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**REPORT BUSINESS PERFORMANCE RESULTS IN 2025
AND BUSINESS PLAN IN 2026**

PART 1

REPORT BUSINESS PERFORMANCE RESULTS IN 2025

1. Socio-economic situation in 2025.

Regarding the global situation, the Russia-Ukraine war, now in its fourth year, continues to impact the global supply of cheap wheat, keeping prices high. Towards the end of 2025, the scarcity of foreign currency caused the US dollar exchange rate to rise, at times reaching 26,500 VND/USD, increasing financial costs for importing businesses. The escalating Middle Eastern conflict between Israel and other countries, notably Iran, has driven up oil prices, impacting global transportation chains. The United States entered the Trump 2.0 era with numerous controversial policies, from tariffs and withdrawals from international commitments to major changes in foreign policy that shifted the international order. Trade tensions between the US and China, particularly under President Donald Trump, continued, significantly affecting the global economy. 2025 also saw the hottest year on record, with global average temperatures ranking among the top three highest since 1850, and storms, floods, and wildfires causing significant human and economic damage in many areas, including Vietnam

Regarding the domestic situation, Vietnam's GDP growth of 8.02% in 2025 is an encouraging sign, with the fourth quarter reaching 8.46%, the highest in the 2011-2025 period. Inflation is relatively well controlled until the end of the year. In 2025, Vietnam will import 5.45 million tons of wheat, mainly from Australia, Brazil, and the United States. Of this, approximately 2.5-3 million tons will be imported for food production, with about 40% allocated to instant noodle, biscuit, and industrial bread factories, 30% for bakery consumption, 15% for the industrial and animal feed sectors, and 5% for household consumption.

Overall, 2025 will continue to be a challenging year for the flour industry with a decline in demand in some segments such as instant noodles and traditional bread. The company has strived to overcome difficulties, maintain production, and achieve the following results:

2. Production and business situation in 2025:

2.1. Production and business results:

T T	Main Indicators	Unit	Implementation in 2025	Plan for 2025	% Execution vs. Plan
1	Total Buying Amount	Tons	76.472	77.000	99%
2	Total Purchase Value	Million VND	574.307	602.500	95%
3	Total Sales	Tons	73.451	78.000	94%
3.1	<i>In which: Rice, Broken</i>	Tons	1.501	4.000	38%
3.2	Wheat flour	Tons	46.842	50.000	94%
3.3	Rice, other	Tons	25.108	24.000	105%
4	Total Revenue	Million VND	644.652	700.000	92%
4.1	<i>In which: Turnover of rice and broken rice</i>	Million VND	16.611	50.200	33%
4.2	Powder Turnover	Million VND	454.811	500.000	91%
4.3	Revenue: rice, bran, services, other, finance and other income	Million VND	173.226	149.800	116%
5	Profit before tax	Million VND	4.706	4.655	101%
6	Profit after tax	Million VND	3.682	3.724	99%
7	Budget Submission	Million VND	33.031	37.549	88%
8	Employee income	Million VND/pers on/month	13,79	10,32	134%
9	Dividend (50.61%)	Million VND	1.863	1.862	100%

2.2. Advantages and difficulty in the process of operation:

2.2.1. Advantage:

- Continued support from customers and credit institutions to maintain market share and stabilize capital with favorable interest rates for production and business operations.

- Research and development of new products, successfully launching them to the market and receiving high praise from customers. Some segments where the

company previously lacked market share, such as premium steamed buns, confectionery, high-end snacks, and wonton noodles, are now known and supported by customers.

- Strengthened international cooperation, seeking more wheat suppliers in exporting countries to provide more options in terms of price and quality. Increased exchange with domestic and international experts to improve product quality.

- The company sold nearly 8,300 tons of wheat, the highest ever, contributing to increased revenue and profit.

- The production line is regularly maintained and serviced efficiently and scientifically, thereby reducing repair and replacement costs while increasing flour recovery rates. The company has stepped up investment in upgrading facilities, automation, and advanced technology.

- Strengthening the recruitment of highly skilled personnel and creating strong connections between the production and business sectors helps the company respond promptly and effectively to market changes.

- Efforts have been made to collect accounts receivable, gradually reducing overdue debts. In recent years, the company has eliminated accounts receivable overdue for more than 3 months.

- Maintaining relationships with four reputable credit institutions—BIDV, Vietinbank, Vietcombank, and MBbank—has helped stabilize loan capital and compete for favorable interest rates. Cash flow is managed efficiently to repay debts, thereby limiting interest expenses.

2.2.2. Difficulty:

- The high US dollar exchange rate in the third and fourth quarters led to increased financial costs compared to previous years. Some contracts had exchange rates higher at the time of debt acceptance than those calculated in the business plan, resulting in low or no actual profit.

- Opportunities to purchase bulk rice in the North are becoming increasingly limited due to competitors buying entire vessels to ship to the North. Therefore, the company has to purchase bulk rice to ports in the South and then transport it to the North, leading to high costs, significant transportation losses, or purchase containerized rice to Hai Phong port, which is costly, involves small volumes, and has inconsistent quality.

- Competitor factories are expanding their capacity and implementing various policies to gain market share, including the company's market share.

- The machinery and equipment invested in between 2003 and 2011 are outdated, with obsolete and inaccurate raw material mixing technology. Ensuring consistent quality (a crucial principle in raw material production) is very difficult, hindering the creation of high-quality, profitable products.
- The finished goods and raw material warehouses are dilapidated and do not ensure the quality of stored goods.

3. Construction investment work

In 2025, the company invested in purchasing and upgrading several items to support its production and business operations, including 6 fixed assets with a total value of 1,478 million VND that have been completed and put into use.

Assessment and review of the implementation of investment projects.:

1. Project implementation status: Some large projects are still ongoing, such as the investment project for the finished flour mixing system. Some investment projects are on schedule to meet urgent needs, such as warehouse and office repairs, and investments in forklifts and bagging machines.

2. Project Management: The investment personnel do not fully meet the management requirements, leading to delays in some projects. Some department heads lack investment expertise, causing difficulties in decision-making.

3. Information processing and response status: Some reports are still delayed.

PART 2

BUSINESS PLAN IN 2026

1. General context in 2026

1.1 The global situation and the situation in Vietnam.

At the beginning of 2026, the global situation continued to be complex. The Russia-Ukraine war remained uncertain, and the US-Israel-Iran conflict caused a sudden surge in oil prices, impacting transportation costs and wheat prices. Instability in the Middle East also hampered the flow of goods through the region, making it difficult to purchase wheat from the Americas. Due to climate change, natural disasters continued to occur unexpectedly with devastating consequences. Vietnam was also significantly affected by the US-Iran conflict. At the time of this report, oil prices had at times increased by 50-60% compared to pre-war prices. Prices of all goods increased, including the company's input materials such as fuel, packaging, additives, transportation costs, and labor

1.2. Business situation

1.2.1. Favorable

Several products have established a strong market position under the brands Hong Yen, Phuong Hoang Xanh, Song Lam Thai Binh, and HQ8.

Promoting market expansion among the industrial confectionery manufacturing customer group.

- The payment terms for deferred sales have been shortened, reducing financial costs.

Building a new, high-quality workforce, with trained young successors.

1.2.2. Hard

The flour market will continue to experience slow growth due to rising prices. 2026 will see the most intense market competition among flour mills. External factors such as high exchange rates, high interest rates, and natural disasters will be negative influences in 2026

- Opportunities to purchase bulk rice are becoming increasingly scarce, forcing the company to buy raw materials in containers at higher costs and with less consistent quality. Limited storage capacity prevents the company from importing large quantities, impacting costs and the stability of raw material quality, thus reducing business efficiency.

Several new government policies regarding wages and taxes will take effect, increasing costs.

- Warehouse assets at the Hung Quang factory have deteriorated and become damaged after a long period of operation; some tenants have already returned the assets.

- Late payment penalties are a characteristic of the flour business, but they are also a problem the company needs to focus on. Balancing the benefits of boosting sales volume and promptly collecting outstanding debts remains a difficult challenge.

- The company is currently applying the L/C payment method and is gradually negotiating with customers to switch to TT (Telegraphic Transfer) at a lower cost; however, only some partners have accepted this.

2. Production and business plan indicators in 2026:

With negative factors stemming from the Middle East conflict, rising prices, exchange rates, and interest rates, the Company's production and business performance in 2026 will be significantly impacted. Based on the actual factors directly affecting production and business results mentioned above, and after analyzing trends and expectations for average growth in the flour production industry, the Company proposes the following specific production and business targets for 2026:

T T	Main Indicators	Unit	Plan for 2026
1	Total Buying Amount	Tons	100.300
2	Total Purchase Value	Million VND	639.550
3	Total Sales	Tons	100.000
3.1	<i>In which:</i> Rice	Tons	4.000
3.2	Powder	Tons	50.500
3.3	Rice, bran, agricultural products, other	Tons	45.500
4	Total Revenue	Million VND	776.340
4.1	<i>In which:</i>		41.150

T T	Main Indicators	Unit	Plan for 2025
	<i>Turnover of rice</i>	Million VND	
4.2	Powder Turnover	Million VND	490.860
4.3	Revenue: rice, bran, services, other, finance and other income	Million VND	244.330
5	Profit before tax	Million VND	4.900
6	Profit after tax	Million VND	3.920
7	Budget Submission	Million VND	31.700
8	Employee income	Million VND/person/month	10,97
9	Dividend (50%)	Million VND	1.960

3. Some solutions to achieve the set goals

3.1 Raw material procurement and sales

- The timing of rice replenishment needs to be carefully considered due to the volatile rice price situation.
- Coordinate with Technology and R&D to develop the most efficient and cost-effective rice utilization methods.
- Determine the appropriate timing for forward purchases to avoid the risk of high interest rates.
- Negotiate with partners to choose a payment method with lower costs than the current method.

3.2 Sales activities

- Maintain and expand the existing customer network.
- Diversify the products sold.
- Improve the capacity of personnel in the sales sector.
- Boost domestic rice sales.
- Develop a system of incentives, rewards, and penalties to increase supervision and encouragement.

3.3 Investment activities

- Focus on implementing planned investment projects.

- Investing in a flour mixing system and laboratory equipment.
- Implementing a raw material silo system at the Bao Phuoc factory to improve rice quality.
- In 2026, the company plans to invest in purchasing equipment and machinery for production and business, a plan approved by the parent company. However, given the increasingly high demands for food safety and hygiene and technology, the company needs to be flexible and invest more to support its production and business operations.

Unit: Million VND

No.	Name of Project	Place	Total investment	Expected capital source	2026 Disbursement Plan	Investment plan to be implemented in 2026	Note
1	Invest in building a finished flour mixing system.	Bao Phuoc Flour Mill – Dong Hai – Hai An – Hai Phong		The company's equity capital and borrowed capital.	30%	13,000	Project carried over from 2024
2	Invest in 3 silos of 1,000 tons each.	Bao Phuoc Flour Mill – Dong Hai – Hai An – Hai Phong	20,000	Company's equity	3%	500	
	Total		20,000			13,500	

3.4 Financial accounting work

Strengthen corporate governance, rationally assign and arrange accounting tasks in various locations, and inspect and guide accounting work at factories. Innovate accounting practices to optimize work, promptly provide and report data to meet management requirements.

- Monitor and urge the collection of customer debts, reducing capital tied up by customers. Improve accounting software. Promote professional training and development to enhance the quality of the accounting department's operations.
- Enhance the capacity of accounting department management personnel.
- Apply information technology in goods weighing.
- Closely monitor production to effectively control costs. Coordinate with the External Relations department to calculate appropriate loan times.
- Advise and propose effective and safe capital utilization plans

3.5 Labor organization

- Complete the new salary scale for the company.
- Strengthen recruitment of skilled personnel to supplement the workforce for production. Actively recruit and reward talented and skilled personnel, and nurture young, successor employees.
- Increase the organization of training courses to improve the skills of all company employees.

The above is the report on the business performance in 2025 and the business plan for 2026 of Vinafood 1 Flour Joint Stock Company, submitted to the General Meeting of Shareholders for consideration and approval:

1. Results of business performance in 2025 and investment and development activities in 2025.
2. Business plan for 2026, and some solutions to achieve the set goals for 2026.
3. Authorization for the Board of Directors to decide on adjustments to the business plan targets for 2026 and investment and development targets for 2026 according to the actual situation (if any)

Sincerely thank you! *STG W*

**ON BEHALF OF THE BOARD OF DIRECTORS
MEMBER OF BOD**



DIRECTOR

Phung Thanh Long