tan An City,
Dated December 22, 2014 by The Ministry of Finance
Long An Province

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
The Financial Statements for the year ended December 31, 2024

5.5 Bad debts

Name	At December 31, 2024 (VND)			At January 01, 2024 (VND)		
	Overdue periods	Original value (+)	Allowances (-)	Recoverable amount	Overdue periods	Original value (+) Allowances (-) Recoverable amount
Thien Dia Nhan Trading Company Limited	> 3 years	22,350,000	(22,350,000)	-	> 3 years	22,350,000 (22,350,000) -
Socon Viet Nam JSC	> 3 years	1,000,075,000	(1,000,075,000)	-	> 3 years	1,000,075,000 (1,000,075,000) -
Hue Tan Construction, Trading, and Mechanical Services Company Limited	> 3 years	625,120,000	(625,120,000)	-	> 3 years	625,120,000 (625,120,000) -
An Duong Investment Design Construction JSC	> 3 years	30,270,000	(30,270,000)	-	> 3 years	35,120,000 (35,120,000) -
My Tin Investment Construction JSC	> 3 years	37,843,500	(37,843,500)	-	> 3 years	37,843,500 (37,843,500) -
Long An Foodstuffs Company Limited	> 3 years	-	-	-	> 3 years	355,273,300 (204,936,650) 150,336,650
Total		1,715,658,500	(1,715,658,500)	-		2,075,781,800 (1,925,445,150) 150,336,650

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The Financial Statements for the year ended December 31, 2024

5.6 Tangible fixed assets

	Buidlings and structures	Machineries, equipment	Vehicles	Office tools and equipment	Total
<i>Unit: VND</i>					
HISTORICAL COST					
As at January 01, 2024	39,822,195,204	46,129,569,416	33,182,226,116	1,966,581,865	121,100,572,601
Increase	161,712,452	821,467,464	732,190,909	57,000,000	1,772,370,825
Purchased	-	-	732,190,909	57,000,000	789,190,909
Transfer from construction in progress	161,712,452	821,467,464	-	-	983,179,916
Decrease	-	-	(150,000,000)	-	(150,000,000)
Disposal	-	-	(150,000,000)	-	(150,000,000)
As at December 31, 2024	39,983,907,656	46,951,036,880	33,764,417,025	2,023,581,865	122,722,943,426
ACCUMULATED DEPRECIATION					
As at January 01, 2024	30,651,736,955	33,892,351,959	26,261,791,164	1,952,108,929	92,757,989,007
Increase	1,363,023,273	2,692,778,717	2,511,069,113	23,385,574	6,590,256,677
Purchased	1,363,023,273	2,692,778,717	2,511,069,113	23,385,574	6,590,256,677
Decrease	-	-	(150,000,000)	-	(150,000,000)
Disposal	-	-	(150,000,000)	-	(150,000,000)
As at December 31, 2024	32,014,760,228	36,585,130,676	28,622,860,277	1,975,494,503	99,198,245,684
NET BOOK VALUE					
As at January 01, 2024	9,170,458,249	12,237,217,457	6,920,434,952	14,472,936	28,342,583,594
As at December 31, 2024	7,969,147,428	10,365,906,204	5,141,556,748	48,087,362	23,524,697,742

The original cost of fully depreciated fixed assets still in use as of December 31, 2024, is VND 42,763,924,920 (as at January 1, 2024 is VND 36,989,298,163).

The remaining value of fixed assets pledged at the bank as collateral for loans as of December 31, 2024, is VND 16,955,174,107 (as at January 01, 2024 is VND 22,457,592,701)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The Financial Statements for the year ended December 31, 2024

5.7 Intangible fixed assets

	<i>Unit: VND</i>		
	IT software	Others Intangible fixed assets	Total
HISTORICAL COST			
As at January 01, 2024	474,745,773	362,784,729	837,530,502
Increase	-	-	-
As at December 31, 2024	474,745,773	362,784,729	837,530,502
ACCUMULATED AMORTIZATION			
As at January 01, 2024	387,975,067	362,784,729	750,759,796
Increase	24,931,824	-	24,931,824
Amortization	24,931,824	-	24,931,824
As at December 31, 2024	412,906,891	362,784,729	775,691,620
NET BOOK VALUE			
As at January 01, 2024	86,770,706	-	86,770,706
As at December 31, 2024	61,838,882	-	61,838,882

The original value of fixed assets that have been fully amortized but are still in use as of December 31, 2024, is VND 737,803,229 (as at January 01, 2024 is VND 737,803,229).

5.8 Long-term work in progress

	December 31, 2024 VND	January 01, 2024 VND
a) Long-term work in progress	-	4,127,305,412
The agricultural processing export factory - Sai Gon Viet Hung Agricultural Processing Export JSC (i)	-	4,127,305,412
b) Construction in progress	124,243,228	565,669,287
Maintenance and repair of the rice processing machine line - Cao Lanh Grain Processing Business Station	-	284,876,639
Renovation, upgrade, and repair of workshop 1 - Food Grain Enterprise	-	257,462,848
Relocation of Fire Fighting Pump Station - Mechanical Construction Enterprise	41,232,253	-
Raw Material Screening at the Beginning of the Production Line - Cao Lanh Grain Processing Business	32,158,627	-
Renovation of 9m + 7m Dual Conveyor, Ship Mooring Berth - Workshop 1, Foodstuffs Enterprise	50,852,348	-
Others	-	23,329,800
Total	124,243,228	4,692,974,699

(i) As of the issuance of this Report, the Company has reached a settlement agreement with Saigon Export Agricultural Processing Joint Stock Company and has made the payment in accordance with Decision No. 01/2024/QĐST-KDTM on February 16, 2024, of the People's Court of Thanh Hoa District, Long An Province, recognizing the agreement between the parties.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
The Financial Statements for the year ended December 31, 2024

5.9 Short-term trade payables

	December 31, 2024 (VND)		January 01, 2024 (VND)	
	Book value	Repayable amount	Book value	Repayable amount
Hai Ron Private Company	-	-	606,376,900	606,376,900
Minh Anh Transportation Trading and Service One Member Limited Liability Company	2,261,004,078	2,261,004,078	1,504,489,547	1,504,489,547
Mai Thanh Phat Trading Service Limited Liability Company	3,631,313,476	3,631,313,476	877,990,248	877,990,248
Thanh Nam Import-Export and Construction JSC	1,541,179,470	1,541,179,470	2,266,687,340	2,266,687,340
Others	5,479,786,238	5,479,786,238	2,581,811,738	2,581,811,738
Total	12,913,283,262	12,913,283,262	7,837,355,773	7,837,355,773

5.10 Short-term prepayments from customers

	December 31, 2024 VND	January 01, 2024 VND
Rama Food Manufacture Corporation	2,561,526,846	-
Sai Gon - Viet Hung Agricultural Processing Export JSC	-	5,431,695,000
29 Construction and Technical Investment JSC	-	755,293,250
Others	323,570,000	560,618,609
Total	2,885,096,846	6,747,606,859

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
The Financial Statements for the year ended December 31, 2024

5.11 Taxes and payables to State Treasury

	January 01, 2024	Addition	Paid	December 31, 2024
Payables	1,079,013,771	5,277,848,058	4,892,392,766	1,464,469,063
Value added tax	-	229,937,340	151,758,396	78,178,944
Corporate income tax	1,061,563,771	2,873,840,119	2,563,563,771	1,371,840,119
Personal income tax	17,450,000	512,697,686	515,697,686	14,450,000
Land tax, Land rental charges	-	1,654,264,313	1,654,264,313	-
Fee, charges and other payables	-	108,600	108,600	-
Business license tax	-	7,000,000	7,000,000	-

Unit: VND

5.12 Other payables

	December 31, 2024 VND	January 01, 2024 VND
a) Short-term	908,888,650	2,421,163,118
Trade Union fees	754,471,753	577,272,853
Short-term deposits received	50,000,000	75,000,000
Anh Duy Food Co., Ltd. - Authorized Export Others	-	1,667,723,368
	104,416,897	101,166,897
b) Long-term	270,000,000	270,000,000
Long-term deposits received	270,000,000	270,000,000
Total	1,178,888,650	2,691,163,118



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
The Financial Statements for the year ended December 31, 2024

5.13 Short-term borrowing

	December 31, 2024 (VND)		In the year (VND)		January 01, 2024 (VND)	
	Carrying value	Repayable amount	Increase	Decrease	Carrying value	Repayable amount
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Long An Branch (i)	28,422,379,050	28,422,379,050	173,925,648,633	157,429,269,583	11,926,000,000	11,926,000,000
Joint Stock Commercial Bank for Industry and Trade of Vietnam - Long An Branch (ii)	27,485,821,600	27,485,821,600	268,745,543,657	244,971,722,057	3,712,000,000	3,712,000,000
Joint Stock Commercial Bank for Investment and Development of Vietnam - Long An Branch (iii)	-	-	37,690,704,756	43,326,736,156	5,636,031,400	5,636,031,400
Total	55,908,200,650	55,908,200,650	480,361,897,046	445,727,727,796	21,274,031,400	21,274,031,400

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
The Financial Statements for the year ended December 31, 2024

5.13 Short-term borrowing (Continued)

(i) Short-term loan from Joint Stock Commercial Bank for Foreign Trade of Vietnam - Long An Branch

Amount borrowed	Credit agreement number 02/CV/0020/KHDN/23LD dated November 11, 2024, with a lending limit: for rice business activities is VND 100,000,000,000, for other business activities is VND 11,000,000,000.
Purpose of the loan	Funding for legitimate, reasonable, and valid short-term credit needs to serve the production and business activities of the customer, but excluding short-term needs for fixed asset investment activities.
Loan term	12 months
Loan interest rate	Applying an agreed-upon loan interest rate mechanism based on the bank's announced loan interest rate at the time the customer incurs the debt. At each debt incurrence, the fixed interest rate is mutually agreed upon by both parties and recorded on each debt acknowledgment.
Loan collateral form	- Warehouse, factory, and office building in Ward 5, Tan An City, Long An Province, according to the land use rights certificate, housing ownership rights, and other properties attached to the land number BH703763, registered certificate number: CT10549 issued by the Department of Natural Resources and Environment of Long An Province on March 20, 2012, and the structure on the land (Office and warehouse) according to the land use rights certificate, housing ownership rights, and other properties attached to the land number BO218258, registered certificate number: CT16964 issued by the Department of Natural Resources and Environment of Long An Province on August 5, 2013. - Machinery and equipment according to Machinery and Equipment Mortgage Contract number 0034/NHNT-CRC/TC23 dated July 26, 2023. - Machinery and equipment according to Machinery and Equipment Mortgage Contract number 0019/NHNT-CRC/TC21 dated April 12, 2021. - Machinery and equipment according to Machinery and Equipment Mortgage Contract number 0022/NHNT-CRC/TC22 dated April 20, 2022. - Road transport vehicles and specialized motorcycles according to the Road Transport Vehicle Mortgage Contract number 0020/NHNT-CRC/TC21 dated April 12, 2021, and any amendments or supplements to this mortgage contract signed between the Bank and the Company. - Mortgage of 1 truck (flatbed) weighing 990 kg with registration number 62C-161.46 according to the Transport Vehicle Mortgage Contract number 0035/NHNT-CRC/TC23 dated July 26, 2023. - Mortgage of circulating goods and/or receivables and/or rights arising from the customer's commercial contracts according to Contract number 0033/NHNT-CRC/TC23 dated July 26, 2023, and any amendments or supplements to this mortgage contract signed between the Bank and the Company. - Machinery and equipment according to Machinery and Equipment Mortgage Contract number 0036/NHNT-CRC/TC23 dated July 26, 2023.
Balance of the loan as at December 31, 2024	VND 28,422,379,050



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The Financial Statements for the year ended December 31, 2024

5.13 Short-term borrowing (Continued)

(ii) Short-term loan from Joint Stock Commercial Bank for Industry and Trade of Vietnam - Long An Branch

Amount borrowed	Loan agreement with credit limit number 2350.2302/2024-HDCVHM/NHCT700-MECOFOOD dated March 13, 2024, with a credit limit of VND 100,000,000,000.
Purpose of the loan	Supplementary working capital loan.
Loan term	According to each disbursement request form combined with specific credit agreements, for 12 months from the date of signing the contract.
Loan interest rate	Interest rates are specified in each disbursement request form combined with specific credit agreements based on the bank's interest rate regime during each period.
Loan collateral form	According to the mortgage contract number 1899.0001/2018/HĐBĐVNHT700 dated April 3, 2018; According to the mortgage contract number 1899.0002/2018/HĐBĐ/NHCT700 dated April 4, 2018; According to the mortgage contract number 1899.0003/2018/HĐBĐ/NHCT700 dated April 9, 2018; According to the mortgage contract number 1999.0008/2019 dated March 12, 2019; According to the mortgage contract number 1950.0204/2019/HĐBĐVNHT700 dated April 2, 2019; And any amendments or supplements to the mortgage contracts.
Balance of the loan as at December 31, 2024	VND 27,485,821,600

(iii) Short-term loan from Joint Stock Commercial Bank for Investment and Development of Vietnam - Long An Branch

Amount borrowed	Loan agreement with credit limit number 01/2023/2735249/HDTD dated September 5, 2023, with a credit limit of VND 20,000,000,000.
Purpose of the loan	Working capital loan for business operations.
Loan term	According to each disbursement request form combined with specific credit agreements, for 12 months from the date of signing the contract.
Loan interest rate	Interest rates are specified in each disbursement request form combined with specific credit agreements based on the bank's interest rate regime during each period.
Loan collateral form	According to the asset mortgage contract number 01/2021/2735249/HDBD dated March 26, 2021, the main assets mortgaged include: - Investment in 01 color separator with a capacity of 9-11 tons of raw materials/hour and auxiliary equipment. - Investment in 01 color separator with a capacity of 9-11 tons of raw materials/hour and auxiliary equipment, machine number 02. - BHCYRHS ERIE 38B crawler crane. - 02 SANY concrete mixer trucks, 10 m ³ . - 01 C&C concrete mixer truck.

Balance of the loan as at December 31, 2024 VND 0.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The Financial Statements for the year ended December 31, 2024

5.14 Owners' equity

a. Changes of owners' equity

	Share capital	Share premium	Development and investment fund	Retained profits	Total
Unit: VND					
As at January 01, 2023	107,778,380,000	(31,818,182)	4,004,822,066	10,979,490,296	122,730,874,180
Profit in the previous year	-	-	-	10,863,544,809	10,863,544,809
Distribution to Investment and Development fund	-	-	1,051,082,000	(1,051,082,000)	-
Distribution to Bonus and Welfare Fund	-	-	-	(1,576,624,000)	(1,576,624,000)
Executive Board reward fund	-	-	-	(292,500,000)	(292,500,000)
Dividends	-	-	-	(7,867,821,740)	(7,867,821,740)
Remuneration for Board of Directors (i)	-	-	-	(102,000,000)	(102,000,000)
As at December 31, 2023	107,778,380,000	(31,818,182)	5,055,904,066	10,953,007,365	123,755,473,249
As at January 01, 2024	107,778,380,000	(31,818,182)	5,055,904,066	10,953,007,365	123,755,473,249
Profit in this year	-	-	-	9,654,232,940	9,654,232,940
Transfer the Development and Investment fund to profit (i)	-	-	(5,055,904,066)	5,055,904,066	-
Distribution to Investment and Development fund in 2023 (i)	-	-	1,045,084,000	(1,045,084,000)	-
Distribution to Bonus and Welfare Fund in 2023 (i)	-	-	-	(1,567,627,000)	(1,567,627,000)
Executive Board reward fund in 2023 (i)	-	-	-	(310,700,000)	(310,700,000)
Dividend in 2023 (i)	-	-	-	(12,933,405,600)	(12,933,405,600)
Remuneration for Board of Directors in 2024 (ii)	-	-	-	(300,000,000)	(300,000,000)
As at December 31, 2023	107,778,380,000	(31,818,182)	1,045,084,000	9,506,327,771	118,297,973,589

(i) The company distributes the after-tax profit for the year 2023 according to Resolution No. 24/NQ-DHCD.MCF on May 8, 2024, of the 2023 Annual General Meeting of Shareholders as follows:

- Appropriation to Development and Investment fund at the rate of 10% of profit after tax (minus the Reward fund for the Executive Board and remuneration packages to the Board of Directors) for year 2023.
- The Development and Investment Fund from previous years is reversed with an amount of VND 5,055,904,066.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The Financial Statements for the year ended December 31, 2024

5.14 Owners' equity (Continued)

a. Changes of owners' equity (Continued)

- Appropriation to Bonus and Welfare Fund at the rate of 15% of profit after tax (minus the Reward fund for the Executive Board and remuneration packages to the Board of Directors) for year 2023.

- Appropriation to Executive Board's reward fund with an amount of VND 310,700,000.

- Remuneration to Board of Directors has been paid in 2023 with an amount of VND 102,000,000.

- Dividend distribution in cash at the rate of 12% of the charter capital which is equivalent to VND 12,933,405,600. On May 8, 2024, the company recorded dividends payable to Shareholders according to the Resolution No. 30/NQ-MCF-HDQT on May 13, 2024 of the Board of Directors regarding the date of the final registration to exercise the right to receive cash dividends for the year 2023 (the final registration date according to the Resolution is May 29, 2024).

(ii) The company has paid remuneration to the Board of Directors in 2024 amounting to VND 300,000,000.

b. Details of owners' equity

Shareholders name	As at December 31, 2024			As at January 01, 2024		
	Rate (%)	Shares	Shares value at par value (VND)	Rate (%)	Shares	Shares value at par value (VND)
Vietnam Southern Food Corporation - JSC	60.00%	6,466,800	64,668,000,000	60.00%	6,466,800	64,668,000,000
Other shareholders	40.00%	4,311,038	43,110,380,000	40.00%	4,311,038	43,110,380,000
Total	100%	10,777,838	107,778,380,000	100%	10,777,838	107,778,380,000

c. Capital transactions with shareholders and appropriation of profits and dividends

	Year 2024 VND	Year 2023 VND
As at January 01	107,778,380,000	107,778,380,000
Increased during the year	-	-
Decreased during the year	-	-
As at December 31	107,778,380,000	107,778,380,000
Dividend, Profit distribution	12,933,405,600	7,867,821,740

d. Shares

	December 31, 2024 Shares	January 01, 2024 Shares
Quantity of registered shares	10,777,838	10,777,838
Quantity of issued shares	10,777,838	10,777,838
Common shares	10,777,838	10,777,838
Outstanding shares	10,777,838	10,777,838
Common shares	10,777,838	10,777,838
<i>Par value of outstanding shares (VND/ shares)</i>	<i>10,000</i>	<i>10,000</i>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The Financial Statements for the year ended December 31, 2024

5.15 Off Balance sheet items

a. Operating lease assets (lessees)

As at December 31, 2024, the Company has an irrevocable commitment to lease operations as follows:

	Year 2024 VND	Year 2023 VND
Within 01 year	1,037,457,122	754,942,672
From 02 years to 05 years	1,995,073,187	2,005,635,941
Over 5 years	2,385,869,137	1,777,994,203
Total	5,418,399,446	4,538,572,816

b. Assets held for the third parties

	December 31, 2024 Kg	January 01, 2024 Kg
NL Rice 20% Broken	26,762	26,762

c. Foreign currencies

	December 31, 2024	January 01, 2024
USD	2,488.06	2,809.82
Equivalent to VND	62,680,256	67,571,001

d. Bad debts written-off

	December 31, 2024 VND	January 01, 2024 VND
Nhan Tri Private Company (ii)	10,978,100	10,978,100
Dien Mai Private Company (i)	33,483,175	33,483,175
Ha Thanh Construction and Trade Co., Ltd. (i)	42,000,000	42,000,000
Nguyen Huynh Industrial Catering Co., Ltd. (i)	35,354,000	35,354,000
GoL Information Trade and Service Co., Ltd. (i)	34,000,000	34,000,000
Hau Giang Food JSC (i)	7,524,103,500	7,524,103,500
Total	7,679,918,775	7,679,918,775

(i) These accounts receivable have been written off since 2020 due to being determined as uncollectible. The company has performed the write-off according to the minutes of the debt handling committee meeting dated November 30, 2020.

(ii) This accounts receivable has been written off in the accounting records since 2011 due to being determined as uncollectible.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
The Financial Statements for the year ended December 31, 2024

6. ADDITIONAL INFORMATION ON THE ITEMS OF THE INCOME STATEMENTS

6.1 Revenues from sales and services rendered

	Year 2024 VND	Year 2023 VND
Revenue from sales of goods	477,105,856,604	441,371,976,339
Revenue from provision of services	3,019,744,723	2,474,713,363
Total	480,125,601,327	443,846,689,702
<i>In which: Revenue from related parties (Details in Note 7.1)</i>	<i>67,337,185,968</i>	<i>18,875,388,350</i>

6.2 Net revenues from sales and services rendered

	Year 2024 VND	Year 2023 VND
Revenue from sales of goods	477,105,856,604	441,371,976,339
Revenue from provision of services	3,019,744,723	2,474,713,363
Total	480,125,601,327	443,846,689,702
<i>In which: Net revenue from related parties (Details in Note 7.1)</i>	<i>67,337,185,968</i>	<i>18,875,388,350</i>

6.3 Costs of goods sold

	Year 2024 VND	Year 2023 VND
Cost of goods and services	435,155,282,030	390,771,886,957
Cost of provision of services	2,993,275,824	2,449,055,442
Cost of inventories via losses	444,198,057	379,452,386
Expenses over normal capacity	238,831,951	158,735,205
Total	438,831,587,862	393,759,129,990

6.4 Financial income

	Year 2024 VND	Year 2023 VND
Bank and loan interest	44,941,753	6,179,421
Realized exchange rate gains	944,557,158	589,491,068
Unrealized exchange rate gains	13,728,259	-
Total	1,003,227,170	595,670,489

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
The Financial Statements for the year ended December 31, 2024

6.5 Financial expenses

	Year 2024 VND	Year 2023 VND
Interest expense	5,874,805,179	3,055,424,812
Realized foreign exchange losses	123,390,006	172,167,408
Unrealized foreign exchange losses	-	36,764,534
Total	5,998,195,185	3,264,356,754

6.6 Selling expenses

	Year 2024 VND	Year 2023 VND
Materials expenses	3,563,521,500	3,527,931,218
Amortization and Depreciation expenses	1,546,982,376	1,634,363,504
Outsourcing expenses	6,636,742,479	6,928,162,645
Employee expenses	10,581,900	116,012,000
Other cash expense	930,084,311	1,140,183,928
Total	12,687,912,566	13,346,653,295

6.7 General and administrative expenses

	Year 2024 VND	Year 2023 VND
Employee expenses	14,738,016,001	16,829,456,666
Materials expenses	261,963,413	305,032,062
Amortization and Depreciation expenses	459,571,960	411,935,131
Charges and fee	1,714,852,732	598,878,903
Provision expenses	(209,786,650)	196,206,650
Outsourcing expenses	2,000,103,624	1,021,454,964
Other cash expense	2,720,243,684	2,500,189,055
Total	21,684,964,764	21,863,153,431



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The Financial Statements for the year ended December 31, 2024

6.8 Other profits

	Year 2024 VND	Year 2023 VND
Other income		
Disposals of fixed assets	126,102,693	-
Shipping service fee	218,181,820	272,727,276
Factory rental fees	609,545,453	560,454,545
Reversal of warranty expenses for the project	611,936,821	714,009,313
Excess goods	813,377,022	123,936,543
Others (i)	10,626,184,598	339,375,214
Total	13,005,328,407	2,010,502,891
Other expenses		
Expenditure for supporting the construction of cultural houses and rice assistance for Typhoon Yagi	246,895,418	-
Tax arrears	1,108,600	166,632,392
Disposals of fixed assets	-	70,763,213
Others (i)	2,155,419,450	81,257,273
Total	2,403,423,468	318,652,878
Other profits	10,601,904,939	1,691,850,013

(i) This includes VND 9,938,486,088 and VND 2,038,153,604 as income and expenses arising from a partial breach of contract by Saigon Export Agricultural Products Processing Joint Stock Company, which has agreed to a settlement and has paid the Mechanical Construction and Foodstuffs Joint-Stock Company according to Decision No. 01/2024/QDST-KDTM on February 16, 2024, of the People's Court of Thanh Hoa District, Long An Province, on recognizing the agreement between the parties involved.

6.9 Production and business expenses by factors

	Year 2024 VND	Year 2023 VND
Raw material expenses	458,129,283,996	301,622,930,577
Employee expenses	30,547,812,087	33,140,850,345
Amortization and Depreciation expenses	6,615,188,501	6,791,610,805
Outsourcing expenses	23,813,537,058	22,210,834,300
Other cash expenses	6,378,609,102	5,573,815,694
Total	525,484,430,744	369,340,041,721

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The Financial Statements for the year ended December 31, 2024

6.10 Current corporate income tax expense

	Year 2024 VND	Year 2023 VND
Total net profit before tax	12,528,073,059	13,900,916,734
Additions:	1,831,127,538	256,902,121
Non-deductible expenses	1,831,127,538	256,902,121
Deductions:	-	-
Taxable income to corporate income tax	14,359,200,597	14,157,818,855
Assessable income to corporate income tax	14,359,200,597	14,157,818,855
Corporate income tax rate	20%	20%
Corporate income tax	2,871,840,119	2,831,563,771
Adjustment of corporate income tax expenses in respect of previous periods	2,000,000	205,808,154
Corporate income tax expense	2,873,840,119	3,037,371,925

6.11 Basic earnings per share

	Year 2024 VND	Year 2023 VND (Re-stated)
Profits after corporate income tax	9,654,232,940	10,863,544,809
Adjustments for decrease the profit accounting to determine the profit or loss attributable to shareholders holding common shares (VND) (i)	(1,403,134,941)	(1,878,327,000)
Profit attributable to shareholders holding common shares	8,251,097,999	8,985,217,809
Weighted average number of common shares outstanding for the period (shares)	10,777,838	10,777,838
Basic earnings per share (VND/ share)	765.562	833.675

(i) According to the Resolution of the 2024 Annual General Meeting of Shareholders on May 8, 2024, of Mechanical Construction and Foodstuffs Joint-Stock Company; The profit for the fiscal year ending on December 31, 2024, that can be allocated to the Bonus and Welfare Fund, and Executive Board's bonus is VND 1,403,134,941. The final decision on the distribution of profit for 2024 rests with the General Meeting of Shareholders. Accordingly, the net profit attributable to common shareholders and basic earnings per share may be subject to change following the Resolution of the General Meeting of Shareholders.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
The Financial Statements for the year ended December 31, 2024

6.11 Basic earnings per share (Continued)

Restated "Earning per share" for the fiscal year ended December 31, 2023:

The Company determines the amount of the Bonus and Welfare Fund, Executive Board's Bonus Fund, and remuneration for Board of Directors, Supervisors and Management for the fiscal year ended December 31, 2023 according to the profit distribution ratio of year 2023, which are approved in the Resolutions of the General Meeting of Shareholders in the year 2024. Accordingly, basic earnings per share for the fiscal year ended December 31, 2023 are restated as follows:

	Year 2023 Stated (VND)	Year 2023 Re-stated (VND)	Difference (VND)
Profits after corporate income tax	10,863,544,809	10,863,544,809	-
Distribution to Investment and Development, Board of Directors, Supervisors and Executive Board reward fund	(1,862,856,721)	(1,878,327,000)	(15,470,279)
Profits or losses attributable to shareholders holding common shares	9,000,688,088	8,985,217,809	(15,470,279)
Weighted average number of common shares outstanding for the period (shares)	10,777,838	10,777,838	-
Basic earnings per share (VND/ share)	835.111	833.675	(1.435)

7. OTHER INFORMATION

7.1 Transactions and balances with related parties

a) List of related parties

No.	Related parties	Relationship
1	Vietnam Southern Food Corporation - JSC	Parent Company
2	Long An Food Company	Branch of Parent Company
3	Dong Thap Food Company	Branch of Parent Company
3	Tien Giang Food Company	Branch of Parent Company
4	Binh Dong Flour Company	Branch of Parent Company
5	Vietnam Southern Food Corporation - JSC - Thot Not Branch	Branch of Parent Company
6	Safoco Foodstuff JSC	Fellow subsidiary
7	Kien Giang Import-Export JSC	Fellow subsidiary
8	Binh Dinh Food JSC	Fellow subsidiary
9	An Giang Foodstuff Company	Branch of Parent Company
10	Sai Gon Food JSC	Fellow subsidiary
11	Colusa-Miliket Foodstuff JSC	Fellow subsidiary
12	The key personnels of the Company include: members of the Board of Directors, Board of Management, Board of Supervisors and close members within these personnels' families.	Significant influence

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
The Financial Statements for the year ended December 31, 2024

7.1 Transactions and balances with related parties (Continued)

b) Remuneration of the Board of Directors

Name	Position	Year 2024 VND	Year 2023 VND
Mr. Bach Ngoc Van	Chairman, dismissed on May 8, 2024	46,722,000	10,000,000
Mr. Le Phat Tai	Chairman	77,308,000	-
Mr. Nguyen Van Kiet	Vice Chairman	492,818,000	509,180,000
Mrs. Le Mai Han	Vice Chairman	130,254,000	97,777,000
Mr. Nguyen Binh Hien	Member	84,000,000	84,000,000
Mrs. Nguyen Thi Hoai	Member, dismissed on June 15, 2022	-	10,811,000
Mr. Vo Hung Dung	Member, dismissed on June 15, 2022	-	10,811,000
Mr. Tran Vinh Thanh	Member, dismissed on April 19, 2023	17,301,000	116,659,000
Mrs. Ho Thi Cam Van	Member	86,821,000	7,000,000
Mr. Le Truong Son	Member, dismissed on December 01, 2023	-	77,000,000
Total		935,224,000	923,238,000

c) Remuneration and other benefits of the Board of Supervisors

Name	Position	Year 2024 VND	Year 2023 VND
Mrs. Hoang Thi Lien	Head of the Board	308,711,000	312,849,000
Mrs. Le Thi Hong Nhung	Member	239,094,000	205,778,300
Mr. Phan Le Duy	Member	63,672,000	70,111,000
Total		611,477,000	588,738,300

d) Remuneration and other benefits of the Board of Management

Name	Position	Year 2024 VND	Year 2023 VND
Mr. Le Duong Son	General Director	484,881,000	491,249,000
Mr. Nguyen Binh Hien	Vice General Director	431,321,000	444,762,000
Mr. Nguyen Minh Phuc	Vice General Director	402,369,000	413,013,000
Total		1,318,571,000	1,349,024,000

e) Remuneration and other benefits of other managers

Name	Position	Year 2024 VND	Year 2023 VND
Mrs. Nguyen Thi Thanh Phung	Chief Accountant	360,284,000	287,902,000
Mr. Pham Hoang Chuong	Board Secretary	54,000,000	54,000,000
Total		414,284,000	341,902,000



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
The Financial Statements for the year ended December 31, 2024

7.1 Transactions and balances with related parties (Continued)

f) Transactions with related parties

Related parties	Nature of transaction	Year 2024 VND	Year 2023 VND
Purchasing		1,881,656,736	49,154,502
Tien Giang Food Company	Purchasing of goods	48,306,949	49,154,502
Dong Thap Food Company	Receiving services	1,832,895,242	-
Kien Giang Import-Export JSC	Purchasing of goods	454,545	-
Selling		67,337,185,968	18,875,388,350
Vietnam Southern Food Corporation - JSC	Sale of rice, packaging, mechanical services	46,290,905,900	1,188,531,000
Long An Food Company	Sale of rice, packaging, mechanical services	7,429,306,711	5,613,591,150
Vietnam Southern Food Corporation - JSC - Thot Not Branch	Bán thành phẩm	-	311,000,000
Binh Dong Flour Company	Sale of packaging, mechanical services	1,976,872,500	1,654,231,200
Dong Thap Food Company	Mechanical services	8,400,000	431,100,000
Safoco Foodstuff JSC	Sale of product	40,890,000	32,500,000
Kien Giang Import-Export JSC	Sale of product	9,378,789,000	2,661,575,000
Binh Dinh Food JSC	Mechanical services	-	6,535,600,000
An Giang Foodstuff Company	Mechanical services	-	447,260,000
Sai Gon Food JSC	Sales of goods, services	2,210,321,857	-
Colusa-Miliket Foodstuff JSC	Sales of goods, services	1,700,000	-
Others		7,760,160,000	4,720,764,000
Vietnam Southern Food Corporation - JSC	Dividend	7,760,160,000	4,720,764,000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
The Financial Statements for the year ended December 31, 2024

7.1 Transactions and balances with related parties (Continued)

g) Balances with related parties

Related parties	December 31, 2024 VND	January 01, 2024 VND
Short-term receivables from customers		
Long An Food Company	1,211,604,804	1,235,519,272
Binh Dong Flour Company	995,280,804	528,770,592
Dong Thap Food Company	216,324,000	378,778,680
Kien Giang Import-Export JSC	-	29,370,000
Other receivables	-	298,600,000
Dong Thap Food Company	300,000,000	300,000,000
	300,000,000	300,000,000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
The Financial Statements for the year ended December 31, 2024

7.2 Segment reporting

The Company prepares segment reports based on four business segments: Mechanical Construction; Fresh Concrete; Foodstuffs and Agricultural Products; and Handicraft Packaging, with the "Others" segment representing a smaller portion of the Company's operations.

a) Segment report based on business activities

Segment report of assets and liabilities for the year ended December 31, 2023:

Unit: VND

	Mechanical construction, ready-mix concrete, and construction materials	Foodstuff	Packaging, Handicraft	Other	Total
ASSETS					
Fixed assets		11,793,231,806	3,048,474,845	1,047,342,350	28,429,354,300
Work in progress	12,540,305,299	565,669,287			565,669,287
Receivables	12,039,559,255	14,430,063,371	2,269,423,144	392,861,690	29,131,907,460
Inventories	10,988,753,642	84,154,334,133	9,821,025,108		104,964,112,883
Assets cannot be allocated					6,244,157,061
Total assets					169,335,200,991
LIABILITIES					
Payables	13,484,179,205	376,042,024	143,022,130	10,302,452,983	24,305,696,342
Accruals		21,274,031,400			21,274,031,400
Liabilities cannot be allocated					
Total liabilities					45,579,727,742

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
The Financial Statements for the year ended December 31, 2024

7.2 Segment reporting (Continued)

Segment report of income for the year ended December 31, 2023:

Unit: VND

	Mechanical construction, ready-mix concrete, and construction materials	Foodstuff	Packaging, Handicraft	Other	Total
Total revenue	73,356,446,067	345,162,834,684	25,327,408,951		443,846,689,702
Segment business performance	6,083,007,267	39,572,442,402	4,432,110,043		50,087,559,712
Minus: Unallocated expenses					(35,209,806,726)
Profit from operating activities					14,877,752,986
Profit from investments					595,670,489
Financial expenses (unallocated)					(3,264,356,754)
Other profit					1,691,850,013
Profit before corporate income tax					13,900,916,734
Corporate income tax					(3,037,371,925)
Profit after tax					10,863,544,809

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
The Financial Statements for the year ended December 31, 2024

7.2 Segment reporting (Continued)

Segment report of assets and liabilities for the year ended December 31, 2024:

Unit: VND

	Mechanical construction, ready-mix concrete, and construction materials	Foodstuff	Packaging, Handicraft	Other	Total
ASSETS					
Fixed assets		10,375,075,673	2,584,418,100	1,535,899,369	23,586,536,624
Work in progress	9,091,143,482	83,010,975			124,243,228
Receivables	41,232,253	21,403,096,486	2,374,286,904	536,000,000	36,367,513,072
Inventories	12,054,129,682	119,048,617,304	5,953,245,728		131,297,065,754
Assets cannot be allocated	6,295,202,722				3,749,656,637
Total assets					195,125,015,315
LIABILITIES					
Payables	10,972,983,254	3,539,234,847	432,704,357	5,973,918,618	20,918,841,076
Accruals		55,908,200,650			55,908,200,650
Liabilities cannot be allocated					
Total liabilities					76,827,041,726

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
The Financial Statements for the year ended December 31, 2024

7.2 Segment reporting (Continued)

Segment report of income for the year ended December 31, 2024:

Unit VND

	Mechanical construction, ready-mix concrete, and construction materials	Foodstuff	Packaging, Handicraft	Other	Total
REVENUE					
Total revenue	70,733,295,790	376,128,270,180	33,264,035,357		480,125,601,327
Segment business performance	5,315,202,276	30,805,823,324	5,172,987,865		41,294,013,465
Minus: Unallocated expenses					(34,372,877,330)
Profit from operating activities					6,921,136,135
Profit from investments					1,003,227,170
Financial expenses (unallocated)					(5,998,195,185)
Other profit					10,601,904,939
Profit before corporate income tax					12,528,073,059
Corporate income tax					(2,873,840,119)
Profit after tax					9,654,232,940

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
The Financial Statements for the year ended December 31, 2024

7.2 Segment reporting (Continued)

b) Segment report relating to geographical business

For the year ended December 31, 2024	Segment report relating to geographical area		
	Local (VND)	Overseas (VND)	Total (VND)
Revenues	396,765,944,935	83,359,656,392	480,125,601,327
Cost	364,276,180,225	74,555,407,637	438,831,587,862
Gross profit	32,489,764,710	8,804,248,755	41,294,013,465

For the year ended December 31, 2023	Segment report relating to geographical area		
	Local (VND)	Overseas (VND)	Total (VND)
Revenues	370,665,176,229	73,181,513,473	443,846,689,702
Cost	330,987,278,646	62,771,851,344	393,759,129,990
Gross profit	39,677,897,583	10,409,662,129	50,087,559,712

7.3 Comparative information

The comparative information is the data on the Financial Statements for the year ended December 31, 2023, which has been audited by CPA VIETNAM Auditing Company Limited - An Independent Member Firm of INPACT.

Preparer



Bui Van Ket

Chief Accountant



Nguyen Thi Thanh Phung

Long An, February 24, 2025

General Director



Le Truong Son

CPA VIETNAM

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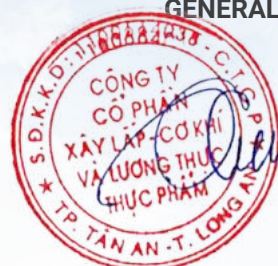
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2024 ANNUAL REPORT
MECHANNICS CONSTRUCTION AND FOODSTUFF JOINT-STOCK COMPANY

Long An, March 22, 2025

LEGAL REPRESENTATIVE

GENERAL DIRECTOR



LE TRUONG SON

